## **EXHIBIT B**

PRC 8675.1

RECORDED AT THE REQUEST OF AND WHEN RECORDED MAIL TO:

#### STATE OF CALIFORNIA

State Lands Commission 100 Howe Avenue, Suite 100-South Sacramento, CA 95825-8202 Attn: Title Unit

# STATE OF CALIFORNIA OFFICIAL BUSINESS

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SPACE ABOVE THIS LINE FOR RECORDER'S USE

#### SURRENDER OF STATE OIL AND GAS LEASE

State Oil and Gas Lease No. <u>PRC 8675.1</u> (Lease), covering certain State lands located in <u>Sacramento</u> County, State of California, was issued to Towne Exploration Company (Lessee) by the State of California, acting through the California State Lands Commission (State), on <u>April 17, 2006</u>, and was recorded in the Official Records of <u>Sacramento</u> County, at Book 20060517, Page 0122, on May 17, 2006.

Towne Exploration Company, a California limited partnership (Assignor) assigned forty percent of its undivided right, title and interest under State Oil and Gas Lease No. PRC 8675.1 to Capitol Oil Corporation (Assignee). At its meeting on May 10, 2007, the State Lands Commission approved said assignment effective June 1, 2007. It was recorded in the Official Records of Sacramento County at Document Number 200808261054 on August 26, 2008.

Capitol Oil Corporation (Assignor), as holder of an undivided forty percent (40%) interest, assigned all of its undivided right, title and interest under State Oil and Gas Lease No. PRC 8675.1 to ABA Energy Corporation (Assignee). At its meeting on May 5, 2008, the State Lands Commission approved said assignment effective June 1, 2008. It was recorded in the Official Records of Sacramento County, in Book 20080902, at Page 1221, on September 2, 2008.

Towne Exploration Company and ABA Energy Corporation (Lessees) are the present holders of the Lease.

Pursuant to the terms of State Oil and Gas Lease No. PRC 8675.1, the Lessee may make at any time a written quitclaim or relinquishment of all rights under this Lease or of any portion of the leased lands comprising a ten-acre parcel or multiple thereof in a compact form, or of any separate or distinct zone or geological horizon or portion thereof underlying a ten-acre parcel or multiple thereof in a compact form.

Acting in accordance with such terms, the **Lessees** do hereby release, remise and forever surrender and quitclaim unto the **State of California** all of their right, title and interest in and to the State lands held by virtue of State Oil and Gas Lease No. PRC 8675.1, which lands are described in the attached Exhibit A.

IN WITNESS WHEREOF, this SURRENDER OF STATE OIL AND GAS LEASE is executed this 30th day of March, 2009.

LESSEE:

LESSEE/ASSIGNEE:

ABA Energy Corporation

**Towne Exploration Company** 

Alan B Adler, President

Edward B. Towne, General Partner

# Acknowledgment

State of California

County of SAN FRANCISCO )
On March 30, 2009, before me, <u>SALLY K. BURR</u> , Notary Public, personally appeared <u>EDWARD B. TOWNE</u> , who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are-subscribed to the within instrument and acknowledged to me that, he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
Signature  Sally K. Burr, Notary Public My commission expires May 20, 2011  Sally K. Burr, Notary Public My commission expires May 20, 2011
State of California ) ) ss. County of Kern )
On
Signature  Notary Public  (Seal)

#### EXHIBIT A

### LAND DESCRIPTION

A 800 feet wide strip of tide and submerged land in the bed of the North Fork of the Mokelumne River situated in Sacramento and San Joaquin Counties, California, adjacent to those parcels of land as described in Oil, Gas and Mineral Lease on Tyler Island recorded in document number 200602101376 Sacramento County Records and Oil, Gas and Mineral Lease on Staten Island recorded in document number 2005-174721 San Joaquin County Records, the centerline of said strip described as follows:

Beginning at a point on Tyler Island having a CCS 83, Zone 3 coordinates of North = 2262239 feet, East = 6270450 feet, thence across the North Fork of the Mokelumne River South 09° 55' 40" East, 606 feet more or less to a point on Staten Island also being the left bank of said River.

The sidelines of said strip shall be extended or shortened at the right and left ordinary high water marks within said River.

END OF DESCRIPTION