

UNITED STATES BANKRUPTCY COURT, NORTHERN DISTRICT OF TEXAS		PROOF OF CLAIM
Indicate Debtor against which you assert a claim by (Check only one Debtor per claim form.)	checking the appropriate box.	
<input checked="" type="checkbox"/> Cano Petroleum, Inc. (Case No. 12-31549) <input type="checkbox"/> Cano Petro of New Mexico (Case No. 12-31550) <input type="checkbox"/> Ladder Companies, Inc. (Case No. 12-31551) <input type="checkbox"/> Square One Energy, Inc. (Case No. 12-31552)	<input type="checkbox"/> Tri-Flow, Inc. (Case No. 12-31553) <input type="checkbox"/> W.O. Energy of Nevada, Inc (Case No. 12-31554) <input type="checkbox"/> W.O. Operating Company, Ltd. (Case No. 12-31556) <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): <u>Danlin Industries Corporation</u>		COURT USE ONLY
Name and address where notices should be sent: Danlin Industries Corporation 1200 E. Campbell Road, Suite 108 P O BOX 677464 Richardson TX 75081		
Telephone number:	email:	<input type="checkbox"/> Check this box if this claim amends a previously filed claim. Court Claim Number: <i>(If known)</i> Filed on
Name and address where payment should be sent (if different from above):		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars.
Telephone number:	email:	
1. Amount of Claim as of Date Case Filed: \$ 101,036.27 If all or part of the claim is secured, complete item 4. If all or part of the claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.		
2. Basis for Claim: <u>Goods Sold</u> (See instruction #2)		
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 the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.		
Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input checked="" type="checkbox"/> Other Describe: <u>Oil and Gas leasehold interest</u>		Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any:
Value of Property: <u>\$ 45,000,000.00</u>		Basis for perfection: <u>Liens filed A-2, A-3</u>
Annual Interest Rate % <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed)		Amount of Secured Claim: <u>\$ 89,850.16</u> Amount Unsecured: <u>\$ 0.00</u>
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.		
<input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B).	<input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier - 11 U.S.C. § 507(a)(4).	<input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).
<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"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507 (a)(8).	<input checked="" type="checkbox"/> 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.		Amount entitled to priority: <u>\$ 11,186.11</u>
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)		

CANO PETROLEUM



00226

7. Documents: Attached are **redacted** copies of any 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 the definition of "redacted.")

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If

the documents are not available, please explain:

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. (See Bankruptcy Rule 3004.) ☐ I am a guarantor, surety, indorser, or other codebtor. (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: Timothy T. Trump

Title: Attorney

Company: Conner & Winters, LLP

Address and telephone number (if different from notice address above):
4000 One Williams Center Tulsa OK 74172

/s/ Timothy T. Trump
(Signature)

5/4/2012
(Date)

Telephone number: 9185868513

e-mail: ttrump@cwlaw.com

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.

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, exceptions to these general rules may apply.
Items to be completed in Proof of Claim form

Court, Name of Debtor, and Case Number:

Fill in the federal judicial district in which the bankruptcy case was filed (for example, Central District of California), the debtor's full name, and the case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is at the top of the notice.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on delivering health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if an interested party objects to the claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor

3a. Debtor May Have Scheduled Account As:

Report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

3b. Uniform Claim Identifier:

If you use a uniform claim identifier, you may report it here. A uniform claim identifier is an optional 24-character identifier that certain large creditors use to facilitate electronic payment in chapter 13 cases.

4. Secured Claim:

Check whether the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See Definitions.) If the claim is secured, check the box for the nature and value of property that secures the claim, attach copies of lien documentation, and state, as of the date of the bankruptcy filing, the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507 (a).

If any portion of the claim falls into any category shown, check the appropriate box(es) and state the amount entitled to priority. (See Definitions.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7. Documents:

Attach redacted copies of any documents that show the debt exists and a lien secures the debt. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary in addition to the documents themselves. FRBP 3001(c) and (d). If the claim is based on delivering health care goods or services, limit disclosing confidential health care information. Do not send original documents, as attachments may be destroyed after scanning.

8. Date and Signature:

The individual completing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. If you sign this form, you declare under penalty of perjury that the information provided is true and correct to the best of your knowledge, information, and reasonable belief. Your signature is also a certification that the claim meets the requirements of FRBP 9011(b). Whether the claim is filed electronically or in person, if your name is on the signature line, you are responsible for the declaration. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. If the claim is filed by an authorized agent, attach a complete copy of any power of attorney, and provide both the name of the individual filing the claim and the name of the agent. If the authorized agent is a servicer, identify the corporate servicer as the company. Criminal penalties apply for making a false statement on a proof of claim.

DEFINITIONS**Debtor**

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

Creditor

A creditor is a person, corporation, or other entity to whom debtor owes a debt that was incurred before the date of the bankruptcy filing. See 11 U.S.C. §101 (10).

Claim

A claim is the creditor's right to receive payment for a debt owed by the debtor on the date of the bankruptcy filing. See 11 U.S.C. §101 (5). A claim may be secured or unsecured.

Proof of Claim

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with the clerk of the same bankruptcy court in which the bankruptcy case was filed.

Secured Claim Under 11 U.S.C. § 506 (a)

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car. A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien.

A claim may also be secured if the creditor owes the debtor money (has a right to setoff).

Unsecured Claim

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

Claim Entitled to Priority Under 11 U.S.C. § 507(a)

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

Redacted

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor must show only the last four digits of any social-security, individual's tax-identification, or financial-account number, only the initials of a minor's name, and only the year of any person's date of birth. If the claim is based on the delivery of health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information.

Evidence of Perfection

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

INFORMATION**Acknowledgment of Filing of Claim**

To receive acknowledgment of your filing, you may either enclose a stamped self-addressed envelope and a copy of this proof of claim or you may access the court's PACER system (www.pacer.psc.uscourts.gov) for a small fee to view your filed proof of claim.

Offers to Purchase a Claim

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation of communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 *et seq.*), and any applicable orders of the bankruptcy court.

EXHIBIT A

Danlin Industries Corporation supplied oil and gas related materials to various oil and gas leases operated by the debtor entities prior to the bankruptcy filing. It has a total unpaid claim of \$101,036.27 for pre petition periods. See Invoice Summary attached as A-1. Of this amount, \$11,186.11 was for goods delivered in the 20 days prior to the Petition Date. This amount is therefore entitled to a priority under § 503(b)(9) of the bankruptcy code.

Danlin Industries Corporation exercised its right under Oklahoma law to file oil and gas liens to secure its claims. See attached liens A-2 and A-3. Danlin Industries Corporation's claim is therefore a secured claim.

Danlin Industries Corporation generally received orders from Cano Petroleum, Inc. and therefore invoiced Cano Petroleum, Inc. for payment. The individual invoices are available on request. Upon information and belief many of the invoices may have represented goods that went to or benefitted leases that were owned or operated by Ladder Companies, Inc. and W.O. Operating Company, Ltd. These Debtors have listed Danlin Industries Corporation as a creditor. Out of an abundance of caution Danlin Industries Corporation is filing its claim against all of these Debtors.

Danlin Industries Corporation Customer Open Balance

All Transactions

9:10 AM
05/03/2012
Accrual Basis

	Type	Date	Num	Ship Date	Due Date	Lease Name	County, State	Open Balance	Amount
Cano Petroleum									
	Invoice	10/31/2011	402144	10/12/2011	10/31/2011	GLASS HARMON 4	NOWATA CO	185.95	185.95
	Invoice	10/31/2011	402150	10/12/2011	10/31/2011	GLASS HARMON 10	NOWATA CO	216.94	216.94
	Invoice	10/31/2011	402151	10/12/2011	10/31/2011	GLASS HARMON 14	NOWATA CO	139.46	139.46
	Invoice	10/31/2011	402156	10/12/2011	10/31/2011	GLASS HARMON 16	NOWATA CO	170.45	170.45
	Invoice	10/31/2011	402161	10/12/2011	10/31/2011	NCB 388	NOWATA CO	448.16	448.16
	Invoice	10/31/2011	402163	10/12/2011	10/31/2011	NCB 325	NOWATA CO	140.05	140.05
	Invoice	10/31/2011	402165	10/12/2011	10/31/2011	NCB 323	NOWATA CO	434.14	434.14
	Invoice	10/31/2011	402137	10/13/2011	10/31/2011	TEXACO 15	NOWATA CO	263.43	263.43
	Invoice	10/31/2011	402168	10/14/2011	10/31/2011	ADAMS 5	NOWATA CO	479.25	479.25
	Invoice	10/31/2011	402171	10/14/2011	10/31/2011	CANADA FWKO	NOWATA CO	641.40	641.40
	Invoice	10/31/2011	402173	10/14/2011	10/31/2011	WAITE FWKO	NOWATA CO	1,264.00	1,264.00
	Invoice	10/31/2011	402176	10/14/2011	10/31/2011	REGAN 39	NOWATA CO	479.25	479.25
	Invoice	10/31/2011	402177	10/14/2011	10/31/2011	GLASS HARMON 16	NOWATA CO	910.85	910.85
	Invoice	10/31/2011	402179	10/24/2011	10/31/2011	PAXTON BATCH	NOWATA CO	1,540.52	1,540.52
	Invoice	10/31/2011	402181	10/24/2011	10/31/2011	B&N BATCH	NOWATA CO	1,540.52	1,540.52
	Invoice	11/16/2011	405807	11/04/2011	11/16/2011	WAL650	NOWATA CO	1,089.50	1,089.50
	Invoice	11/16/2011	405809	11/07/2011	11/16/2011	TANNER FWKO	NOWATA CO	992.85	992.85
	Invoice	11/16/2011	405811	11/07/2011	11/16/2011	RFN FWKO	NOWATA CO	641.40	641.40
	Invoice	11/16/2011	405818	11/07/2011	11/16/2011	PAXTON 9	NOWATA CO	269.87	269.87
	Invoice	11/16/2011	405814	11/08/2011	11/16/2011	IMB 778	NOWATA CO	1,089.50	1,089.50
	Invoice	11/16/2011	405815	11/08/2011	11/16/2011	BUM 355	NOWATA CO	1,089.50	1,089.50
	Invoice	11/16/2011	405820	11/09/2011	11/16/2011	GLASS HARMON 1	NOWATA CO	232.44	232.44
	Invoice	11/16/2011	405821	11/09/2011	11/16/2011	GLASS HARMON 2	NOWATA CO	286.38	286.38
	Invoice	11/16/2011	405825	11/09/2011	11/16/2011	GLASS HARMON 5	NOWATA CO	387.40	387.40
	Invoice	11/16/2011	405826	11/09/2011	11/16/2011	GLASS HARMON 8	NOWATA CO	371.89	371.89
	Invoice	11/16/2011	405829	11/09/2011	11/16/2011	GLASS HARMON 15	NOWATA CO	232.44	232.44
	Invoice	11/16/2011	405831	11/09/2011	11/16/2011	SAUGEE 9	NOWATA CO	273.55	273.55
	Invoice	11/16/2011	405833	11/09/2011	11/16/2011	IDC 1	NOWATA CO	477.65	477.65
	Invoice	11/16/2011	405834	11/09/2011	11/16/2011	PRESTON 82	NOWATA CO	398.05	398.05

EXHIBIT A-1

	Type	Date	Num	Ship Date	Due Date	Lease Name	County, State	Open Balance	Amount
	Invoice	11/16/2011	405861	11/09/2011	11/16/2011	GLSS HARMON 10	NOWATA CO	232.44	232.44
	Invoice	11/16/2011	405863	11/09/2011	11/16/2011	GLSS HARMON 14	NOWATA CO	232.44	232.44
	Invoice	11/16/2011	405835	11/10/2011	11/16/2011	GLASS REED A3	NOWATA CO	350.12	350.12
	Invoice	11/16/2011	405837	11/10/2011	11/16/2011	GLASS REED A6	NOWATA CO	308.11	308.11
	Invoice	11/16/2011	405840	11/10/2011	11/16/2011	GLASS REED A7	NOWATA CO	336.11	336.11
	Invoice	11/16/2011	405843	11/10/2011	11/16/2011	PAXTON 27	NOWATA CO	406.14	406.14
	Invoice	11/16/2011	405844	11/10/2011	11/16/2011	PAXTON 29	NOWATA CO	350.12	350.12
	Invoice	11/16/2011	405845	11/10/2011	11/16/2011	PAXTON 30	NOWATA CO	364.13	364.13
	Invoice	11/16/2011	405847	11/10/2011	11/16/2011	PAXTON 31	NOWATA CO	420.14	420.14
	Invoice	11/16/2011	405849	11/10/2011	11/16/2011	TEXACO 99	NOWATA CO	420.14	420.14
	Invoice	11/16/2011	405865	11/10/2011	11/16/2011	PAXTON 26	NOWATA CO	336.11	336.11
	Invoice	11/16/2011	405850	11/11/2011	11/16/2011	TEXACO FWKO	NOWATA CO	504.81	504.81
	Invoice	11/16/2011	405851	11/11/2011	11/16/2011	WAITE FWKO	NOWATA CO	577.61	577.61
	Invoice	11/16/2011	405852	11/11/2011	11/16/2011	RFN 174	NOWATA CO	232.44	232.44
	Invoice	11/16/2011	405854	11/11/2011	11/16/2011	RFN 195	NOWATA CO	232.44	232.44
	Invoice	11/16/2011	405857	11/11/2011	11/16/2011	CANADA FWKO	NOWATA CO	349.85	349.85
	Invoice	11/30/2011	410993	11/11/2011	11/30/2011	GLASS REED 8	NOWATA CO	407.69	407.69
	Invoice	11/30/2011	410994	11/11/2011	11/30/2011	PAXTON 21	NOWATA CO	407.69	407.69
	Invoice	11/28/2011	408237	11/17/2011	11/28/2011	DPSU 42	LINCOLN CO	383.28	383.28
	Invoice	11/30/2011	410995	11/18/2011	11/30/2011	ZOT 184	NOWATA CO	1,089.50	1,089.50
	Invoice	11/30/2011	410998	11/21/2011	11/30/2011	WAL 650	NOWATA CO	544.75	544.75
	Invoice	11/30/2011	410996	11/23/2011	11/30/2011	GLASS HARMON 16	NOWATA CO	934.28	934.28
	Invoice	11/28/2011	408213	11/25/2011	11/28/2011	IMB 778	NOWATA CO	544.75	544.75
	Invoice	11/28/2011	408215	11/25/2011	11/28/2011	DPSU 121	LINCOLN CO	551.87	551.87
	Invoice	11/30/2011	411000	11/29/2011	11/30/2011	PAXTON BATCH	LINCOLN CO	422.79	422.79
	Invoice	11/30/2011	411678	11/30/2011	11/30/2011	DPSU 146	LINCOLN CO	451.02	451.02
	Invoice	11/30/2011	411679	11/30/2011	11/30/2011	DPSU 189	LINCOLN CO	601.14	601.14
	Invoice	11/30/2011	411680	11/30/2011	11/30/2011	DPSU 184	LINCOLN CO	314.08	314.08
	Invoice	11/30/2011	411681	11/30/2011	11/30/2011	DPSU 16	LINCOLN CO	350.31	350.31
	Invoice	11/30/2011	411682	11/30/2011	11/30/2011	DPSU 143	LINCOLN CO	193.27	193.27
	Invoice	11/30/2011	411683	11/30/2011	11/30/2011	DPSU 42	LINCOLN CO	603.99	603.99
	Invoice	11/30/2011	411684	11/30/2011	11/30/2011	DPSU 59	LINCOLN CO	229.52	229.52

	Type	Date	Num	Ship Date	Due Date	Lease Name	County, State	Open Balance	Amount
	Invoice	11/30/2011	411685	11/30/2011	11/30/2011	DPSU 77	LINCOLN CO	241.60	241.60
	Invoice	11/30/2011	411686	11/30/2011	11/30/2011	DPSU 61	LINCOLN CO	362.40	362.40
	Invoice	11/30/2011	411687	11/30/2011	11/30/2011	DPSU 133	LINCOLN CO	144.95	144.95
	Invoice	11/30/2011	411688	11/30/2011	11/30/2011	DPSU 35	LINCOLN CO	157.04	157.04
	Invoice	11/30/2011	411689	11/30/2011	11/30/2011	DPSU 43	LINCOLN CO	456.29	456.29
	Invoice	11/30/2011	411690	11/30/2011	11/30/2011	DPSU 42	LINCOLN CO	383.28	383.28
	Invoice	11/30/2011	411691	11/30/2011	11/30/2011	DPSU 121	LINCOLN CO	365.03	365.03
	Invoice	12/19/2011	412970	12/02/2011	12/19/2011	GLASS REED A6	NOWATA CO	770.27	770.27
	Invoice	12/19/2011	412966	12/06/2011	12/19/2011	PRESTON FWKO	NOWATA CO	116.62	116.62
	Invoice	12/19/2011	412968	12/06/2011	12/19/2011	GLASS HARMON 11	NOWATA CO	544.75	544.75
	Invoice	12/19/2011	412969	12/06/2011	12/19/2011	BUM 355	NOWATA CO	544.75	544.75
	Invoice	12/19/2011	412972	12/07/2011	12/19/2011	PAXTON BATCH	NOWATA CO	395.39	395.39
	Invoice	12/19/2011	412973	12/07/2011	12/19/2011	PAXTON 21	NOWATA CO	280.10	280.10
	Invoice	12/19/2011	412974	12/07/2011	12/19/2011	GLASS REED A8	NOWATA CO	210.08	210.08
	Invoice	12/19/2011	412975	12/07/2011	12/19/2011	PAXTON 31	NOWATA CO	392.13	392.13
	Invoice	12/19/2011	412977	12/07/2011	12/19/2011	PAXTON 28	NOWATA CO	238.08	238.08
	Invoice	12/19/2011	412978	12/07/2011	12/19/2011	PAXTON 24	NOWATA CO	770.27	770.27
	Invoice	12/19/2011	412979	12/08/2011	12/19/2011	PAXTON BATCH	NOWATA CO	770.27	770.27
	Invoice	12/19/2011	412981	12/08/2011	12/19/2011	B&N BATCH	NOWATA CO	253.95	253.95
	Invoice	12/19/2011	412982	12/08/2011	12/19/2011	ZOT 239	NOWATA CO	200.49	200.49
	Invoice	12/19/2011	412983	12/08/2011	12/19/2011	TPO 419	NOWATA CO	1,561.72	1,561.72
	Invoice	12/19/2011	412989	12/08/2011	12/19/2011	RFN FWKO	NOWATA CO	154.96	154.96
	Invoice	12/19/2011	412984	12/09/2011	12/19/2011	GLASS HARMON 8	NOWATA CO	232.44	232.44
	Invoice	12/19/2011	412985	12/09/2011	12/19/2011	GLASS HARMON 1	NOWATA CO	232.44	232.44
	Invoice	12/19/2011	412986	12/09/2011	12/19/2011	GLASS HARMON 3	NOWATA CO	232.44	232.44
	Invoice	12/19/2011	412987	12/09/2011	12/19/2011	GLASS HARMON 4	NOWATA CO	232.44	232.44
	Invoice	12/19/2011	412988	12/09/2011	12/19/2011	GLASS HARMON 5	NOWATA CO	232.44	232.44
	Invoice	10/31/2011	402141	12/12/2011	10/31/2011	GLASS HARMON 2	NOWATA CO	449.38	449.38
	Invoice	12/23/2011	414178	12/19/2011	12/23/2011	DPSU 189	LINCOLN CO	556.09	556.09
	Invoice	12/23/2011	414179	12/19/2011	12/23/2011	DPSU 146	LINCOLN CO	350.68	350.68
	Invoice	12/23/2011	414181	12/19/2011	12/23/2011	DPSU 43	LINCOLN CO	292.03	292.03
	Invoice	12/23/2011	414183	12/19/2011	12/23/2011	DPSU 42	LINCOLN CO	766.57	766.57
	Invoice	12/23/2011	414184	12/19/2011	12/23/2011	DPSU 121	LINCOLN CO	638.81	638.81

				Type	Date	Num	Ship Date	Due Date	Lease Name	County, State	Open Balance	Amount
				Invoice	12/23/2011	414185	12/20/2011	12/23/2011	SOWARDS	LINCOLN CO	716.50	716.50
				Invoice	12/23/2011	414186	12/20/2011	12/23/2011	DPSU 42	LINCOLN CO	398.63	398.63
				Invoice	01/17/2012	418712	01/03/2012	01/17/2012	DPSU 189	LINCOLN CO	489.89	489.89
				Invoice	01/17/2012	418713	01/03/2012	01/17/2012	DPSU 146	LINCOLN CO	175.34	175.34
				Invoice	01/17/2012	418714	01/03/2012	01/17/2012	DPSU 190	LINCOLN CO	217.43	217.43
				Invoice	01/17/2012	418715	01/03/2012	01/17/2012	DPSU 28	LINCOLN CO	301.99	301.99
				Invoice	01/17/2012	418716	01/03/2012	01/17/2012	DPSU 16	LINCOLN CO	301.99	301.99
				Invoice	01/17/2012	418717	01/03/2012	01/17/2012	DPSU 163	LINCOLN CO	821.43	821.43
				Invoice	01/17/2012	418718	01/03/2012	01/17/2012	DPSU 14	LINCOLN CO	494.21	494.21
				Invoice	01/17/2012	418719	01/03/2012	01/17/2012	DPSU 184	LINCOLN CO	277.83	277.83
				Invoice	01/17/2012	418720	01/03/2012	01/17/2012	DPSU 143	LINCOLN CO	301.99	301.99
				Invoice	01/17/2012	418721	01/03/2012	01/17/2012	DPSU 59	LINCOLN CO	459.03	459.03
				Invoice	01/17/2012	418722	01/03/2012	01/17/2012	DPSU 77	LINCOLN CO	664.39	664.39
				Invoice	01/17/2012	418723	01/03/2012	01/17/2012	DPSU 61	LINCOLN CO	314.08	314.08
				Invoice	01/17/2012	418724	01/03/2012	01/17/2012	DPSU 133	LINCOLN CO	120.80	120.80
				Invoice	01/17/2012	418725	01/03/2012	01/17/2012	DPSU 35	LINCOLN CO	120.80	120.80
				Invoice	01/17/2012	418726	01/03/2012	01/17/2012	DPSU 121	LINCOLN CO	668.35	668.35
				Invoice	01/17/2012	418727	01/03/2012	01/17/2012	DPSU 42	LINCOLN CO	546.75	546.75
				Invoice	01/17/2012	418728	01/03/2012	01/17/2012	DPSU 43	LINCOLN CO	666.06	666.06
				Invoice	01/17/2012	418729	01/03/2012	01/17/2012	SOWARDS 1	LINCOLN CO	106.82	106.82
				Invoice	01/23/2012	420030	01/03/2012	01/23/2012	WAL 650	NOWATA CO	1,634.24	1,634.24
				Invoice	01/23/2012	420033	01/04/2012	01/23/2012	GLASS REED 7	NOWATA CO	350.12	350.12
				Invoice	01/23/2012	420036	01/04/2012	01/23/2012	PAXTON 17	NOWATA CO	210.08	210.08
				Invoice	01/23/2012	420043	01/04/2012	01/23/2012	PAXTON 25	NOWATA CO	350.12	350.12
				Invoice	01/23/2012	420044	01/04/2012	01/23/2012	PAXTON 26	NOWATA CO	210.08	210.08
				Invoice	01/23/2012	420047	01/04/2012	01/23/2012	PAXTON 27	NOWATA CO	210.08	210.08
				Invoice	01/23/2012	420049	01/04/2012	01/23/2012	PAXTON 28	NOWATA CO	140.05	140.05
				Invoice	01/23/2012	420050	01/04/2012	01/23/2012	PAXTON 29	NOWATA CO	280.10	280.10
				Invoice	01/23/2012	420051	01/04/2012	01/23/2012	PAXTON 31	NOWATA CO	210.08	210.08
				Invoice	01/23/2012	420053	01/04/2012	01/23/2012	PAXTON 32	NOWATA CO	238.08	238.08
				Invoice	01/23/2012	420031	01/05/2012	01/23/2012	ADAMS 5	NOWATA CO	530.21	530.21
				Invoice	01/23/2012	420056	01/05/2012	01/23/2012	NCB 311	NOWATA CO	200.49	200.49
				Invoice	01/23/2012	420059	01/05/2012	01/23/2012	ROB 710	NOWATA CO	200.49	200.49

		Type	Date	Num	Ship Date	Due Date	Lease Name	County, State	Open Balance	Amount
		Invoice	01/23/2012	420062	01/05/2012	01/23/2012	ROB 742	NOWATA CO	200.49	200.49
		Invoice	01/23/2012	420066	01/05/2012	01/23/2012	IMB 810	NOWATA CO	200.49	200.49
		Invoice	01/23/2012	420071	01/05/2012	01/23/2012	ROB 808	NOWATA CO	200.49	200.49
		Invoice	01/23/2012	420073	01/06/2012	01/23/2012	ZOT 182	NOWATA CO	200.49	200.49
		Invoice	01/23/2012	420076	01/06/2012	01/23/2012	ZOT 239	NOWATA CO	133.66	133.66
		Invoice	01/23/2012	420080	01/06/2012	01/23/2012	TANNER FWKO	NOWATA CO	974.80	974.80
		Invoice	01/23/2012	420082	01/06/2012	01/23/2012	GLASS HARMON 4	NOWATA CO	232.44	232.44
		Invoice	01/23/2012	420085	01/06/2012	01/23/2012	GLASS HARMON 1	NOWATA CO	154.96	154.96
		Invoice	01/23/2012	420088	01/06/2012	01/23/2012	GLASS HARMON 2	NOWATA CO	154.96	154.96
		Invoice	01/23/2012	420092	01/06/2012	01/23/2012	GLASS HARMON 5	NOWATA CO	232.44	232.44
		Invoice	01/23/2012	420095	01/06/2012	01/23/2012	GLASS HARMON 10	NOWATA CO	232.44	232.44
		Invoice	01/23/2012	420098	01/06/2012	01/23/2012	GLASS HARMON 14	NOWATA CO	232.44	232.44
		Invoice	01/23/2012	420099	01/06/2012	01/23/2012	GLASS HARMON 15	NOWATA CO	232.44	232.44
		Invoice	01/23/2012	420100	01/09/2012	01/23/2012	IMB 778	NOWATA CO	1,089.50	1,089.50
		Invoice	01/23/2012	420102	01/09/2012	01/23/2012	ZOT 184	NOWATA CO	1,089.50	1,089.50
		Invoice	01/23/2012	420104	01/09/2012	01/23/2012	BUM 355	NOWATA CO	891.41	891.41
		Invoice	01/23/2012	420105	01/10/2012	01/23/2012	PRESTON 109	NOWATA CO	710.89	710.89
		Invoice	01/17/2012	418730	01/11/2012	01/17/2012	GAS WELLS	LINCOLN CO	35.61	35.61
		Invoice	01/23/2012	420107	01/11/2012	01/23/2012	GLASS REED 8	NOWATA CO	770.27	770.27
		Invoice	01/31/2012	422694	01/13/2012	01/31/2012	MF CANADA 20	NOWATA CO	206.40	206.40
		Invoice	01/31/2012	422692	01/17/2012	01/31/2012	GLASS HARMON 11	NOWATA CO	544.75	544.75
		Invoice	01/31/2012	422699	01/18/2012	01/31/2012	PAXTON BATCH	NOWATA CO	770.27	770.27
		Invoice	01/31/2012	422695	01/20/2012	01/31/2012	B & N BATCH	NOWATA CO	280.10	280.10
		Invoice	01/31/2012	422697	01/20/2012	01/31/2012	GLASS HARMON 16	NOWATA CO	910.85	910.85
		Invoice	01/31/2012	422700	01/26/2012	01/31/2012	TEXACO FWKO	NOWATA CO	1,578.60	1,578.60
		Invoice	01/31/2012	424110	01/27/2012	01/31/2012	DPSU 43	LINCOLN CO	751.58	751.58
		Invoice	01/31/2012	424112	01/27/2012	01/31/2012	DPSU 121	LINCOLN CO	902.71	902.71
		Invoice	01/31/2012	424114	01/27/2012	01/31/2012	DPSU 42	LINCOLN CO	944.07	944.07
		Invoice	01/31/2012	424116	01/27/2012	01/31/2012	DPSU 61	LINCOLN CO	398.63	398.63
		Invoice	02/13/2012	425596	02/01/2012	02/13/2012	INB 778	NOWATA, OK	871.60	871.60
		Invoice	02/13/2012	425597	02/01/2012	02/13/2012	WAL 65-0	NOWATA, OK	1,089.50	1,089.50
		Invoice	02/13/2012	425599	02/01/2012	02/13/2012	ZOT 184	NOWATA, OK	762.64	762.64
		Invoice	02/13/2012	425617	02/01/2012	02/13/2012	PAXTON 17	NOWATA, OK	770.27	770.27

2-01

Mailing address: P.O. Drawer 307 Thomas, Oklahoma 73669

OIL AND GAS LIEN STATEMENT

STATE OF OKLAHOMA)
) ss.
COUNTY OF NOWATA)

KNOW ALL MEN BY THESE PRESENTS:

THAT Danlin Industries Corporation (Claimant), whose mailing address is P.O. Drawer 307 Thomas, Oklahoma 73669, has a claim against Cano Petroleum, whose mailing address is 6500 N. Belt Line Rd. Ste. 200, Irving, Texas 75063, for the sum of seventy-nine thousand, seven hundred and sixteen dollars and fifty-four cents (\$79,716.54) due to Danlin Industries Corporation, plus any related attorneys fees and costs and that the claim is made for and on account of the furnishing of materials and labor on oil and gas well(s) and that such work was last performed and material was last furnished on or about February 28, 2012, which was within 180 days prior to the filing of this lien statement and that such work is reflected on an itemized statement thereof hereto attached and made a part of this statement, marked as "Exhibit A"; that such work was performed and materials were furnished pursuant to an agreement with Cano Petroleum and were provided to the referenced oil well(s) in Nowata County, Oklahoma and; that the legal description of all oil and gas leases that are located in Nowata County, Oklahoma and encompass said oil well(s) is described as follows:

W/2 W/2 NE/4, N/2 NW/4, & N/2 S/2 NW/4, E/2 NW/4 all in Section 1, Township 26 North, Range 16 East

N/2 NE/4 N/2 SW/4 NE/4 & N/2 NW/4 all in Section 2, Township 26 North, Range 16 East

N/2 NE/4 & E/2 NE/4 NW/4 all in Section 3, Township 26 North, Range 16 East

W/2 SE/4, SE/4 SE/4, SW/4 NE/4 SE/4 of Section 19, Township 27 North, Range 16 East

N/2 SW/4 of Section 20, Township 27 North, Range 16 East

EXHIBIT A-2

W/2 NE/4 SE/4, NW/4 SE/4 SE/4, SW/4 SE/4 NE/4, S/2 SW/4 NE/4, SW/4 SE/4, NW/4 SE/4 SE/4, SW/4 NE/4 SE/4, SW/4 SE/4 NE/4, NW/4 SE/4, W/2 NE/4 SE/4, NE/4 NE/4 SE/4 all in Section 27, Township 27 North, Range 16 East

SW/4 SW/4 NW/4, SE/4 SW/4 NW/4, S/2 SW/4, S/2 S/2 NW/4 SW/4, W/2 SW/4, N/2 S/2 NW/4 SW/4, N/2 NW/4 SW/4 all in Section 28, Township 27 North, Range 16 East

NW/4 NE/4 W/2 SW/4 NE/4 W/2 NW/4, NW/4 SW/4, W/2 SW/4 SW/4, SE/4 SW/4 SW/4, E/2 NW/4, NE/4 SW/4, W/2 SE/4 NE/4, E/2 SW/4 NE/4, NE/4 SW/4 NE/4, SE/4 SW/4 NE/4, SW/4 SE/4 NE/4 NW/4 SE/4 NE/4, NE/4 SE/4 NE/4, SE/4 SE/4 NE/4 SW/4 NW/4 SE/4, NW/4 NW/4 SE/4, SE/4 NE/4 SE/4, NE/4 NE/4 SE/4, NE/4 SE/4 SE/4, W/2 SW/4 SE/4, E/2 W/2 SE/4, W/2 E/2 SE/4, N/2 SE/4 SW/4, SE/4 N/2 SE/4 SW/4 SE/4 SE/4, SE/4 SE/4 SE/4, E/2 SE/4 SW/4 all in Section 29, Township 27 North, Range 16 East

N/2 NE/4, S/2 NE/4 NW/4 all in Section 30, Township 27 North, Range 16 East

NE/4 SE/4, E/2 NW/4 SE/4, NE/4 NW/4 SE/4, NW/4 SE/4 NW/4 SE/4 all in Section 31, Township 27 North, Range 16 East

NE/4 NE/4 NE/4, W/2 NE/4 NE/4, E/2 NE/4 NW/4, SW/4 NE/4 NW/4, SE/4 NW/4 NE/4, N/2 NW/4 NE/4, SW/4 NW/4 NE/4, SW/4 NE/4, N/2 SE/4, N/2 SW/4, S/2 NW/4 all in Section 32, Township 27 North, Range 16 East

S/2 SW/4, S/2 N/2 SW/4, SE/4, S/2 NE/4 NE/4, S/2 SW/4 NE/4, NE/4 SE/4 NE/4 & SE/4 NE/4 SE/4 all in Section 35, Township 27 North, Range 16 East

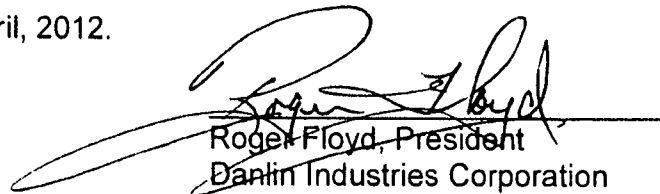
W/2 W/2 SE/4, N/2 & SW/4, E/2 SW/4 SE/4, W/2 SE/4 SE/4, SW/4 NE/4 SE/4, SE/4 NW/4 SE/4 all in Section 36, Township 27 North, Range 16 East

N 20.16 acres of Lot 2, W 19.3 acres of Lot 4 W 19.24 acres of Lot 5, all in Section 6, Township 26 North, Range 17 East

NE/4 SE/4 SW/4, S 19.41 acres of Lot 2 all in Section 31, Township 27 North, Range 17 East,

That the sum is just, due and unpaid, and Danlin Industries Corporation has a claim and lien upon the said oil and gas leases on which the wells are situated to the amount of \$79,716.54 as set forth above plus any related attorneys fees and costs, according to the laws of the State of Oklahoma.

Dated this 17th day of April, 2012.



Roger Floyd, President
Danlin Industries Corporation


CLAIMANT'S AFFIDAVIT


STATE OF OKLAHOMA)
) ss.
COUNTY OF NOWATA)

Danny Floyd, of lawful age, being first duly sworn, upon oath says: that he is the President of the Claimant mentioned in the foregoing statement of oil and gas well lien; that he has read said statement and knows the contents thereof; that the name of the contractor, the name of the claimant, the name of the owner, and the description of the property upon which the lien is claimed, and the items or account as therein set forth are just, true and correct.

Subscribed and sworn to before me this 17th day of April 2012.




Roger Floyd


Debbie Mobay
Notary Public

My Commission Expires

7/29/15

DANLIN INDUSTRIES

LEGAL DESCRIPTION NOWATA COUNTY, OK	CORRES. WELLS	INVOICE NO.	INVOICE AMOUNT
Section 19-27N-16E	Saugee 9	405831	\$273.55
	IDC 1	405833	\$477.65
	IDC 1A	415418	\$398.05
	IDC 1A	429518	\$605.02
			TOTAL \$1,754.27
Section 27-27N-16E	Glass Harmon 1	405820	\$232.44
		412985	\$232.44
		420085	\$154.96
	Glass Harmon 2	402141	\$449.38
		405821	\$286.38
		420088	\$154.96
	Glass Harmon 3	412986	\$232.44
	Glass Harmon 4	402144	\$185.95
		412987	\$232.44
		420082	\$232.44
		429496	\$232.44
	Glass Harmon 5	405825	\$387.40
		412988	\$232.44
		420092	\$232.44
		429498	\$433.88
	Glass Harmon 8	405826	\$371.89
		412984	\$154.96
		429500	\$309.92
	Glass Harmon 10	402150	\$216.94
		405861	\$232.44
		420095	\$232.44
	Glass Harmon 11	412968	\$544.75
		415435	\$544.75
		422692	\$544.75
		425600	\$376.37
	Glass Harmon 14	402151	\$139.46
		405863	\$232.44
		420098	\$232.44
		429502	\$309.92
	Glass Harmon 15	405829	\$232.44
		420099	\$232.44
	Glass Harmon 16	402156	\$170.45
		402177	\$910.85
		410996	\$934.28

EXHIBIT 'A'

LEGAL DESCRIPTION NOWATA COUNTY, OK	CORRES. WELLS	INVOICE NO.	INVOICE AMOUNT
		422697	\$910.85
		429504	\$309.92
			TOTAL \$12,057.13
Section 28-27N-16E	Regan 17	415427	\$280.10
	Regan 39	402176	\$479.25
		415426	\$632.61
			TOTAL \$1,391.96
Section 29-27N-16E	RFN FWKO	405811	\$641.40
		412989	\$1,561.72
		425614	\$863.66
	RFN 174	405852	\$232.44
		415437	\$232.44
	RFN 195	405854	\$232.44
		415438	\$232.44
	Texaco FWKO	405850	\$504.81
		415429	\$824.52
		422700	\$1,578.60
	Texaco 15	402137	\$263.43
		415445	\$232.44
	Texaco 99	405849	\$420.14
		415440	\$140.05
		425615	\$210.08
	Waite FWKO	402173	\$1,264.00
		405851	\$577.61
		415442	\$893.81
		425613	\$349.85
	Waite 57	415430	\$232.44
		429506	\$232.44
	Waite 59	415432	\$356.40
		429507	\$232.44
			TOTAL \$12,309.60
Section 30-27N-16E	MF Canada 20	422694	\$206.40
	Canada FWKO	402171	\$641.40
		405857	\$349.85
		415434	\$641.40
		425616	\$641.40
	Preston 82	405834	\$398.05
		415416	\$477.65
		429519	\$764.24
	Preston 109	420105	\$710.89

LEGAL DESCRIPTION NOWATA COUNTY, OK	CORRES. WELLS	INVOICE NO.	INVOICE AMOUNT
	Preston FWKO	412966	\$116.62
		429505	\$182.44
			TOTAL \$5,130.34
Section 31-27N-16E	Adams 5	402168	\$479.25
		420031	\$530.21
		429493	\$418.39
			TOTAL \$1,427.85
Section 32-27N-16E	Glass Reed A3	405835	\$350.12
		425603	\$280.10
	Glass Reed A6	405837	\$308.11
		412970	\$770.27
		425605	\$364.13
	Glass Reed A7	405840	\$336.11
		420033	\$350.12
		425606	\$336.11
	Glass Reed A8	410993	\$407.69
		412974	\$280.10
		420107	\$770.27
	University A1	-----	-----
	Paxton 7	425607	\$210.08
	Paxton 9	405818	\$269.87
	Paxton 17	420036	\$210.08
		425617	\$770.27
	Paxton 21	410994	\$407.69
		412973	\$280.10
	Paxton 24	412978	\$238.08
	Paxton 25	420043	\$350.12
	Paxton 26	405865	\$336.11
		420044	\$210.08
		425608	\$210.08
	Paxton 27	405843	\$406.14
		420047	\$210.08
		425610	\$210.08
	Paxton 28	412977	\$392.13
		420049	\$140.05
		425611	\$210.08
	Paxton 29	405844	\$350.12
		420050	\$280.10
	Paxton 30	405845	\$364.13
		425612	\$210.08
	Paxton 31	405847	\$420.14

LEGAL DESCRIPTION NOWATA COUNTY, OK	CORRES. WELLS	INVOICE NO.	INVOICE AMOUNT
		412975	\$210.08
		420051	\$210.08
	Paxton 32	420053	\$238.08
	Paxton Batch	402179	\$1,540.52
		412972	\$395.39
		412979	\$770.27
		422699	\$770.27
		429524	\$770.27
			TOTAL \$16,143.78
Section 35-27N-16E	FRW 866	415450	\$347.51
		429508	\$280.68
	WAL 650	405807	\$1,089.50
		410998	\$544.75
		415411	\$544.75
		420030	\$1,634.24
		425597	\$1,089.50
			TOTAL \$5,530.93
Section 36-27N-16E	B&N Lease	402181	\$1,540.52
		412981	\$770.27
		422695	\$280.10
	Tanner FWKO	405809	\$992.85
		420080	\$974.80
	IMB 778	405814	\$1,089.50
		410997	\$544.75
		415408	\$1,089.50
		420100	\$1,089.50
		425596	\$871.60
		429520	\$544.75
	IMB 810	420066	\$200.49
	ROB 710	420059	\$200.49
	ROB 742	415453	\$139.84
		420062	\$200.49
		429521	\$862.27
	ROB 808	420071	\$200.49
	NCB 249	-----	-----
	NCB 311	420056	\$200.49
		429510	\$240.59
	NCB 12P12	415446	\$200.49
		429523	\$33.34
			TOTAL \$12,267.12

LEGAL DESCRIPTION NOWATA COUNTY, OK	CORRES. WELLS	INVOICE NO.	INVOICE AMOUNT
Section 31-27N-17E	NCB 323	402165	\$434.14
		415420	\$210.08
		429511	\$308.11
	NCB 325	402163	\$140.05
		415421	\$280.10
		429513	\$336.11
	NCB 388	402161	\$448.16
		415422	\$280.10
		429515	\$294.10
	NCB 390	415425	\$350.12
		429516	\$350.12
		TOTAL	\$3,431.19
Section 1-26N-16E	ZOT 184	410995	\$1,089.50
		415413	\$544.75
		420102	\$1,089.50
		425599	\$762.64
	ZOT 182	420073	\$200.49
	ZOT 239	412982	\$253.95
		420076	\$133.66
		TOTAL	\$4,074.49
Section 2-26N-16E	TPO 419	412983	\$200.49
		429509	\$213.86
	BUM 355	405815	\$1,089.50
		412969	\$544.75
		415409	\$544.75
		420104	\$891.41
		425602	\$713.12
		TOTAL	\$4,197.88
		GRAND TOTAL	\$79,716.54

ML#12-14

Mailing address: P.O. Drawer 307 Thomas, Oklahoma 73669OIL AND GAS LIEN STATEMENTFILED
Lincoln County, OK

APR 20 2012 10:46am

Dustin Amundson
COUNTY CLERK

D. J. R. R. R.



STATE OF OKLAHOMA)
) ss.
COUNTY OF LINCOLN)

KNOW ALL MEN BY THESE PRESENTS:

THAT Danlin Industries Corporation (Claimant), whose mailing address is P.O. Drawer 307 Thomas, Oklahoma 73669, has a claim against the owner of certain oil and gas leases, Cano Petroleum, whose mailing address is 6500 N. Belt Line Rd. Ste. 200, Irving, Texas 75063, for the sum of twenty-seven thousand, two hundred and ninety dollars and sixty-seven cents (\$27,290.67) due to Danlin Industries Corporation, plus any related attorneys fees and costs and that the claim is made for and on account of the furnishing of materials and labor on oil and gas well(s) and that such work was last performed and material was last furnished on or about February 17, 2012, which was within 180 days prior to the filing of this lien statement and that such work is reflected on an itemized statement thereof hereto attached and made a part of this statement, marked as "Exhibit A"; that such work was performed and materials were furnished pursuant to an agreement with Cano Petroleum and were provided to the referenced oil well(s) in Lincoln County, Oklahoma and; that the legal description of oil and gas lease that is located in Lincoln County, Oklahoma is described as follows:

NE1/4SW1/4NW1/4, SE1/4SE1/4NW1/4, NW1/4NE1/4SW1/4,
NW1/4NW1/4SW1/4, NW1/4SE1/4SW1/4, NW1/4NW1/4NW1/4,
NW1/4NW1/4NW1/4, SE1/4NW1/4NE1/4, W1/2NW1/4SE1/4,
NE1/4NE1/4NE1/4NW1/4, N1/2NE1/4, and NE1/4NE1/4 of Section
2, Township 14 North, Range 5 East;

SE1/4NW1/4NE1/4, NW1/4SE1/4NE1/4, and NW1/4SW1/4NE1/4
of Section 3, Township 14 North, Range 5 East;

NW1/4SW1/4 of Section 25, Township 15 North, Range 5 East;

NE1/4SW1/4SE1/4, SE1/4SW1/4SE1/4, SE1/4SE1/4SW1/4, and
NE1/4SE1/4SE1/4 of Section 35, Township 15 North, Range 5
East.

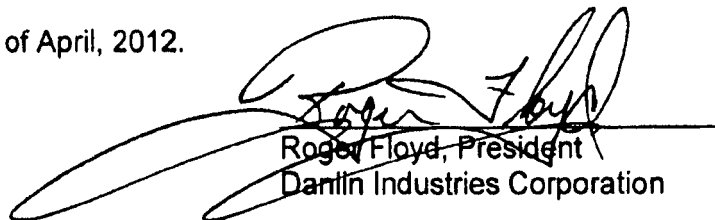
That the sum is just, due and unpaid, and Danlin Industries Corporation has a claim and lien upon the said oil and gas lease on which the wells are situated to the amount of \$27,290.67 as set forth above plus any related attorneys fees and costs, according to the laws of the State of Oklahoma.

EXHIBIT A-3

CONTINUED

05576 15

Dated this 10th day of April, 2012.



Roger Floyd, President
Danlin Industries Corporation

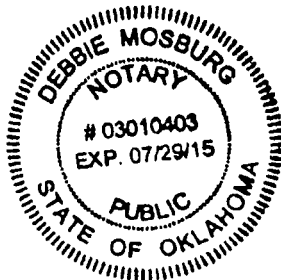
CONTINUED

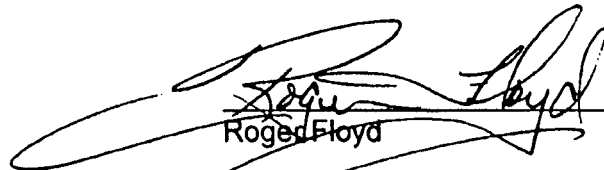
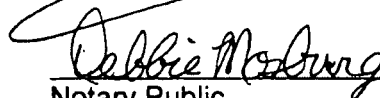
CLAIMANT'S AFFIDAVIT

STATE OF OKLAHOMA)
) ss.
COUNTY OF LINCOLN)

Roger Floyd, of lawful age, being first duly sworn, upon oath says: that he is the President of the Claimant mentioned in the foregoing statement of oil and gas well lien; that he has read said statement and knows the contents thereof; that the name of the claimant/contractor, the name of the owner, and the description of the property upon which the lien is claimed, and the items or account as therein set forth are just, true and correct.

Subscribed and sworn to before me this 10 day of April 2012.




Roger Floyd

Debbie Mosburg
Notary Public

My Commission Expires

CONTINUED

DANLIN INDUSTRIES

LEGAL DESCRIPTION LINCOLN COUNTY, OK	CORRES. WELLS	INVOICE NO.	INVOICE AMOUNT
SECTION 2-14N-5E			
NW/4 SW/4 NW/4	DPSU #42	408237	\$383.28
		411683	\$603.99
		411690	\$383.28
		414183	\$766.57
		414186	\$398.63
		418727	\$546.75
		424114	\$944.07
		427094	\$301.99
		427103	\$894.33
			TOTAL \$5,222.89
SE/4 SE/4 NW/4	DPSU #53	-----	-----
NW/4 NE/4 SW/4	DPSU #59	411684	\$229.52
		418721	\$459.03
		427091	\$471.11
			TOTAL \$1,159.66
NW/4 NW/4 SW/4	DPSU #61	4111686	\$362.40
		418723	\$314.08
		424116	\$398.63
			TOTAL \$1,075.11
NW/4 SE/4 SW/4	DPSU #77	411685	\$241.60
		418722	\$664.39
		427093	\$1,026.78
			TOTAL \$1,932.77
NW/4 NW/4 NW/4	DPSU #121	408213	\$551.87
		411691	\$365.03
		414184	\$638.81
		418726	\$668.35
		424112	\$902.71
		427096	\$664.39
		427105	\$438.03
			TOTAL \$4,229.19

CONTINUED

EXHIBIT A

NW/4 NE/4 NW/4	DPSU #143	411682	\$193.27
		418720	\$301.99
			TOTAL \$495.26
SE/4 NW/4 NE/4	DPSU #146	411678	\$451.02
		414179	\$350.68
		418713	\$175.34
		427087	\$423.74
			TOTAL \$1,400.78
W/2 NW/4 SE/4	DPSU #185	-----	-----
NE/4 NE/4 NE/4 NW/4	DPSU #189	411679	\$601.14
		414178	\$556.09
		418712	\$489.89
		427084	\$573.82
			TOTAL \$2,220.94
N/2 NE/4	DPSU #190	418714	\$217.43
			TOTAL \$217.43
NE/4 NE/4	Battery 3	427085	\$423.53
			TOTAL \$423.53
SECTION 3-14N-5E			
SE/4 NW/4 NE/4	DPSU #35	411688	\$157.04
		418725	\$120.80
		427099	\$398.63
			TOTAL \$676.47
NW/4 SE/4 NE/4	DPSU #43	408215	\$422.79
		411689	\$456.29
		414181	\$292.03
		418728	\$686.06
		424110	\$751.58
			TOTAL \$2,608.75
NW/4 SW/4 NE/4	DPSU #133	411687	\$144.95
		418724	\$120.80
		427097	\$374.47
		427100	\$887.10
			TOTAL \$1,527.32

CONTINUED

SECTION 25-15N-5E			
NW/4 SW/4	Sowards	414185	\$716.50
		418729	\$106.82
		427089	\$415.41
			TOTAL \$1,238.73
SECTION 35-15N-5E			
NE/4 SW/4 SE/4	DPSU #14	418718	\$494.21
			TOTAL \$494.21
	DPSU #16	411681	\$350.31
		418716	\$301.99
			TOTAL \$652.30
SE/4 SW/4 SE/4	DPSU #28	418715	\$301.99
			TOTAL \$301.99
SE/4 SE/4 SW/4	DPSU #163	418717	\$821.43
			TOTAL \$821.43
NW/4 SE/4 SE/4	DPSU #184	411680	\$314.08
		418719	\$277.83
			TOTAL \$591.91
			GRAND TOTAL \$27,290.67

Timothy Trump

From: Cowart, Brandon [BCowart@SEMGROUPCORP.COM]
Sent: Friday, May 04, 2012 8:04 AM
To: Timothy Trump
Cc: Ziegler, Wayne
Subject: Eagle Proposal
Attachments: Eagle Energy 125 MMCFd Capacity Proposal v2.docx

Tim,

Attached is the Eagle proposal that SemGas would like to construct the LOI around. Eagle has already asked us to draft up a contract for the new 125 MMCF/D plant so I'm pretty comfortable making the LOI specific as it pertains to the general terms and conditions outlined in the proposal.

The key items defined below:

- SemGas will purchase and install an additional 125 MMCF/D of cryogenic processing capacity for Eagle Energy. Increasing Eagle's total firm processing capacity to 155 MMCF/D.
- Eagle agrees to fully reimburse SemGas for the purchase and installation cost of the new plant in the form of a Capital Recovery Fee.
- The Capital Recovery Fee will be applied on every MCF delivered up to an estimated total volume of 76.2 BCF, final volume to be based on actual costs, not to exceed \$36.6 MM or 83 BCF.
- Eagle agrees to reimburse SemGas for all firm NGL take-or-pay obligations associated with their volumes. Volumes are based on a mutually agreed upon volume forecast as outlined in the proposal.

Give me a call when you have a chance this morning and we can discuss.

Regards,

Brandon Cowart

Director Business Development
SemGas, L.P.
Two Warren Place
6120 South Yale Avenue, Suite 600
Tulsa, OK 74136
Office: (918)-524-8137
Cell: (713)-303-7252
email: BCowart@SemGroupcorp.com

Important Notice: The information contained in this email, including any attached files, may be confidential, proprietary and/or legally privileged. If you are not the intended recipient, or have received this email in error, please notify the sender immediately and be advised that any review, disclosure, distribution or other use of this e-mail, including any attached files, is strictly prohibited.

SemGroup, SemMaterials Mexico, White Cliffs Pipeline, SemCrude, SemGas, and SemStream are registered trademarks of SemGroup Corporation.



Eagle Energy – Hopeton Expansion Proposal

Processing Facility

SemGas will purchase and install an additional 125 MMCF/ Day of cryogenic natural gas processing capacity adjacent to its existing Hopeton facility located in Woods County, Oklahoma. SemGas anticipates this additional processing capacity to be operational by February 2013.

Processing Capacity

SemGas will guarantee an incremental 125 MMCF/ Day of fixed recovery cryogenic processing capacity to Eagle, increasing Eagle's total firm processing capacity to 155 MMCF/D.

SemGas shall provide Eagle with the same fixed NGL recoveries under its existing gathering and processing agreement on all volumes up to 155 MMCF/D. SemGas shall have the sole discretion to provide Eagle with actual NGL recoveries for all volumes that exceed their 155 MMCF/D of firm processing capacity.

Due to limited NGL transportation and fractionation capacity, SemGas estimates that it will only be able to provide Eagle with an additional 48 MMCF/D of firm cryogenic processing capacity upon startup, increasing Eagle's total firm processing capacity to 78 MMCF/D in 2013 or until Oneok's Sterling III pipeline is operational. Eagle will receive 100 percent of their firm 155 MMCF/D of capacity once Oneok can supply the required firm NGL transportation and fractionation capacity discussed and outlined below in the *Pass Through of NGL Take-or-Pay Obligation* section.

Capital Recovery Fee & Volume Commitment

SemGas estimates a total cost of \$33.3 MM to purchase and install the additional 125 MMCF/D of cryogenic processing capacity. To offset the estimated expense for this new processing capacity, SemGas shall charge Eagle a Capital Recovery Fee, estimated at \$0.437 per MCF, in addition to the contractual 90/90 Percent of Proceeds (POP) fee structure, on an estimated volume of 76.2 BCF of gas delivered to SemGas' facility.

This estimated BCF requirement will be incremental and will not offset any other prior commitments that Eagle has established with SemGas for existing processing capacity. SemGas will drop the Capital Recovery Fee after Eagle has delivered the estimated volume requirement for the new capacity and the contract will revert back to the existing 90/90 POP fee structure.

Eagle shall only be responsible for reimbursing SemGas the actual cost associated with the purchase and installation of this new processing capacity. Eagle's total financial obligation will not exceed \$36.3 MM or a total volume commitment of 83 BCF. The final BCF requirement will be calculated based upon the SemGas' final actual installed cost.

If, for any reason, Eagle fails to deliver the calculated required BCF volume to SemGas by the end of the fifth (5th) year of this agreement, effective when the new capacity is operational, then Eagle shall pay SemGas a one-time deficiency payment estimated at \$0.437 for every MCF under the final calculated BCF volume obligation.

THIS PROPOSAL IS FOR DISCUSSION PURPOSES ONLY. SemGas L.P. submits this processing proposal (the "Proposal") for discussion purposes only. The parties understand that this Proposal is not intended to be a legally binding or enforceable agreement unless and until a definitive contract is executed by authorized representatives of each party. This proposal is confidential and cannot be shared with any third party without the prior written consent of SemGas L.P.



Eagle Energy – Hopeton Expansion Proposal

Pass Through of NGL Take-or-Pay Obligation

To accommodate incremental NGL production associated with this additional cryogenic processing capacity, SemGas will be required to enter into a ten (10) year Take-or-Pay agreement with Oneok for firm NGL transportation and fractionation capacity. As defined under the existing gathering and processing agreement, SemGas will pass back to Eagle all fees and take-or-pay obligations associated with firm NGL transportation and fractionation.

The chart below illustrates Eagle's 10 year projected volume curve based upon their latest production forecast that they have provided SemGas. SemGas has risk adjusted Eagle's forecast by 85% to account for operational issues or potential changes in future drilling plans. Eagle's estimated volume obligation and total financial commitment are based upon the terms and conditions of Oneok's final proposal.

Eagle's 10 Year Production Forecast											
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Estimated Avg Gas Prod - MCF/D	100,587	128,609	148,940	155,000	155,000	148,940	135,000	125,000	100,587	85,000	80,000
*Production Forecast: Assumes a 4 rig average for 2012, 6 rig program through 2017, 4 rig program through 2019, 3 rig program thereafter.											
Risk Adjusted by 85% - MCF/D	85,499	109,318	126,599	131,750	131,750	126,599	114,750	106,250	85,499	72,250	68,000
Estimated NGL Prod - BPD	5,089	6,507	7,536	7,842	7,842	7,536	6,830	6,324	5,089	4,301	4,048
NGL Volume & Financial Obligation											
Hopetonl NGL Obligation - BPD	1,200	800	-	-	-	-	-	-	-	-	-
Estimated Capacity Needs - BPD	3,000	5,707	7,536	7,842	7,842	7,536	6,830	6,324	5,089	4,301	4,047
New Capacity Obligation @70% -	2,100	3,995	5,275	5,490	5,490	5,275	4,781	4,427	3,562	3,010	2,833
Financial Commitment	\$1,640,961	\$7,655,221	\$10,298,976	\$10,920,599	\$11,127,230	\$10,894,709	\$10,062,265	\$9,493,748	\$7,784,705	\$6,703,510	\$1,056,608

Oneok Agreement Key Terms:

- 10 year term
- 70% Take-or-Pay Obligation
- Total of 3,000 BPD of firm capacity in 2013
- Guaranteed capacity to match proposed volume cure upon completion of Oneok's Sterling III pipeline
- Conway price basis for 2013 with a weighted average T&F fee of 6.1 cpg
- Mt. Belyeu price basis for all volumes upon completion of Oneok's Sterling III pipeline, anticipated for completion 4th Qtr. 2013, with a weight average T&F fee of 12.6 cpg
- Quarterly volume true-up
- Annual fee escalation based on CPI-U index
- Total Financial Obligation \$87.6 MM

Through 2013 or until Oneok's Sterling III pipeline is operational, SemGas will have NGL capacity to move an incremental 3,000 BPD of NGL production associated with the new 125 MMCF/D processing facility. This incremental 3,000 BPD will increase the total firm NGL transportation and fractionation capacity to 4,200 BPD in 2013 (1,200 BPD associated with the Hopeton I agreement). In the event that Oneok cannot accommodate volumes in excess of 4,200 BPD, then Eagle shall receive gas value for all volumes that SemGas is unable to process and deliver into Oneok's system.

THIS PROPOSAL IS FOR DISCUSSION PURPOSES ONLY. SemGas L.P. submits this processing proposal (the "Proposal") for discussion purposes only. The parties understand that this Proposal is not intended to be a legally binding or enforceable agreement unless and until a definitive contract is executed by authorized representatives of each party. This proposal is confidential and cannot be shared with any third party without the prior written consent of SemGas L.P.



Eagle Energy - Hopeton Expansion Proposal

During 2013, SemGas shall use best efforts to deliver volumes in excess of 4,200 BPD to Oneok. If SemGas is unable to move excess volume on Oneok, then it shall use best efforts to move this additional NGL volume by truck at the highest possible netback price. SemGas shall pass back to Eagle all transportation, fractionation and marketing fees associated with NGL volumes moved by truck.

CONFIDENTIAL



Timothy T. Trump | Attorney at Law
p (918) 586-8513 | f (918) 586-8613 | ttrump@cwlaw.com

Conner & Winters, LLP
4000 One Williams Center | Tulsa, OK 74172-0148
p (918) 586-5711 | f (918) 586-8982 | cwlaw.com

May 4, 2012

Via Federal Express

BMC Group
Attn: Cano Petroleum Claims Processing
18675 Lake Dr. E
Chanhassen, MN 55317


Re: Cano Petroleum Bankruptcy

Dear BMC Group:

Enclosed for filing please find three separate Proofs of Claim for Danlin Industries Corporation 12-31556, 12-31551; and 12-31549.

Very truly yours,

CONNER & WINTERS



Joni M. Peters, Assistant to
Timothy T. Trump

TTT/jp
Enclosures

From: (918) 586-8537
 JONI PETERS
 CWLAW
 4000 One Williams Center
 TULSA, OK 74172

Origin ID: TULA



Ship Date: 04MAY12
 ActWgt: 1.0 LB
 CAD: 1406589/INET3250

Delivery Address Bar Code



SHIP TO: (918) 586-8537

BILL SENDER

BMC Group
BMC Group
Cano Petroleum Inc. Claims Process
18675 Lake Dr E
CHANHASSEN, MN 55317

Ref # 13856.01
 Invoice #
 PO #
 Dept #

RECEIVED**MAY 07 2012**

BMC GROUP MON - 07 MAY A1
PRIORITY OVERNIGHT

TRK# 7935 3116 5180

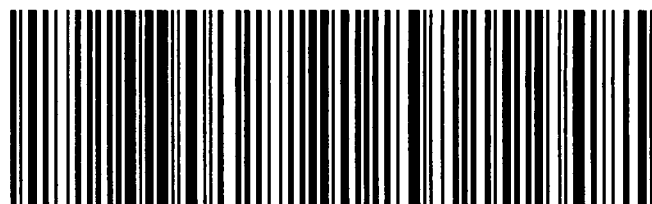
0201

RES

55317

MN-US

MSP

XH FBLA

512G361A4/A278

After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$500, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.