EXHIBIT B PRC 8676.1

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
Document entitled to free recordation
pursuant to Government Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

SURRENDER OF STATE OIL AND GAS LEASE

State Oil and Gas Lease No. **PRC 8676.1** (Lease), covering certain State lands located in Sacramento 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 April 17, 2006, and was recorded in the Official Records of Sacramento County, at Book 20060517, Page 0123, 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 8676.1 to Capitol Oil Corporation, a California 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, in Book 20080826, at Page 1055, on August 26, 2008.

Towne Exploration Company and Capitol Oil Corporation (Lessees) are the present holders of the Lease.

Pursuant to the terms of State Oil and Gas Lease No. PRC 8676.1, 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 8676.1, 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:

Towne Exploration Company

By: _____
Edward B. Towne, General Partner

LESSEE/ASSIGNEE:

Capitol Oil Corporation

By: _____
Stephen D. Brooks, President

Acknowledgment

State of California)
) ss.
County of SAN FRANCISCO)

On March 30, 2009, before me, SALLY K. BURR, Notary Public, personally appeared **EDWARD B. TOWNE**, 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.

WITNESS my hand and official seal.

Signature Sally K Burr (Seal)
Sally K. Burr, Notary Public
My commission expires May 20, 2011

SALLY K. BURR
Commission # 1740996
Notary Public - California
San Francisco County
My Comm. Expires May 20, 2011

State of California)
) ss.
County of Sacramento)

On April 27, 2009, before me Michael T. Rogers, Notary Public, personally appeared **STEPHEN D. BROOKS**, 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.

WITNESS my hand and official seal.

Signature Michael T. Rogers (Seal)
Notary Public

MICHAEL T. ROGERS
COMM. # 1733579
NOTARY PUBLIC - CALIFORNIA
SACRAMENTO COUNTY
MY COMM. EXP. MAR. 26, 2011

EXHIBIT A

LAND DESCRIPTION

A parcel of tide and submerged land in the bed of the Sacramento River situated in Sacramento County, California, and more particular described as follows:

Beginning at a point at the centerline of State Route 160 Highway Bridge and the left bank of the Sacramento River, thence along said left bank North 29° 41' 23" East, 512.76 feet; thence North 27° 36' 41" East, 1925.95 feet; thence leaving said left bank North 62° 23' 19" West, 518.68 feet to a point on the right bank of said River; thence along said bank South 28° 17' 15" West, 1072.40 feet; thence South 30° 03' 18" West, 1344.75 feet to the centerline of said bridge; thence along said centerline South 60° 07' 35" East, 570.51 feet to the point of Beginning.

EXCEPTING THEREFROM any portion lying landward of the ordinary high water mark.

END OF DESCRIPTION