

EXHIBIT B

PRC 3650.1

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

QUITCLAIM OF COMPENSATORY AGREEMENT PRC 3650.1

STATE OF CALIFORNIA)

COUNTIES of FRESNO and MADERA)

WHEREAS, Daniel L. Pickrell (Pickrell) and Vern Jones Oil and Gas Corporation (Vern Jones) are the successor lessees to that certain Compensatory Agreement Easement 3650.1 (Agreement) dated November 28, 1966, by and between Shell Oil Company (Shell), lessee, and the State of California, acting by and through the California State Lands Commission (State), covering certain state lands underlying the San Joaquin River and associated water courses in the Gill Ranch Gas Field in Madera and Fresno Counties, California; and

WHEREAS, Paragraph 6 of the Agreement permits the parties to terminate the Agreement by mutual consent, and Section 6804.1 of the California Public Resources Code permits Pickrell and Vern Jones, as the successor lessees of the Agreement, to quitclaim all of their rights under the Agreement, and Pickrell and Vern Jones have elected to surrender and release all of their right, title and interest in the Agreement; now, therefore be it

RESOLVED, that Daniel L. Pickrell (Pickrell) and Vern Jones Oil and Gas Corporation (Vern Jones) do hereby release, remise, terminate and quitclaim all of their right, title and interest in and to the Agreement.

IN WITNESS WHEREOF, this 13 day of January, 2010.

Print Name(s) or Entity Name

By: _____

VERN JONES OIL & GAS CORPORATION

By: Vern C. Jones
Vern C. Jones, President

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

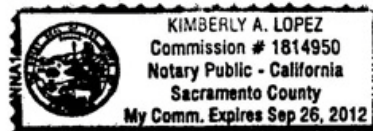
State of California
County of Sacramento)

On January 13, 2010 before me, Kimberly A. Lopez, Notary Public (insert name and title of the officer) personally appeared Vern C. Jones, Jr

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 Kimberly A. Lopez (Seal)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of _____)

On _____ before me, _____ (insert name and title of the officer) personally appeared _____

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.

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Signature _____ (Seal)

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QUITCLAIM OF COMPENSATORY AGREEMENT PRC 3650.1

Compensatory Agreement Easement 3650.1 (Agreement), covering certain state lands underlying San Joaquin River and associated water courses in the Gill Ranch Gas Field in Madera and Fresno Counties, California, was issued October 1, 1966, between the State of California, acting through the California State Lands Commission (State) and Shell Oil Company (Shell). The Agreement was amended effective June 1, 1992 by the Daniel L. Pickrell (Pickrell) and Vern Jones Oil & Gas Corporation (Vern Jones), successors in interest to Shell.

Paragraph 6 of the Agreement permits the parties to terminate the Agreement by mutual consent. Section 6804.1 of the Public Resources Code permits Pickrell and Vern Jones, as the holders of the Agreement, to quitclaim all of their rights under the Agreement. Acting pursuant to these provisions, Pickrell and Vern Jones, collectively release, remise and forever quitclaim unto the State, all of their right, title and interest in and to the Agreement.

IN WITNESS WHEREOF, this Quitclaim is executed on 2/3/2010, 2008.

DANIEL L. PICKRELL

VERN JONES OIL & GAS CORPORATION

By: *Daniel L. Pickrell, trustee*
(Signature)

By: _____
(Signature)

for Estate of Daniel L. Pickrell
Daniel L. Pickrell

(Name of Officer)

(Title)

ACKNOWLEDGMENT