

EXHIBIT C

PRC 8618.1

STATE OF CALIFORNIA STATE LANDS COMMISSION

AMENDMENT

THIS AMENDMENT is entered into by the State of California, acting by and through the State Lands Commission, herein referred to as "State", and Stream Energy, Inc., herein referred to as "Stream".

The California State Lands Commission (Commission) issued a negotiated limited surface use Oil and Gas Lease No. PRC 8618.1 (Lease) to Stream on June 20, 2005. Stream desires the state to accept the proposed Shoreline Unit and CT-KD Unit pooling agreements.

The State Lands Commission has determined that it is in the State's best interest to make certain modifications to the terms of each of the leases in connection with its approval of the proposed pooling agreements.

The State and Stream do hereby agree as follows:

1. State Oil and Gas Lease PRC 8618.1 be amended to add 19.50 acres, described as Parcel B on Exhibit B of this document.
2. As provided in Paragraph 2 of the Lease, Stream shall pay annual rental for the entire leased lands, including the new acreage, in the amount of Twenty-five dollars (\$25.00) per acre or an annual rental of \$950.00 for approximately 37.41 acres. Stream has paid or agrees to pay the current year's rental for the lease including the rental of the increased 19.50 acres from March 25, 2008 through June 19, 2008 in the amount of \$ 119.00. Therefore it is agreed to amend State Oil and Gas Lease 8618.1 by deleting Paragraph 1 of Exhibit "B" and Replacing it with the following Language:

The annual Rental for this lease shall be Twenty-five dollars (\$25.00) per acre or fraction of an acre for a total of Nine Hundred Fifty dollars (\$950.00) for approximately 337.41 acres.

3. Paragraph 35 of State Oil and Gas Lease PRC 8618.1 is hereby added to the existing terms and conditions of said leases:

Lessee agrees to enter into a State Standard Reimbursable Agreement to reimburse the State for the reasonable and necessary costs incurred for the administration and implementation of the terms and conditions of this lease (including but not limited to engineering review, royalty verification and/or audit, reservoir and geologic review, annual lease reviews, and for staff time or expenses expended to ensure lease operations conform to the terms of the Lease and to the State's rules and regulations). This "Management Fee" shall commence on April 1, 2008, that shall not exceed two thousand dollars (\$2,000) for the first year, and the "not to exceed" amount will increase by three percent (3%) per year, with the increase taking effect annually on April 1st of each successive year of the Lease.

It is further agreed that all other terms and conditions of said Lease are to remain unchanged and in full force and effect.

This Amendment to the Lease will become binding only when duly executed on behalf of the State of California by and through the State Lands Commission of the State of California.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date hereafter affixed.

Stream Energy, Inc.

**State of California
State Lands Commission**

By: _____
(Signature)

By: _____
(Signature)

(Name of Officer)

Paul B. Mount II, P.E.
(Name of Officer)

(Title)

Chief, Mineral Resources Management
(Title)

Date: _____

Date: _____

ATTEST

ATTEST