

“NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS RECORDED: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER’S LICENSE NUMBER”.

ASSIGNMENT OF OIL & GAS LEASE
AND BILL OF SALE

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF POLK §

WHEREAS, that certain Oil and Gas Leases were made and entered into by and between the Lessors and Lessees covering the lands described in Exhibit “A” attached hereto and made a part hereof.

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, NADSOILCO LLC, whose address is P.O. Box 220, Fresno, Texas 77545, hereinafter called “Assignor,” does hereby BARGAIN, SELL, ASSIGN and CONVEY unto the parties listed below and hereinafter called “Assignees”, the exact working interest and net revenue interest set aside each Assignee’s name

Working Interest Owner Name and Address	Working Interest (%)	Net Revenue Interest (%)
Hillcrest Resources Ltd 700 West Pender, Suite 1601 Vancouver BC V6C 1G8	30.000	22.500
Donnelly Oil and Gas LLC P.O. Box 218039 Houston, Texas 77218	10.000	7.500
Greg Stevens 3010 West Hickory Park Circle Sugar Land, Texas 77479	5.000	3.750
Everett. C. Barker 325 E. FM 772 Kingsville, Texas 78363	5.000	3.750

And in and to the following:

(a) The oil, gas, and mineral leases, and the leasehold estates created thereby of Assignor, described on Exhibit “A” attached hereto and made a part hereof (the “Leases”), whether such interests are evidenced by instruments recorded in the county where the leases are situated or Assignor is entitled to an assignment of such interests by reason of an exploration, farmout, farmin, participation, joint venture or other agreement, insofar as the Leases cover and affect those lands (and, if applicable, the depths) described in said Exhibit “A” (the “Lands”); it being the intent of Assignor to convey to Assignee, and Assignor does hereby convey to Assignee, all of Assignor’s undivided oil, gas, mineral and leasehold interests in the Lands and all of Assignor’s undivided interests in the Leases, whether or not the Leases and Lands are fully and correctly described herein; together with all tenements, hereditaments and appurtenances of Assignor belonging to the Leases;

(b) All wells and well bores, personal property, equipment and facilities located on the Lands used directly or indirectly in or associated with the operation of and production of oil, gas and other minerals from and pursuant to the Leases, including without limitation, pumps, pumping units, well equipment (surface and subsurface), gas plants, salt water disposal wells, lines and facilities, injection wells, lines and facilities, water wells, sulfur recovery

facilities, compressors, compressor stations, dehydration facilities, treating facilities, pipeline gathering lines, flow lines, transportation lines, valves, meters, separators, heater treaters, tanks, tank batteries and other fixtures;

(c) All contracts and contractual rights, obligations, and interests, including, without limitation, all oil or gas production sales and purchase contracts, water disposal agreements, water injection agreements, surface leases, surface use agreements, road use agreements, division and transfer orders, operating agreements, communitization, unitization and pooling agreements, area of mutual interest agreements, farmout agreements, farmin agreements, gas contracts, gas balancing agreements, storage agreements, insurance contracts, easements, rights-of-way, permits, licenses, authorizations and appurtenances and rights of every kind and character which are used or useful or appropriate to exploring for, developing, producing, operating, treating, storing, marketing or transporting oil, gas and other hydrocarbons or water in, on or under the Lands pursuant to the terms of the Leases, together with any causes of action accruing in favor of Assignor thereunder or in connection therewith, even if such causes of action accrued or began to accrue prior to the Effective Time;

(d) All of Assignor's original lease files, abstracts, title opinions and curative, production records, well files, electric logs, geological data and records, and other files, documents, legal opinions and records which directly relate to the properties described above, but nothing contained herein shall preclude Seller from retaining copies of the same;

(e) All of the oil, gas, condensate and natural gas liquids sold after the Effective Time, plus any "line fill" and oil inventory below the pipeline connection in all storage tanks attributable to the Leases and Lands and attributable to all of Assignor's rights, titles and interests;

All of the above real and personal properties, rights, titles, and interests described in subparagraphs (a) through (e) above, are hereinafter collectively called the "Properties".

This Assignment and Bill of Sale shall be effective as of November 1, 2009, at 7:00 a.m. local time where the Property is located ("Effective Time").

THIS ASSIGNMENT IS MADE WITHOUT WARRANTIES OR COVENANTS, EXPRESSED OR IMPLIED IN FACT OR IN LAW, AS TO TITLE, MERCHANTABILITY, DURABILITY, USE, OPERATION, FITNESS FOR ANY PARTICULAR PURPOSE, CONDITION, SAFETY OF THE PROPERTY, COMPLIANCE WITH REGULATORY AND ENVIRONMENTAL OR OTHERWISE. ASSIGNOR DOES NOT IN ANY WAY REPRESENT OR WARRANT THE ACCURACY OR COMPLETENESS OF ANY INFORMATION, DATA OR OTHER MATERIALS (WRITTEN OR ORAL) FURNISHED TO ASSIGNEE BY OR ON BEHALF OF ASSIGNOR.

ASSIGNEE HEREBY AGREES THAT IT HAS INSPECTED OR HAS BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTIES AND THAT IT ACCEPTS THE SAME "AS IS, WHERE IS" AND "WITH ALL FAULTS". Assignee agrees to assume all responsibility for the wells, the casing and all other leasehold equipment in and on said wells, and all other personal property and fixtures used on or in connection therewith before, on and after the Effective Time.

Assignee shall properly plug and abandon at Assignee's expense all wells herein assigned or located on the Property and shall clean and restore the surface at Assignee's expense and in accordance with the applicable lease provisions and State and Federal rules and regulations pertaining to the plugging and abandoning of such wells and the restoration of such surface. Assignee shall indemnify, defend and hold Assignor harmless from and against all Losses as a result of Assignee's failure to comply with the provisions of this paragraph and this Assignment.

All taxes, including but not limited to ad valorem, property, severance and windfall taxes currently due and attributable only to the Properties listed on Exhibit "A", shall be paid by Assignor as of the Effective Time, with Assignee responsible for all such taxes accruing thereafter. Assignee shall bear and pay any real property transfer taxes and any recording fees associated with the transfer of the Property. Assignee agrees to be solely responsible for any

and all sales taxes, if any, due on equipment, material and property hereby assigned and sold, and Assignee shall remit such sales taxes to the proper taxing authority.

This Assignment and Bill of Sale shall be binding upon and inure to the benefit of the Assignee, its heirs, successors, and assigns. Each party hereto, at the request of the other, shall from time to time execute and deliver such further agreements and instruments of conveyance and take further action as the other party may reasonably request to convey and deliver the subject properties to Assignee.

For the consideration above recited, Assignor represents and warrants to Assignee, its heirs, successors and assigns that Assignor is the lawful owner of the interest being assigned and conveyed hereto in those Leases described in Exhibit "A" and has all right and authority to sell and convey the same and Assignor hereby warrants and agrees to defend the title to said Leases as against the lawful claims and demands of the parties by, through and under Assignor but not otherwise.

Dated as shown and executed by Assignor and Assignee below, but effective as of the Effective Time.

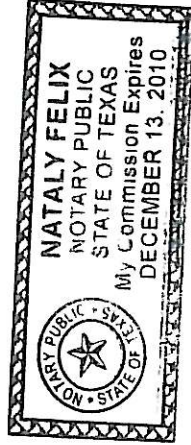
ASSIGNOR:
NADSOILCO LLC





By: Bruce A. Reichert

THE STATE OF TEXAS §
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COUNTY OF HARRIS

This instrument was acknowledged before me on this the 10th day of December 2009 by Bruce A. Reichert, President of NADSOILCO LLC, on behalf of said company.




Notary Public for the State of Texas
My commission expires: December 13, 2010

ASSIGNEE:
Hilcrest Resources Ltd


By: _____

THE STATE OF TEXAS

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COUNTY OF HARRIS

This instrument was acknowledged before me on this the 16th day of November 2009 by
Don Gee, President, Abajine of Hilcrest Resources Ltd
on behalf of said company.



Kelly Watson
Notary Public for the State of Texas
My commission expires: 03/20/2013

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EXHIBIT "A"

Attached to and made a part of that certain Assignment of Oil & Gas Lease and Bill of Sale, effective November 1, 2009, from Royalty Land & Development Co., Inc., Assignor, to NADSOILCO LLC, Assignee.

POLK COUNTY, TEXAS

1. Oil, Gas and Mineral Lease dated December 5, 1989 from Texaco, Inc. as Lessor to Anderson Producing, Inc. A memorandum of Oil and Gas Lease is filed of record in Volume 745, Page 682 of the Official Records of Polk County, Texas.
2. Oil and Gas Lease dated December 12, 1989 from NCNB Texas National Bank, Trustee of the Wirt Davis II Trust, the Camilla Davis trammel Trust and the Patricia Davis Beck Trust. A memorandum of Oil and Gas Lease is filed of record in Volume 745, Page 686 of the Official Records of Polk County, Texas.

The above referenced Oil and Gas Leases cover the following described tracts of land:

TRACT #1

BEGINNING at a stake at the most northerly corner of the Jim Duff 35-acre Tract, in the Augustine Vieca Survey A-77, Polk County, Texas, said point being north 30 deg. 47' west, a distance of 267 feet from the most westerly corner of the W.C. Craig 98-acre tract;

THENCE south 59 deg. 5' west along the N.W. line of said Jim Duff 35-acres, a distance of 753 feet to the most easterly corner of the Munson 25-acre tract;

THENCE north 31 deg. 0' west along the N.E. line of said Munson 25-acre tract a distance of 1141 feet to stake for inside --- corner this tract, same being the most northerly corner of said Munson 25-acre tract;

THENCE south 59 deg. 14' west along the N.W. line of the Munson 25-acre tract, a distance of 640 feet to the S.E. corner of the R.W. Reed land;

THENCE north 30 deg. 48' west with the inside line of said Reed land a distance of 1223 feet to an inside corner of the Reed land, same being the most westerly corner of this tract;

THENCE north 50 deg. 47' east with an inside line of said Reed land, a distance of 1336 feet to the most westerly corner of a 157-acre tract also belonging to Carlton, Davis and Holmes;

THENCE south 32 deg. 18' east with the S.W. line of said 157 acre tract a distance of 2349 feet **TO THE PLACE OF BEGINNING**; and containing a total of 57.09 acres of land, more or less.

TRACT #2

BEGINNING at iron bar in northwest line of Davis-Holmes 1361.29-acre tract from which the most westerly corner of said Davis-Holmes tract bears south 59 deg. 47' west a distance of 1336 feet;

THENCE north 59 deg. 47' east along line of Kavanaugh land a distance of 2634 feet to iron bar at northerly northwest corner of 542.9-acre tract;

THENCE south 32 deg. 18' west along line of said 542.9-acre tract a distance of 2576 feet to an iron bar at northeast corner of Craig 98-acre tract from which a 10-inch White Oak bears south 13 deg. west 13 feet and a 9-inch White Oak bears north 64 deg. east 31 feet;

THENCE south 58 deg. 55' west long northwest line of sid Craig 98-acre tract a distance of 2641 feet to a pine knot at northwest corner of said 98-acre tract, same being on northeast line of Jim Duff 35-acre tract, a 6-inch hickory bears north 2 deg. west 11 feet and a 6-inch Black Gum bears south 17 deg. 30' west 10 feet;

THENCE north 30 deg. 47' west a distance of 267 feet to northeast corner of said Duff 35-acre tract, same being southeast corner of a 57.09 acre tract;

THENCE north 32 deg. 18' west along northeast line of said 57.09-acre tract a distance of 2349 feet TO PLACE OF BEGINNING ; and containing a total of 157.00 acres, more or less.

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