

POC ID: 6019

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 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) :

Name and address where notices should be sent:



KAREN G TRACE
3990 W TWAIN NO. 104
LAS VEGAS, NV 89103

29747776006019

RECEIVED

MAY 03 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 (702) 743-9296 email: KTRACE45@AOL.COM

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

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

\$ VARIES BY PRICE & PRODUCTION

- 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)

ROYALTY INTEREST COOPER, G.

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

3525

3a- Debtor may have scheduled account as:

ROYALTY INTEREST
(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.

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

Nature of property or right of setoff:

Basis for Perfection: _____

Describe:

Amount of Secured Claim: \$ _____

Real Estate Motor Vehicle Other _____

Amount Unsecured: \$ _____

Value of Property: \$ _____

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

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 checked="" 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 type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a) (_____). |

CANO PETROLEUM



00183

* 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: KAREN G. TRACE

Title: N/A

Company: N/A

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

Karen G. Trace
(Signature)

4/30/12
(Date)

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.

2011 Carson CAD TAX STATEMENT

STATEMENT/RECEIPT NUMBER
6547

Make Check or Money Order Payable:
Carson CAD
Donita Davis, TAX ASSESSOR COLLECTOR
PO Box 970
102 Main St
Panhandle, TX 79068
Phone: (806)537-3569
Fax: (806)537-5343

Owner ID/ Roll	IF PAID IN	PAY THIS AMOUNT
M-712221 MIN	OCT.	142.96
	NOV.	142.96
	DEC.	142.96
	JAN.	142.96
	FEB.	152.96
	MAR.	155.83
	APR.	158.68
	MAY	161.56
	JUN.	164.42
AMOUNT OF YOUR REMITTANCE		



TRACE KAREN G
3990 W TWAIN AVE APT 104
LAS VEGAS NV 89103 1871

PLEASE DETACH AND RETURN THIS PORTION WITH YOUR PAYMENT

2011 Carson CAD TAX STATEMENT - STATEMENT NUMBER 6547
PHONE NUMBER: (806)537-3569

M-712221		IF PAID IN	PAY THIS AMOUNT
TRACE KAREN G 3990 W TWAIN AVE APT 104 LAS VEGAS NV 89103 1871		OCT 2011	142.96
		NOV 2011	142.96
		DEC 2011	142.96
		JAN 2012	142.96
	PENALTY & INTEREST	PENALTY AND INTEREST APPLIES IF NOT PAID BY JAN 31, 2012	
	10.00	7% Feb 2012	152.96
	12.87	9% Mar 2012	155.83
	15.72	11% Apr 2012	158.68
	18.60	13% May 2012	161.56
	21.46	15% Jun 2012	164.42

DISC / MC / VISA ARE ACCEPTED BY PHONE.

PROPERTY DESCRIPTION	TAXING UNIT	EXEMPTIONS	VALUE	TAX RATE	TAXES	
COOPER 'G' OIL -901600 REAL SEC 4 BLK 9 SUR I&GN SE/4NE/4 & NE/4SE/4 Operator: WO OPERATING CO	Acct: 0712221-1-0047100 Lease #: 47100 Par/Seq: 9933194/1 Own Int./Type: 0.013672 / RI JUR: 00-01-31-61	Cat Code: G1 RRC# 87 Acres: 0.000	WD ISD WD ISD I&S Panhandle GCD	0 0 0	8,410 1.040000 8,410 0.117000 8,410 0.009151	87.46 9.84 0.77

Parcel Total Taxes: 98.07

COOPER 'A' OIL -901600 REAL SEC 4 BLK 9 SUR I&GN NW/4 SE/4 & SW/4NE/4 Operator: WO OPERATING CO	Acct: 0712221-1-0047300 Lease #: 47300 Par/Seq: 9934693/1 Own Int./Type: 0.013672 / RI JUR: 00-01-31-61	Cat Code: G1 RRC# 87 Acres: 0.000	WD ISD WD ISD I&S Panhandle GCD	0 0 0	3,850 1.040000 3,850 0.117000 3,850 0.009151	40.04 4.50 0.35
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Parcel Total Taxes: 44.89

OWNER'S TOTALS BREAKOUT:

Tax Unit	Assessed Value	Homestead Exemption	O65/ Disabled Exemption	Disabled Vet	Other Exemption	Taxable Value	Tax Rate	Tax Due
WD ISD	12,260	0	0	0	0	12,260	1.040000	127.50
WD ISD I&S	12,260	0	0	0	0	12,260	0.117000	14.34
Panhandle GCD	12,260	0	0	0	0	12,260	0.009151	1.12

Owner's Total Taxes: 142.96

IF YOU ARE 65 YEARS OF AGE OR OLDER, OR ARE SOCIAL SECURITY DISABLED AND THE PROPERTY DESCRIBED IN THIS DOCUMENT IS YOUR RESIDENCE HOMESTEAD, YOU SHOULD CONTACT THE APPRAISAL DISTRICT REGARDING ANY ENTITLEMENT YOU MAY HAVE IN THE POSTPONEMENT OF PAYMENT OF THESE TAXES.

WO OPERATING COMPANY
 6500 N BELT LINE RD, SUITE 200
 IRVING, TX 75063-6049
 ROYALTY RELATIONS (214) 687-0030
 EMAIL: ROYALTIES@CANOPETRO.COM



PAYEE NAME	PAYEE NO.	DATE	CHECK NUMBER	AMOUNT
KAREN G TRACE	10003525	09/23/11	0505004392	\$84.65

PC/Product Codes	Interest Types	ADJ Codes
1XX-Oil(BBLs)	WI-Working Interest	
2XX-Gas(MCF)	RI-Royalty Interest	
3XX-Condensate(BBLs)	BL-Blanchard	10.Backup Withholding Tax
4XX Plant Products(GALS/BBLs)	OR-Overriding Royalty	12.Non-Resident Income Tax (NM&OK)

Property #	DOI #	Property Name	State	County	Legal Decimal	OWNER VALUE	OWNER TAX	OWNER DEDUCTS	ADJ. CODE	NET SHARE
00105017	00004	COOPER G	TX	CARSON	0.01367180					
072011	200	RI			0.01367180	7.58	0.52	4.36	0.06	7.00
072011	400	RI			0.01367180	84.14	5.83	48.42	0.66	77.65

CURRENT CHECK	OWNER VALUE	OWNER TAXES	OWNER DEDUCTS	NET SHARE	TOTAL CHECK AMOUNT:	84.65
	91.72	6.35	0.72	84.65		

PLEASE DETACH BEFORE PRESENTING FOR PAYMENT.

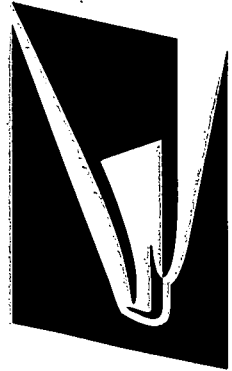


Karen Trace
Apt 104
3990 W Twain Ave
Las Vegas, NV 89103



ERM GROUP INC.
ATTN CAROL PETROLEUM, INC CLAIMS PROCESSOR
18675 LAKE DRIVE EAST
CHANDHASSEN, MN 55317

*THE
3990 W TWARD
89103
BMC*

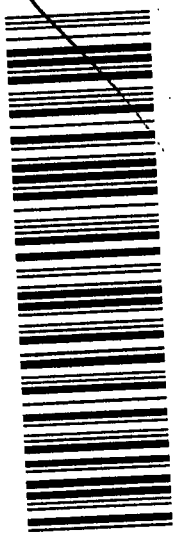


PRIORITY MAIL

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MAY 01 12
AMOUNT

*BMC Group Inc
ATTN: BOARD CONTROL CLAIMS
18675 LAKE DR. EAST
CHAMWASSEN MN 55317*