

## ASSIGNMENT AND BILL OF SALE

State: New Mexico

County: San Juan

Assignor: Northstar Oil and Gas

Assignor's Address: 1409 Beaver Road, Sewickley, Pennsylvania 15143

Assignee: Cecil Gustin

Assignee's Address: 4320 W. Main St., Farmington, NM 87401

Effective Date: August 1, 2007

For adequate consideration, Assignor, named above, sells, assigns, and conveys to Assignee, named above, all of all of Assignor's rights, title, and interests in the Oil and Gas Leases (the "Leases") on lands located in the county and state named above. The Leases and lands are described in Exhibit "A" attached to this Assignment. This Exhibit is incorporated into this Assignment for all purposes. By this Assignment, Assignor also sells, assigns, and conveys to Assignee all of Assignor's interest in all equipment, personal property, and fixtures located on the lands covered by the Leases.

The undivided interest assigned to Assignee shall bear and be subject to the terms of the Leases, its proportionate share of all Lease and leasehold estate burdens affecting or burdening Assignor's interests, which are of record as of the Effective Date of this Assignment, and all agreements governing the operation of the Leases and the sale of oil and/or gas produced from the Leases. This Assignment is made, delivered, and accepted with warranty of title as to the undivided interest described above, by, through, and under Assignor but not otherwise.

This Assignment is executed by Assignor as of the date of acknowledgment of Assignor's signature below, but is effective for all purposes as of the Effective Date stated above.

Northstar Oil and Gas Corp

John C. Corbett  
John C. Corbett - President


STATE OF TX  
COUNTY OF Midland

This instrument was acknowledged before me on Aug 1, 2007 by John C. Corbett, President of Northstar Oil and Gas Corp., a New Mexico corporation, on behalf of said corporation.



Bryan Garza  
Notary Public, State of Texas  
Printed Name: Bryan Garza  
Commission Expires: Dec. 05, 2010

Oil Conservation Commission  
Case No. 13920  
Exhibit No. 1-B

  
200713787 08/13/2007 04:15P  
1 of 2 B1460 P997 R 21.00  
San Juan County, NM Clerk FRAN HANHARDT

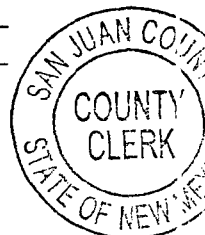



Exhibit "A"

Attached to and made a part of that certain Assignment and Bill of Sale dated effective as of August 1, 2007, by and between Northstar Oil and Gas Corp, as Assignor, and Cecil Gustin, as Assignee.

Leases

1. Date: 5/20/2006  
Lessor: Helen Booher  
Lessee: Northstar Oil and Gas Corp.  
Recorded: B1436 P222  
Lands: 54.65 Gross/ 27.325 Net Acres  
E/2SE/4 Sec. 12, T29N, R15W  
San Juan County, New Mexico
2. Date: 4/10/2006  
Lessor: Anne Booth, aka Ann C. Wilcox  
Lessee: Northstar Oil and Gas Corp.  
Recorded: B1436 P223  
Lands: 54.65 Gross/ 27.325 Net Acres  
E/2SE/4 Sec. 12, T29N, R15W  
San Juan County, New Mexico
3. Date: 4/10/2006  
Lessor: Janelle Bond Davis, et al, Trustees  
Lessee: Northstar Oil and Gas Corp.  
Recorded: B1436 P221  
Lands: 18.84 Gross/ 18.84 Net Acres  
E/2SE/4 Sec. 12, T29N, R15W  
San Juan County, New Mexico
4. Date: 5/20/2006  
Lessor: Robert J. Bond, et ux  
Lessee: Northstar Oil and Gas Corp.  
Recorded: B1436 P222  
Lands: 0.871 Gross/ 0.871 Net Acres  
E/2SE/4 Sec. 12, T29N, R15W  
San Juan County, New Mexico

  
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