

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

PROOF OF CLAIM

POC ID: 671


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

- Cano Petroleum, Inc. (Case No. 12-31549)
- Cano Petro of New Mexico (Case No. 12-31550)
- Ladder Companies, Inc. (Case No. 12-31551)
- Square One Energy, Inc. (Case No. 12-31552)
- Tri-Flow, Inc. (Case No. 12-31553)
- W.O. Energy of Nevada, Inc (Case No. 12-31554)
- W.O. Operating Company, Ltd. (Case No. 12-31556)
- W.O. Production Company, Ltd. (Case No. 12-31557)
- 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) :

Name and address where notices should be sent:



29747776000671

BRETT BRANUM KINSEY
4300 EVEREST
AUSTIN, TX 78727

RECEIVED
MAY 01 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 (512) 973-3300 email:

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

Payment Telephone Number (512) 973-3300 email:

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:

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

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: Unpaid Royalties
(See instruction #2)

3. LAST FOUR DIGITS OF ANY NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR: 1568-SSN

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:

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:

- Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).
- Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).
- 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).
- Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).
- 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).
- Other - Specify applicable paragraph of 11 U.S.C. § 507(a) (_____).

* 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.



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)

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: Brett Branum Kinsey
Title: _____
Company: _____

Brett Branum Kinsey 04-26-2012
(Signature) (Date)

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

Telephone number: _____ email: _____

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.

DIVISION ORDER

**W. O. OPERATING, LTD.
P O BOX 960
PAMPA, TX 79066-0960**

08/09/2005

**BRETT BRANUM KINSEY
4300 EVEREST
AUSTIN, TX 78729**

Owner Number: KBB01
Type of Interest: R
Decimal Interest: 0.00630760

Property #: 1930
Property Name: WB HAILE
Effective Date: 06/01/2005

Operator:
Legal Description: Southwest Quarter (SW/4) of Section 4, Block, M-21, TCRR Co. Survey,
Hutchinson County, Texas.

Production CND: N GAS: Y OIL: N PRD: N

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

The undersigned certifies the ownership of their decimal interest in production or proceeds as described above.

TERMS OF SALE: The undersigned will be paid in accordance with the division of interests as set above. The payor shall pay all parties at the price agreed to by the operator for oil and gas to be sold pursuant to this division order. Purchaser shall compute quantity and make corrections for gravity and temperature and make deductions for impurities.

PAYMENTS: From the effective date, payments are to be made by checks of payor, its successors or assigns, based on this division of interest, less taxes required by law to be deducted and remitted by payor as purchaser. Payments of less than \$100 will be accrued before disbursement until the total amount equals \$100 or more, or December 31 of each year, whichever occurs first. Owner agrees to refund payor any amounts attributable to an interest or part of an interest that owner does not own.

**VALERO MARKETING AND SUPPLY COMPANY
DIVISION ORDER**

Owner Number: 10143977

Date: July 5, 2005

Analyst:

GONZALEZ, SANDY

**BRETT BRANUM KINSEY
4300 EVEREST
AUSTIN, TX 78727**

This Division Order reflects the transfer from Patricia Anne Haile Kinsey to Brett Branum Kinsey. Please execute these forms in accordance with the instructions for execution on the backside of these forms and return one copy.

IMPORTANT: You must provide your social security number or tax identification number. Your signature and those of two witnesses must also be provided. Your signature confirms the interest identified below to Owner #10143977, and binds you to the terms on the reverse side of this division order document effective as of 7:00 A. M. as shown below. Please return one copy of the executed division order to Valero Marketing and Supply Company, Attention: Division Order Section, PO Box 696000, San Antonio, Texas 78269-6000, (800) 475-4171. Please refer to the Instructions for Execution on the reverse side of this document.

To ensure complete information for state and federal tax reporting, please circle the appropriate response to the following:
 Are you a foreign citizen or foreign corporation? Yes/No Are you a US Citizen residing in a foreign country? Yes/No
 Are you incorporated? Yes/No Are you a tax-exempt entity? Yes/No (if yes, please provide documentation)

Brett B. Kinsey


 Owner(s) Signature

 Social Security or Tax ID #


 Address

 City, State and Zip Code

 Owner(s) Signature



 Signature of Witness #1



 Signature of Witness #2

 Voice/FAX Telephone Number

Property # / Product	Property Name	Operator Name	Interest Type	Decimal Interest	Legal Description	Effective Date	SR
960006652 OIL	HAILE	CALDWELL PRODUCTION CO	Royalty Interest	0.000589300	SECTION 4, BLOCK M21, TC&RR SURVEY, HUTCHINSON COUNTY, TX	06-01-2005	
960006652 OIL	HAILE	CALDWELL PRODUCTION CO	Royalty Interest	0.002130800	SECTION 4, BLOCK M21, TC&RR SURVEY, HUTCHINSON COUNTY, TX	06-01-2005	
960006653 OIL	HAILE	PAN RESOURCES, INC.	Royalty Interest	0.002543900	SECTION 5, BLOCK M21, TCRR SURVEY, HUTCHINSON COUNTY, TX	06-01-2005	

OWNER COPY

**VALERO MARKETING AND SUPPLY COMPANY
DIVISION ORDER**

Owner Number: 10143977

Date: July 5, 2005

Property # / Product Property Name	Operator Name	Interest Type	Decimal Interest	Legal Description	Effective Date	SR
960006653 OIL HAILE	PAN RESOURCES, INC.	Royalty Interest	0.008523800	SECTION 5, BLOCK M21, TCRR SURVEY, HUTCHINSON COUNTY, TX	06-01-2005	
960006654 OIL HAILE A	PAN RESOURCES, INC.	Royalty Interest	0.020833300	TR 3& 5 SUBDIV; SECTIONS 14 & 15, BLOCK L, EL&RR SURVEY, HUTCHINSON COUNTY, TX	06-01-2005	
960006655 OIL HAILE B	CALDWELL PRODUCTION CO	Royalty Interest	0.002543900	SECTION 5, BLOCK M21, TCRR SURVEY, HUTCHINSON COUNTY, TX	06-01-2005	
960006655 OIL HAILE B	CALDWELL PRODUCTION CO	Royalty Interest	0.008523800	SECTION 5, BLOCK M21, TCRR SURVEY, HUTCHINSON COUNTY, TX	06-01-2005	
960006656 OIL HAILE C	PAN RESOURCES, INC.	Royalty Interest	0.001696700	SECTION 13, BLOCK L, EL&RR SURVEY, HUTCHINSON COUNTY, TX	06-01-2005	
960006656 OIL HAILE C	PAN RESOURCES, INC.	Royalty Interest	0.005681800	SECTION 13, BLOCK L, EL&RR SURVEY, HUTCHINSON COUNTY, TX	06-01-2005	
960006656 OIL HAILE C	PAN RESOURCES, INC.	Production Payment	0.000848400	SECTION 13, BLOCK L, EL&RR SURVEY, HUTCHINSON COUNTY, TX	06-01-2005	
960006656 OIL HAILE C	PAN RESOURCES, INC.	Production Payment	0.002840900	SECTION 13, BLOCK L, EL&RR SURVEY, HUTCHINSON COUNTY, TX	06-01-2005	
960006657 OIL HAILE D	CALDWELL PRODUCTION CO	Royalty Interest	0.000848000	SECTION 5, BLOCK M21, TCRR SURVEY, HUTCHINSON COUNTY, TX	06-01-2005	
960006657 OIL HAILE D	CALDWELL PRODUCTION CO	Royalty Interest	0.002841000	SECTION 5, BLOCK M21, TCRR SURVEY, HUTCHINSON COUNTY, TX	06-01-2005	
960007610 OIL HAILE, W B	W O OPERATING COMPANY	Royalty Interest	0.001336600	TR 2 & 3& 4, BLOCK M21, TCRR SURVEY, HUTCHINSON COUNTY, TX	06-01-2005	
960007610 OIL HAILE, W B	W O OPERATING COMPANY	Royalty Interest	0.004971500	TR 2 & 3& 4, BLOCK M21, TCRR SURVEY, HUTCHINSON COUNTY, TX	06-01-2005	
960007611 OIL HAILE, W B B P LAC	CALDWELL PRODUCTION CO	Royalty Interest	0.000789000	SECTION 5, BLOCK M21, TCRR SURVEY, HUTCHINSON COUNTY, TX	06-01-2005	

OWNER COPY

Brett B. Kinsey
4300 Everest Ln
Austin, TX 78727

CERTIFIED MAIL™



7011 0110 0000 5964 6

RECEIVED

MAY 01 2012

FIRST CLASS

**RETURN RECEIPT
REQUESTED**



1000

55317



U.S. POSTAGE
PAID
AUSTIN, TX
78731
APR 27, 12
AMOUNT
\$5.75
00070010-13

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

553173020

