

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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 PERMIT

Form 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 18 21 **
☐ 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.: 6-07.703
Entire Project: ☐ Yes ☒ No
Number of Injection Wells 1 **

Field Name: St Paul-Walnut field

**** Side Two Must Be Completed.**

Effective Date of Transfer: 01-20-2012

KS Dept of Revenue Lease No.: 114173

Lease Name: BILL HOLTOM / C&H Oil Co Beackner

E 2 - NE 4 Sec. 21 Twp. 29 R. 21 ☒ E ☐ W

Legal Description of Lease: E 1/2 of the NE 1/4 of section 21 township 29 S range 21E

County: Neosho

Production Zone(s): Peru

Injection Zone(s): Peru

Surface Pit Permit No.: n/a
(API No. if Drill Pit, WO or Haul)

Type of Pit: ☐ Emergency ☐ Burn ☐ Settling ☐ Haul-Off ☐ Workover ☒ Drilling

Past Operator's License No. 8271 exp. 6/30/92

Past Operator's Name & Address: Erich Sarapuu
1215 W 12th St Kansas City Missouri 64101

Title: owner/deceased

Contact Person: deceased

Phone: n/a

Date: n/a

Signature: Assignment Attached

New Operator's License No. 34675

New Operator's Name & Address: C & Oil Co (Bill Holtom)
1625 S Longford #103
Wichita, KS 67207

Title: general partner

Contact Person: Bill Holtom

Phone: 316-371-6885

Oil / Gas Purchaser: Pacer Energy

Date: 01/20/2012

Signature: Bill Holtom

Acknowledgment of Transfer: The above request for transfer of injection authorization, surface pit permit # n/a 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.

Holtom, Bill A. A General Partnership is acknowledged as
the new operator and may continue to inject fluids as authorized by
Permit No.: 6-07.703 . Recommended action: Please
Schedule MET w/ District ASAP
Date: 12-20-12 Cheryl L. Bays
Authorized Signature

_____ is acknowledged as
the new operator of the above named lease containing the surface pit
permitted by No.: _____
Date: _____
Authorized Signature

RECEIVED

NOV 20 2012

KCC WICHITA

DISTRICT _____ EPR 11/29/12 PRODUCTION 12-20-12 UIC 12-20-12
Mail to: Past Operator 12-20-12 New Operator 12-20-12 District 3 12-20-12

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

012012 Beackner IMJ.pdf

Must Be Filed For All Wells

KDOR Lease No.: 114173

* Lease Name: ~~BILL HOLTOM/ C&H OIL CO~~ *Beachner*

* Location: E1/2 of the NE 1/4 of section 21 township 29S Range 21E

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)
2e	15-133-24327 ✓	4783 FSL 197 FSL/FNL	175 FSL/FWL	oil active
4p	15-133-02217 ✓	4388 FSL 892 FSL/FNL	1191 FSL/FWL	oil active
5p	15-133-02218 ✓	3041 FSL 1639 FSL/FNL	1174 FSL/FWL	oil active
E 6p	15-133-24328 ✓	3543 FSL 1737 FSL/FNL	1066 FSL/FWL	oil active
7p	15-133-02219 ✓	3406 FSL 1874 FSL/FNL	969 FSL/FWL	oil active
E 9p	15-133-24330 ✓	5000 FSL 210 FSL/FNL	492 FSL/FWL	oil active
E 10p	15-133-24949 ✓	4329 FSL 951 FSL/FNL	128 FSL/FWL	oil active
E 12	15-133-24446 ✓	4132 FSL 1148 FSL/FNL	490 FSL/FWL	oil active4
E 15	15-133-24333 ✓	3166 FSL 2114 FSL/FNL	482 FSL/FWL	oil active
17p	15-133-02220 ✓	3631 FSL 1649 FSL/FNL	446 FSL/FWL	oil active
19e	15-133-24448 ✓	4482 FSL 798 FSL/FNL	831 FSL/FWL	oil active
19pa	15-133-24327 ✓ 02225-00-00	3540 FSL 1740 FSL/FNL	1135 FSL/FWL	inj inactive
E 20	15-133-24335 ✓	4143 FSL 1137 FSL/FNL	820 FSL/FWL	oil active
E 26	15-133-24950 ✓	3142 FSL 2138 FSL/FNL	1223 FSL/FWL	oil active
E 27	15-133-24337 ✓	4475 FSL 805 FSL/FNL	1174 FSL/FWL	oil active
E 28	15-133-24450 ✓	4221 FSL 1058 FSL/FNL	1182 FSL/FWL	oil active
E 41	15-133-24952 ✓	4459 FSL 821 FSL/FNL	480 FSL/FWL	oil active
E 42	15-133-24452 ✓	4328 FSL 952 FSL/FNL	609 FSL/FWL	oil active
E 43	15-133-24453 ✓	3982 FSL 1298 FSL/FNL	644 FSL/FWL	oil active
* E 13	15-133-24332 ✓	3744 FSL/FNL	464 FSL/FWL	oil Prod
* E 21	15-133-24449 ✓	3784 FSL/FNL	811 FSL/FWL	oil Prod
* E 29	15-133-24451 ✓	3821 FSL/FNL	1130 FSL/FWL	oil Prod
		FSL/FNL	FEL/FWL	
		FSL/FNL	FEL/FWL	

A separate sheet may be attached if necessary

* Added per Well Inventory

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.

RECEIVED

NOV 20

KCC, WICHITA

002/002

08/25/2013 07:11 FAX

KANSAS BUREAU OF RECORDS

M/I-Continental Association Form

B

(This Space Reserved for Filing Stamp)

ASSIGNMENT OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned,

FREEDOM ENERGY, INC.hereinafter called Assignor (whether one or more), for and in consideration of One Dollar (\$1.00) the receipt whereof is hereby acknowledged, does hereby sell, assign, transfer and set over unto DEREK AND/OR JENNIFER MORRIS

(hereinafter called Assignee),

dated FEB 23, 2009PO Box 128 ST. PAUL, KS 66271to FREEDOM ENERGYrecorded in book 419NEOSHOCounty, State of KANSAS

Interest in and to the oil and gas lease

from BRACHNER BROS. INC.STATE OF KANSAS, NEOSHO COUNTY, SS
GLENN K. TAYLOR, REGISTER OF DEEDSBook: 422 Page: 378
Recording Fee: \$8.00

Date Recorded: 5/22/2009 10:55:00 AM

SW 1/4 SECTION 15 - TOWNSHIP 29S - RANGE 21E, CONTAINING 160 AC±
ANDE 1/2 OF THE NW 1/4 OF SECTION 21 TOWNSHIP 29S RANGE 21E CONTAINING
76 ACRES MORE OR LESSof Section 15-31 Township 29S Range 21E and containing 160+76=236± acres, more or less
together with the rights incident thereto and the personal property thereon, appurtenant thereto, or used or obtained in connection therewith.

And for the same consideration the Assignor covenants with the Assignee, his or his heirs, successors or assigns: That the Assignor is the lawful owner of and has good title to the interest above assigned in and to said lease, estate, rights and property, free and clear from all liens, encumbrances or adverse claims; That said lease is a valid and subsisting lease on the land above described, and all rentals and royalties due thereunder have been paid and all conditions necessary to keep the same in full force have been duly performed;

EXECUTED, This

22day of May2009Brian KistlerDerek MorrisSTATE OF KANSAS
COUNTY OF NEOSHO

or ACKNOWLEDGMENT FOR INDIVIDUAL (Kans. Okla. and Colo.)

Before me, the undersigned, a Notary Public, within and for said County and State, on this

day of May, 2009, personally appeared

and

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires

Notary Public

STATE OF KANSAS
COUNTY OF NEOSHO

ACKNOWLEDGMENT FOR CORPORATION

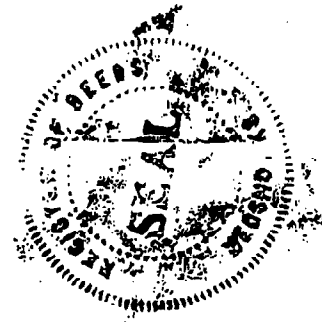
Be it remembered that on this 22 day of May, 2009, before me, the undersigned, a Notary Public, duly commissioned, in and for the county and state aforesaid, came Brian Kistlerpresident of FREEDOM ENERGY INC.a corporation of the State of KANSAS, personally known to me to be such officer, and to be the same person who executed the foregoing instrument of writing in behalf of said corporation, and he duly acknowledged the execution of the same for himself and for said corporation for the uses and purposes therein set forth.
IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year last above written.

My commission expires

Notary Public

JEAN G. DUNAVAN
My A. & P. Exp. 3/31/10

STATE OF KANSAS, NEOSHO COUNTY, SS
GLENDA K. TAYLOR, REGISTER OF DEEDS
Book: 455 Page: 298
Pages Recorded: 2 Recording Fee: \$12.00
Date Recorded: 11/7/2011 3:25:00 PM



TITLE OF DOCUMENT: Assignment of Oil and Gas Lease

GRANTOR: Freedom Energy Holdings Inc

GRANTEE: Holtom Oil Unlimited Inc

RECORDING FEE: \$12.00

ASSIGNMENT OF OIL AND GAS LEASE

Know all men by these presents:

That the undersigned, Freedom Energy Holdings, Inc., d/b/a Freedom Financial Holdings, Inc., 531 Airport North Office Park, Fort Wayne, Indiana 46825 hereafter called the Assignor, for and in consideration of the sum of ONE DOLLAR (\$1.00) and other valuable consideration, the receipt of which is hereby acknowledged, does hereby assign, transfer, sell and convey unto Holtom Oil Unlimited, Inc., 20035 Beverly St, Stilwell, Kansas 66085 hereinafter called the Assignee all of the Assignors' working interest (.75), in and to the oil and gas lease dated February 23, 2009, and duly given by Beachner Bros., Inc., and duly recorded in Book 419 at page 627 in the records of Neosho County Register of Deeds insofar the lease covers the following land in Neosho County Kansas, to-wit:

EAST 1/2 OF NE 1/4 RD 11-07-11
~~North East 1/4~~ of Section 21 Township 29S Range 21E and containing 76 acres more or less.

Together with all the leasehold and other rights, titles, and interest in that portion of the lease being assigned which I have in and to the above described land by virtue of the said lease, and all rights, titles and interest purported to be created thereby.

To have and to hold unto the Holtom Oil Unlimited, Inc., his heirs, successors and assigns, forever, in accordance with the terms and provisions of said lease.

And for the same consideration the Assignor covenants with the Assignee, his heirs, successors, or assigns: the Assignor is the lawful owner of and has good title to the interest above assigned in and to said lease estate rights and property, free and clear from all liens, encumbrances or adverse claims: that said lease is a valid and subsisting lease on the land above described, and all rentals and royalties due there under have been paid and all conditions necessary to keep the same in full force have been duly performed, that the Assignor has the right to assign the same and the Assignor will warrant and forever defend the same against all persons whomsoever, lawful claiming or to claim the same.

Executed the 1st day of October, 2010


 Brian Kistler, CEO, Freedom Energy Holdings, INC

State of Indiana
 County of Allen..SS

Before me, the undersigned, a notary public, in and for said County and State personally appeared Brian Kistler, CEO, Freedom Energy Holdings, Inc. on the 1st day of October, 2010, to me known to be the identical person who executed the within and foregoing instrument and acknowledged to me that the same executed the same as a free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and seal of office the day and year last above written.


 Print: Robin W. Hunt

Commission Expires: 1-26-2011

STATE OF KANSAS, NEOSHO COUNTY, SS
GLENDIA K. TAYLOR, REGISTER OF DEEDS
Book: 455 Page: 423
Pages Recorded: 2 Recording Fee: \$12.00
Date Recorded: 11/18/2011 9:55:00 AM



TITLE OF DOCUMENT: Assignment of Oil Lease

GRANTOR: Holtom Oil Unlimited Inc

GRANTEE: William Holtom&/or Carlos Castillo
Dba C&H Oil Co

RECORDING FEE: \$12.00

Book 455 Page 424

ASSIGNMENT OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned,

HOLTOM OIL UNLIMITED, INC.

hereinafter called Assignor (whether one or more), for and in consideration of One Dollar (\$1.00) the receipt whereof is hereby acknowledged, does hereby sell, assign, transfer and set over unto William Holtom AND/OR CARLOS CASTILLO

dba C&H Oil Co. 4866 SW TAWAKONI RD. TAWANDA, KS 67444

(hereinafter called Assignee), 3/4 (.75) WORKING INTEREST interest in and to the oil ~~and gas~~ LEASE ONLY

dated October 1, 2010 from FREEDOM ENERGY HOLDINGS, INC.

in and to the oil lease dated Feb. 23, 2009, and duly given by Beachner Bros., Inc., recorded book 419 page 627 lessor

to HOLTOM OIL UNLIMITED, INC. lessee

recorded in book 455 page 299 insofar as said lease covers the following described land in

NEOSHO County, State of KANSAS

East 1/2 of the NE 1/4 of Section 21, Township 29s, Range 21e and containing 76 acres more or less.

of Section 21 Township 29s Range 21e and containing 76 acres, more or less together with the rights incident thereto and the personal property thereon, appurtenant thereto, or used or obtained in connection therewith.

And for the same consideration the Assignor covenants with the Assignee, its or his heirs, successors or assigns: That the Assignor is the lawful owner of and has good title to the interest above assigned in and to said lease, estate, rights and property, free and clear from all liens, encumbrances or adverse claims; That said lease is a valid and subsisting lease on the land above described, and all rentals and royalties due thereunder have been paid and all conditions necessary to keep the same in full force have been duly performed.

EXECUTED, This 16 day of November 2011

Brett Holtom

Brett Holtom, CEO Holtom Oil Unlimited, Inc.

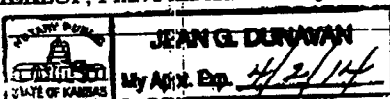
STATE OF KS } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans. Okla. and Colo.)
COUNTY OF Neosho

Before me, the undersigned, a Notary Public, within and for said County and State, on this 16 day of Nov, personally appeared Brett Holtom and

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires



Jean G. Durawan

Notary Public

Book 455 Page 424

ASSIGNMENT OF OVERRIDING ROYALTY INTEREST

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, DEREK AND/OR JENNIFER MORRIS, whose address is 3625 NE Coal Valley Rd. PO Box 305, Weir, Kansas 66781, hereinafter referred to as Assignor did acquire certain Overriding Royalty Interests from Freedom Energy, Inc., in that certain Assignment of Overriding Royalty Interest dated May 22, 2009, and recorded in the records of the Register of Deeds of Neosho County, Kansas under Book 422, Page 378.

NOW THEREFORE, the undersigned, DEREK AND/OR JENNIFER MORRIS, whose address is 3625 NE Coal Valley Rd., PO Box 305, Weir, Kansas 66781-0305, hereinafter called Assignor, for and in consideration of TEN Dollars and other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, does hereby sell, assign, transfer, set over and convey unto William Bolton and Carlos Castillo, doing business as C&H Oil Co., whose address is 4866 SW TAWAKANE RD.

TAWANDA, KS 67144 hereinafter called Assignee, all of the overriding royalty interest of Assignor in OIL LEASE ONLY, to wit: LESSOR: Beachner Bros., Inc., a Kansas Corporation, LESSEE: Freedom Energy, Inc. Effective Date: Feb. 23 2009. Book: 415 Page: 630, 631, 632, insofar as said lease covers the following described land in Neosho County, Kansas: Description: E 1/2 of the NE 1/4 containing 76 acres more or less of Section 21 Township 29s Range 21e, only.

DOES NOT INCLUDE AND IS SEPARATE FROM SW 1/4 Section 15 Township 29s Range 21e of the same recorded document in Book 422 Page 378.

OVERRIDING ROYALTY ASSIGNED: 1/16 (0.0625) OIL ONLY.

TO HAVE AND TO HOLD, the above described interest with all and singular the rights and privileges and appurtenants thereunto or in anywise belonging to said Assignee, its successors and assigns forever and Assignor does hereby agree to warrant and defend all and singular the said property under the said Assignee, its successors and assigns against every person whomsoever claiming or to claim the same or any part hereof by, through or under Assignor, but not otherwise.

IN WITNESS WHEREOF, the Assignor has caused this Assignment to be executed this the 16th day of November, 2011.



DEREK MORRIS

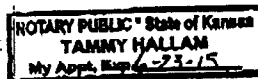
STATE OF KANSAS)
) SS. ACKNOWLEDGMENT FOR INDIVIDUAL
COUNTY OF NEOSHO)

Before me, the undersigned, a Notary Public, within and for said County and State, on this 16th day of November, 2011, personally appeared Derek Morris, to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires 6-23-15


Notary Public



STATE OF KANSAS, NEOSHO COUNTY, SS.
GLENDA K. TAYLOR, REGISTER OF DEEDS
Book: 455 Page: 425
Pages Recorded: 1 Recording Fee: \$8.00
Date Recorded: 11/18/2011 9:55:01 AM



OIL LEASE PAYMENT AGREEMENT

This is an oil lease payment agreement (hereinafter "Agreement") entered into and made effective on April 25, 2012 by and between **Beachner Bros., Inc.** (hereinafter "LESSOR") and **William Holtom and Carlos Castillos, d/b/a C&H Oil Co.** (hereinafter "LESSEE").

RECITALS

1. LESSEE is the operator of an oil lease (hereinafter "Oil Lease") that was entered and filed in volume 419, page 630 of the Neosho County, Kansas Register of Deeds on March 11, 2009 at 11:08 a.m. The effective date of the Oil Lease is February 23, 2009.
2. The original operator and lessee of the Oil Lease was Freedom Financial Holdings, Inc. William Holtom and Carlos Castillos, d/b/a C&H Oil Co. were assigned the Oil Lease and are the current lessees.
3. Annex A of the Oil Lease provides, among other things, that LESSEE guarantees LESSOR a minimum royalty of \$2,000 annually after the first year, with payment to be made to LESSOR within 30 days of the anniversary date.
4. Neither Freedom Financial Holdings, Inc. nor LESSEE have produced oil from the leased premises in paying quantities, and neither has made the minimum royalty payment of \$2,000 for 2011 or 2012.
5. Rather than forfeit the Oil Lease, the parties desire to work out an agreement whereby LESSEE will produce oil from the lease and whereby LESSOR will recover part of the minimum royalty payments due to it under the Oil Lease terms.

WITNESSETH, LESSOR and LESSEE hereby agree as follows:

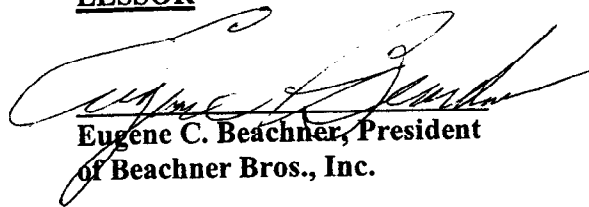
1. LESSEE agrees to pay LESSOR \$2,000.00 (Two Thousand Dollars) in increments of \$500.00 (Five Hundred Dollars) a month, with the first payment due on May 15 and with all subsequent payments to be made on the 15th of each month until paid in full.
2. In exchange for \$2,000.00 (Two Thousand Dollars), LESSOR agrees to allow LESSEE to continue to operate under the terms of the Oil Lease.
3. If LESSEE fails to make its monthly payment by the 25th of each month, then LESSOR may deem the Oil Lease to be forfeited. Upon written notice from LESSOR or its attorney to LESSEE that it has forfeited the Oil Lease for failure to comply with this Agreement, LESSEE must cease operations on the leased premises. LESSEE shall have

sixty (60) days from the date that notice of forfeiture is sent to remove its equipment from the leased premises.

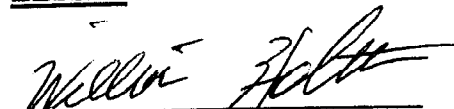
4. All other provisions of the Oil Lease not affected by this Agreement shall remain in full force and effect, unless the Oil Lease is forfeited under this Agreement.
5. This Agreement shall be binding on the successors, executors, administrators, devisees, and assigns of the parties.

IN WITNESS WHEREOF the parties have signed this Agreement on the date first above written.

LESSOR


Eugene C. Beachner, President
of Beachner Bros., Inc.

LESSEE


William Holtom

Carlos Castillos

STATE OF KANSAS, NEOSHO COUNTY, SS

ENTERED AND FILED IN VOL. 419 PAGE 430

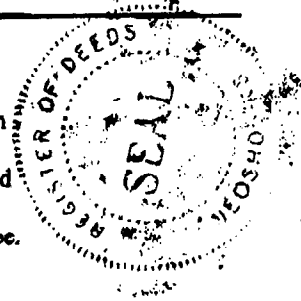
March 11, 2009 at 11:08 O'CLOCK AM

Glenda K. Taylor

616.00 GLENDA K. TAYLOR, REGISTER OF DEEDS

OIL LEASE

AGREEMENT, Made and entered into this 27th 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 \$2,000 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:

E2 NE 1/4 SEC 21 R 21E T 29S, 76 A ±

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 it's 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.

Book: 419 Page: 631

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 _____ (SEAL)
first above written. *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

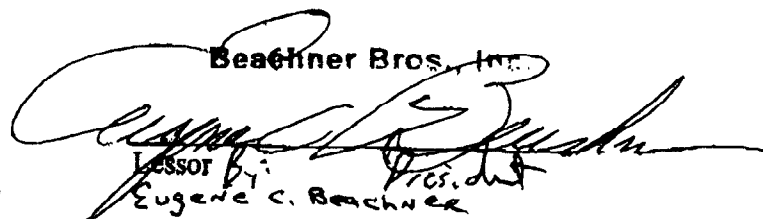
Book: 419 Page: 632

Annex A:

Lessee guarantees lessor a minimum royalty of \$25/acre or \$2,000 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


Beachner Bros., Inc.
Lessor **Eugene C. Rechner**
President