

SCANNED

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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JUL 26 2010

Form T-1

March 2010

Form must be Typed

Form must be Signed

All blanks must be Filled

REQUEST FOR CHANGE OF OPERATOR
TRANSFER OF INJECTION OR SURFACE PIT PERMITForm KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act,
MUST be submitted with this form.

Check Applicable Boxes:

- ☒ Oil Lease: No. of Oil Wells 24 **
- ☐ Gas Lease: No. of Gas Wells _____ **
- ☐ Gas Gathering System: _____
- ☐ Saltwater Disposal Well - Permit No.: _____
- Spot Location: _____ feet from ☐ N / ☐ S Line
_____ feet from ☐ E / ☐ W Line
- ☐ Enhanced Recovery Project Permit No.: _____
- Entire Project: ☐ Yes ☐ No
- Number of Injection Wells _____ **

Field Name: Beachner II**** Side Two Must Be Completed.**Effective Date of Transfer: 7-20-2010KS Dept of Revenue Lease No.: 1006774303 117270Lease Name: Beachner IISec. 15 Twp. 29S R. 21 ☒ E ☐ WLegal Description of Lease: SW 1/4 S15/T29s/R21eCounty: NeoshaProduction Zone(s): PeruInjection Zone(s): NASurface Pit Permit No.: P02717

(API No. if Drill Pit, WO or Haul)

Type of Pit: ☐ Emergency ☐ Burn ☐ Settling ☐ Haul-Off ☐ Workover ☐ DrillingPast Operator's License No. 8271 ✓Past Operator's Name & Address: Electro Frac Corp3100 Broadway, Kansas City, MO 64111Title: PresidentContact Person: Erich Sarapuu- DeceasedPhone: unknownDate: New LeaseSignature: Oil Lease AttachedNew Operator's License No. 34238 ✓New Operator's Name & Address: Freedom Energy International, Inc531 Airport North Office ParkFort Wayne, Indiana 46825Title: CEOContact Person: Brian KistlerPhone: 260-490-9990Oil / Gas Purchaser: Hi SierraDate: July 20, 2010Signature: [Signature]

Acknowledgment of Transfer: The above request for transfer of injection authorization, surface pit permit # _____ has been noted, approved and duly recorded in the records of the Kansas Corporation Commission. This acknowledgment of transfer pertains to Kansas Corporation Commission records only and does not convey any ownership interest in the above injection well(s) or pit permit.

_____ is acknowledged as
the new operator and may continue to inject fluids as authorized by
Permit No.: _____ Recommended action: _____

Date: _____

Authorized Signature

Freedom Energy International is acknowledged as
the new operator of the above named lease containing the surface pit
permitted by No.: P02717

Date: 6/29/10 Jonelle R Rains cc Kathy

Authorized Signature

DISTRICT _____ EPR 10-26-10 PRODUCTION 10-29-2010 UIC 10-29-10
Mail to: Past Operator 11-01-10 New Operator 11-01-10 District # 3 11-01-10

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

072010 Beachner II.pdf

Must Be Filed For All Wells

KDOR Lease No.: 1006774303

* Lease Name: Beachner II

* Location: SW 1/4 S15/T29s/R21e

Well No.	API No. (YR DRLD/PRE '67)	Footage from Section Line (i.e. FSL = Feet from South Line)	Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA'D/Abandoned)	
27	15-133-23-975 ✓	850 ^{Circle} FSL/FNL	2475 ^{Circle} FEL/FWL	oil	prod
20	15-133-23-968 ✓	200 ^{Circle} FSL/FNL	2145 ^{Circle} FEL/FWL	oil	prod
21	15-133-23-969 ✓	200 ^{Circle} FSL/FNL	2475 ^{Circle} FEL/FWL	oil	prod
18	15-133-23-966 ✓	200 ^{Circle} FSL/FNL	1560 ^{Circle} FEL/FWL	oil	prod
19	15-133-23-967 ✓	200 ^{Circle} FSL/FNL	1815 ^{Circle} FEL/FWL	oil	prod
2	15-133-01890-00-01 133-01-002 ✓	390 ^{Circle} FSL/FNL	660 ^{Circle} FEL/FWL	oil	prod
42	15-133-01891-00-01 133-01-004 ✓	685 ^{Circle} FSL/FNL	1955 ^{Circle} FEL/FWL	oil	prod
43	15-133-01892-00-01 133-01-000 ✓	1475 ^{Circle} FSL/FNL	1120 ^{Circle} FEL/FWL	oil	prod
23	15-133-23-971 ✓	520 ^{Circle} FSL/FNL	1980 ^{Circle} FEL/FWL	oil	prod
24	15-133-23-972 ✓	520 ^{Circle} FSL/FNL	1700 ^{Circle} FEL/FWL	oil	prod
26	15-133-23-974 ✓	850 ^{Circle} FSL/FNL	2100 ^{Circle} FEL/FWL	oil	prod
25	15-133-23-973 ✓	850 ^{Circle} FSL/FNL	1813 ^{Circle} FEL/FWL	oil	prod
41	15-133-24-013 ✓	1860 ^{Circle} FSL/FNL	2330 ^{Circle} FEL/FWL	oil	prod
29	15-133-23-977 ✓	1180 ^{Circle} FSL/FNL	1815 ^{Circle} FEL/FWL	oil	prod
33	15-13324-005 ✓	1530 ^{Circle} FSL/FNL	460 ^{Circle} FEL/FWL	oil	prod
40	15-133-24-012 ✓	1860 ^{Circle} FSL/FNL	2000 ^{Circle} FEL/FWL	oil	prod
35	15-133-24-007 ✓	1530 ^{Circle} FSL/FNL	1150 ^{Circle} FEL/FWL	oil	prod
17	15-133-23-309 ✓	578 ^{Circle} FSL/FNL	1195 ^{Circle} FEL/FWL	oil	prod
39	15-133-24-011 ✓	1860 ^{Circle} FSL/FNL	1670 ^{Circle} FEL/FWL	oil	prod
34	15-133-24-006 ✓	1530 ^{Circle} FSL/FNL	795 ^{Circle} FEL/FWL	oil	prod
32	15-133-24-004 ✓	970 ^{Circle} FSL/FNL	1240 ^{Circle} FEL/FWL	oil	prod
30	15-133-24-002 ✓	1199 ^{Circle} FSL/FNL	1335 ^{Circle} FEL/FWL	oil	prod
31	15-133-24-003 ✓	640 ^{Circle} FSL/FNL	1490 ^{Circle} FEL/FWL	oil	prod
28	15-133-23-976 ✓	1188 ^{Circle} FSL/FNL	1485 ^{Circle} FEL/FWL	oil	prod

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A separate sheet may be attached if necessary

* When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.

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Form KSONA-1
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**CERTIFICATION OF COMPLIANCE WITH THE
KANSAS SURFACE OWNER NOTIFICATION ACT**

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: ☐ C-1 (Intent) ☐ CB-1 (Cathodic Protection Borehole Intent) ☒ T-1 (Transfer) ☐ CP-1 (Plugging Application)

OPERATOR: License # 34238
Name: Freedom Energy International, Inc53
Address 1: 531 Airport North Office Park
Address 2: _____
City: Fort Wayne State: IN Zip: 46825 + _____
Contact Person: Brian Kistler
Phone: (260) 490-9990 Fax: (866) 745-8713
Email Address: _____

Well Location:
_____-_____-_____- Sec. _____ Twp. _____ S. R. _____ ☐ East ☐ West

County: _____

Lease Name: _____ Well #: _____

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

South west 1/4 of Sec 15 Twp 29S Range 21E

Surface Owner Information:

Name: Beachner Bros, Inc.
Address 1: 6th Street
Address 2: _____
City: St. Paul State: KS Zip: 66771 + _____

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

☒ I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.

☐ I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: 7-20-2010 Signature of Operator or Agent:  Title: CEO

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March 11, 2009 AT 11:07 O'CLOCK AM

Glenda K Taylor
\$16.00 GLENDA K TAYLOR, REGISTER OF DEEDS

OIL LEASE

AGREEMENT, Made and entered into this 23rd day of February 2009, by and between

BEACHNER BROS., INC., hereinafter called lessor (whether one or more) and

FREEDOM FINANCIAL HOLDINGS, INC., hereinafter called lessee.

WITNESSETH, That the said lessor, for and in consideration of \$4,000 dollars, cash in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto said lessee, for the sole and only purpose of exploring by geophysical and other methods, mining, and operating for crude oil, and building tanks, power stations and structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of NEOSHO, State of Kansas, as described as follows, to-wit:

South-West ¼ of Section 15 Township 29s Range 21E and containing 160 acres more or less.

It is agreed that this lease shall remain in full force for a term of one year from this date, and as long thereafter as oil is produced from said land by the lessee and/or assigns.

In consideration of the premises the said lessee covenants and agrees:

1. To deliver to the credit of lessor, free of cost, the equal of three-sixteenths (18.75%) part of all oil produced and saved from the leased premises.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the lessor only in the proportion which his interest bears to the whole and undivided fee.

2. Lessee shall have the right to use, free of cost, gas, oil, and water produced on said land for its operation thereon, except water from wells of lessor.
3. Lessee shall bury pipe and electric lines below plow depth with exception of overhead power lines.
4. Lessee shall pay for damages caused by its operation to growing crops on said land.
5. Lessee shall have the right at any time to remove their own machinery and fixtures placed on said premises, that the lessee owns separately and uses with the existing inventory of machinery and fixtures owned by lessor, on said premises. (See: Existing Inventory By Lessor.)
6. Lessor grants lessee full use of the existing inventory of machinery and fixtures exclusively on said premises. Lessee shall build: (1) roads providing access to the wells, (2) structures and (3) other improvements on said land, without cost to the lessor, for the purpose of operating oil producing activities.
7. Lessee has right to assign lease to other parties.
8. Lessor grants lessee First Option to acquire gas lease from lessor on said land.
9. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil be found in paying quantities, this lease shall continue and be in force with the like effect as if such well had been completed within the term of years herein first mentioned.

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If the estate of either party hereto is assigned, the covenants hereto shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof, and it is hereby agreed in the event this lease shall be assigned as to a part or as to parts of the above described lands and to the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands upon which the said lessee or assignee thereof shall make due payments of said rentals. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor and be subrogated to the rights of and holder thereof.

Additions: _____

Existing Inventory by Lessor: Tanks: _____ Pump Jacks: _____ Buildings: _____

Wells with 1" pipe: _____ Wells with no pipe: _____ Injection Pump: _____

Poles: _____ Other: _____

Whereof witness our hands as of the day and year _____

first above written.

Beachner Bros., Inc.

By: Eugene C. Beachner (SEAL)

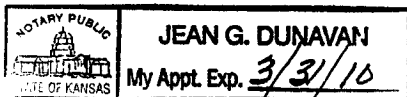
STATE OF: Kansas

ss. ACKNOWLEDGEMENT FOR THE INDIVIDUAL

COUNTY OF: Neosho

Before me, the undersigned, a Notary Public, within and for said county and state, on this 23 day of)

Feb. A.D. 2009, personally appeared Eugene C. Beachner

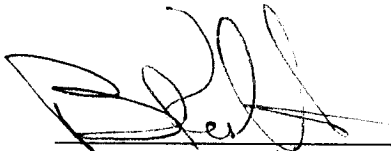


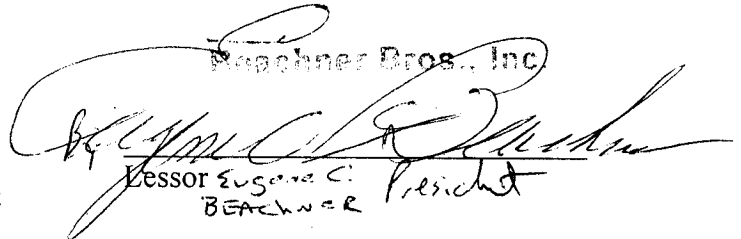
Jean G. Dunavan

Annex A:

Lessee guarantees lessor a minimum royalty of \$25/acre or \$4,000 annually after the first year. Payment to be paid to lessor within 30 days of the anniversary date of the attached lease.

Although Lessor has absolutely no ownership of any lease on the property, Lessor has obtained ownership of personal property and equipment used in oilfield and gas operations. As part of the consideration for this lease, Lessor agrees that Lessee can use the existing equipment presently located on the real estate. However, Lessor retains ownership of this personal property upon termination of the lease. Lessee acknowledges that Lessor is sole owner of the existing personal property and equipment located on the real estate but Lessee further acknowledges that Lessee is the sole owner of the lease and that Lessor has no interest in the lease. Lessee shall retain ownership of any equipment provided by Lessee in regard to the lease operation. Although Lessor may own items of personal property, Lessor has never operated any previous lease on the property and will not carry out any functions relating the lease being solely conveyed to Lessee. Lessee further acknowledges that Lessor has no interest in the lease other than a royalty interest as provided herein solely as the landowner of the real estate.


 Lessee BRIAN KISTLER
 FREEDOM FINANCIAL HOLDINGS
 CEO


 Lessor EUGENE C. BEACHNER
 BEACHNER Bros., Inc. President

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