

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

PROOF OF CLAIM

POC ID: 3792

Indicate Debtor against which you assert a claim by checking the appropriate box. (Check only one Debtor per claim form.)

- |   |  |
|---|--|
| <input type="checkbox"/> Cano Petroleum, Inc. (Case No. 12-31549)               | <input type="checkbox"/> Tri-Flow, Inc. (Case No. 12-31553)                |
| <input type="checkbox"/> Cano Petro of New Mexico (Case No. 12-31550)           | <input type="checkbox"/> W.O. Energy of Nevada, Inc (Case No. 12-31554)    |
| <input type="checkbox"/> Ladder Companies, Inc. (Case No. 12-31551)             | <input type="checkbox"/> W.O. Operating Company, Ltd. (Case No. 12-31556)  |
| <input checked="" type="checkbox"/> Square One Energy, Inc. (Case No. 12-31552) | <input type="checkbox"/> W.O. Production Company, Ltd. (Case No. 12-31557) |
|   | <input type="checkbox"/> WO Energy, Inc. (Case No. 12-31555)               |

NOTE: Do not use this form to make a claim for an administrative expense that arises after the bankruptcy filing. You may file a request for payment of an administrative expense according to 11 U.S.C. § 503.

Name of Creditor (the person or other entity to whom the debtor owes money or property) :

*Theresa B Porreco*

Name and address where notices should be sent:



29747776003792  
THERESA B PORRECO  
5738 ENGLISH COLONY WAY  
PENRYN, CA 95663

RECEIVED

APR 12 2012

BMC GROUP

If you have already filed a proof of claim with the Bankruptcy Court or BMC, you do not need to file again.

THIS SPACE IS FOR COURT USE ONLY

Creditor Telephone Number *916 300 6481* email: *temble.T@ARBR.NET*

Name and address where payment should be sent (if different from above):

*Same*

Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

Check this box to indicate that this claim amends a previously filed claim.

Court Claim Number (if known):

Filed on:

Payment Telephone Number ( ) email:

1. AMOUNT OF CLAIM AS OF DATE CASE FILED \$

If all or part of your claim is secured, complete item 4.  
If all or part of your claim is entitled to priority, complete item 5.

Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

2. BASIS FOR CLAIM: (See instruction #2) *I Am a share holder unknown what my claim might be*

3. LAST FOUR DIGITS OF ANY NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR:

3a. Debtor may have scheduled account as:

(See instruction #3a)

3b. Uniform Claim Identifier (optional):

(See instruction #3b)

4. SECURED CLAIM: (See instruction #4)

Check the appropriate box if your claim is secured by a lien on property or a right of set off, attach required redacted documents, and provide the requested information.

Nature of property or right of setoff:

Describe: *Oil mineral Rights*

Real Estate  Motor Vehicle  Other

Value of Property: \$

Annual Interest Rate: %  Fixed or  Variable (when case was filed)

Amount of arrearage and other charges, as of time case filed, included in secured claim, if any: \$

Basis for Perfection:

Amount of Secured Claim: \$

Amount Unsecured: \$

5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount.

Amount entitled to priority: \$

You MUST specify the priority of the claim:

- |  |  |
|--|--|
| <input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).   | <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).                      |
| <input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7).  | <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).                          |
| <input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*), earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4). | <input checked="" type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a) ( <i>Royalties</i> ). |

\* Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

CANO PETROLEUM



00023

6. CREDITS: The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)

*See ATTACHED DIVISION ORDER*

**7. DOCUMENTS:** Attached are redacted copies of documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. If the claim is secured, box 4 has been completed, and redacted copies of documents providing evidence of perfection of a security interest are attached. (See instruction #7, and definition of "redacted").  
DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.  
If the documents are not available, please explain:

**DATE-STAMPED COPY** To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

The original of this completed proof of claim form must be sent by mail or hand delivered (FAXES NOT ACCEPTED) so that it is actually received on or before 5:00 pm, prevailing Central Time on May 7, 2012 for All Entities and Persons including Governmental Units.

**BY MAIL TO:**  
BMC Group, Inc.  
Attn: Cano Petroleum, Inc. Claims Processing  
PO Box 3020  
Chanhassen, MN 55317-3020

**BY MESSENGER OR OVERNIGHT DELIVERY TO:**  
BMC Group, Inc.  
Attn: Cano Petroleum, Inc. Claims Processing  
18675 Lake Drive East  
Chanhassen, MN 55317

\*You are encouraged to E-File your proof of claim directly by logging onto <http://www.bmcgroup.com/Cano/ClaimFiling>

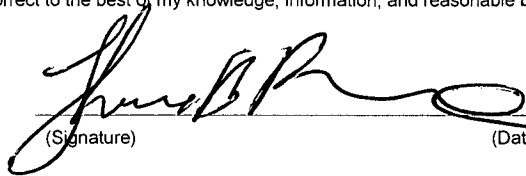
**8. SIGNATURE:** (See instruction #8)

Check the appropriate box.

- I am the creditor.       I am the creditor's authorized agent.  
(Attach copy of power of attorney, if any.)       I am the trustee, or the debtor,  
or their authorized agent.       I am a guarantor, surety, indorser, or other codebtor.  
(See Bankruptcy Rule 3004.)      (See Bankruptcy Rule 3005.)

I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: Theresa Porreco  
Title: \_\_\_\_\_  
Company: \_\_\_\_\_

  
(Signature) \_\_\_\_\_ (Date)

Address and telephone number (if different from notice address above):

5738 English Colony  
Penryn, OH 95063  
Telephone number: \_\_\_\_\_ email: \_\_\_\_\_

916-300-6481

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

# SQUARE ONE ENERGY

**COPY**

## DIVISION ORDER

To: Theresa B. Porreco	Date: 10/13/09
5738 English Colony Way	
Penryn, CA 95663	Effective Date: December 2005

Property Number:	104001	
Property Name:	Hogtown-Moore Unit	Interest Type: Royalty Interest
Operator:	Square One Energy	
County and State:	Eastland, Erath, Comanche, Texas	
Property Description(s):		

**HOGTOWN-MOORE UNIT** covering 2,675 acres, more or less, in Eastland and Comanche Counties, Texas, more particularly described in that certain Unit agreement recorded in Volume 1000, page 226, et seq. Official Public Records of Eastland County, Texas, Volume 47, page 237, et seq. Oil & Gas Records of Erath County, Texas.

Owner #	Owner Name	Property Name	Prod.	Decimal Interest
	Theresa B. Porreco	Hogtown-Moore Unit	Oil	0.00016825
			Gas	0.00021031
			Other	0.00021031

Each of the undersigned (each an "Owner") certifies its ownership of the decimal interest in production or proceeds as described above payable by Square One Energy, Inc. ("Payor").

Payor shall be notified, in writing, of any change in ownership, decimal interest, or payment address. All such changes shall be effective the first day of the month following receipt of such notice.

Payor is authorized for its own account to receive production into its possession or to deliver the same to any party designated by Payor, the production so received to be run and measured in accordance with applicable pipeline rules and regulations, including those of the governmental agency having recognized jurisdiction over or control of the production and handling of crude oil in such area.

Valuation.

- (a) Oil. The oil run hereunder shall, on the terms herein stated, become Payor property immediately upon being received into Payor's possession or the possession of Payor's designated buyer, and Payor agrees to receive the oil run hereunder and, subject to the further provisions hereof, to pay the Owners therefor according to the division of interest herein indicated, either at the posted per barrel (42 gallons) field price for crude of the same grade and gravity prevailing for the field where produced on the date of each respective run, or, if the oil is purchased by a buyer, the price to be paid shall be the same price received by Payor from such buyer, and, in the absence of a pipeline connection, all prices are subject to deduction of barging or trucking costs and the applicable transportation tax thereon. The word "oil" as used herein shall include all hydrocarbons purchased in a liquid state.
  
- (b) Gas. In making settlements for the interest of the Owners in the proceeds from the sale of gas, Payor is authorized to use the net proceeds received by Payor at whatever point the gas is sold, based upon the terms of an arms' length gas sales contract prudently negotiated in light of the facts and circumstances existing at the time of consummation of such contract; provided, however, that should any order of any regulatory body, state or federal, provide for a price less than the price provided for in any gas sales contract such lesser price shall constitute the net

proceeds for the purpose of making payments hereunder. Payor is authorized to charge a fair and reasonable amount for making merchantable and/or conditioning the gas to satisfy customary pipeline specifications and compressing the gas produced and sold from said property as a deduction from the gross amount received to determine the net proceeds for which settlement shall be made. The word "gas" as used herein shall include all gaseous substances, including without limitation casinghead gas.

Payment. From the Effective Date, payment is to be made monthly by Payor's check; however, if the proceeds for any one month amount to less than \$100, Payor may defer payment until the accrued proceeds total that sum; provided that in the event no payment is made during the calendar year, payment of accumulated proceeds less than \$100 shall be made in the month of February of the following year.

Indemnity. Each Owner agrees to indemnify and hold Payor harmless from all liability resulting from payments made to such Owner in accordance with the division of interest set forth herein, including but not limited to attorney fees or judgments in connection with any suit that affects such Owner's interest to which Payor is made a party.

Dispute; Withholding of Funds. If a suit is filed that affects the interest of an Owner, written notice shall be given to Payor by such Owner together with a copy of the complaint or petition filed. In the event of a claim or dispute that affects title to the division of interest set forth herein, Payor is authorized to withhold payments accruing to such interest, without interest unless otherwise required by applicable statute, until the claim or dispute is settled.

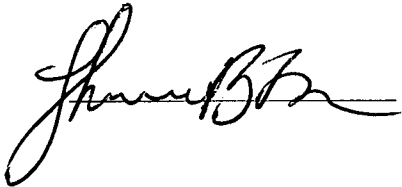
THIS AGREEMENT DOES NOT AMEND ANY LEASE OR OPERATING AGREEMENT BETWEEN ANY OWNER AND THE LESSEE OR OPERATOR OR ANY OTHER CONTRACTS FOR THE PURCHASE OF OIL OR GAS.

In addition to the terms and conditions of this Division Order, Owners and Payor may have certain statutory rights under the laws of the state in which the property is located.

Owner(s) Signature

Owner(s) Social Security Number or  
Federal Tax ID Number

Owner(s) Telephone/Fax



4480

916-300-6481

FAILURE TO FURNISH YOUR SOCIAL SECURITY/TAX I.D. WILL RESULT IN A WITHHOLDING TAX IN ACCORDANCE WITH FEDERAL LAW, AND ANY TAX WITHHELD WILL NOT BE REFUNDABLE BY PAYOR.

1234

123456789

TERESA "TERI" PORRICO  
5768 ENGLISH COLONY WAY  
PENRYN, CA 95663

SACRAMENTO CA 957

08 APR 2012 4 14 P

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APR 12 2012

EMC GROUP



BMC Group  
ATTN: Cano Petroleum Inc. Claims Processing  
P.O. Box 3020  
Chanhassen, MN 55317-3020

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