

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

PROOF OF CLAIM

EQUITY HOLDER

POC ID: 4207

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

- | | |
|--|--|
| <input checked="" 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:

 29747778004207
WILLIAM HERBERT HUNT TRUST ESTATE
1601 ELM ST., SUITE 3400
DALLAS, TX 75201

RECEIVED

MAY 07 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 () email:

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 \$ 7,093,105.42

- 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) 4,079 SHARES SERIES D CONVERTIBLE PREFERRED STOCK *4,079,356.42 AND 625,000 SHARES COMMON STOCK *3,013,750.00 TOTALING *7,093,106.42

3. LAST FOUR DIGITS OF ANY NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR: 4207

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.

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:

Real Estate Motor Vehicle Other _____

Amount of Secured Claim: \$ _____

Value of Property: \$ _____

Amount Unsecured: \$ _____

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 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) (_____). |

* 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



00242

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: WILLIAM HERBERT HUNT TRUST ESTATE
ALAN BAIN, TRUSTEE
Title: TRUSTEE
Company: WILLIAM HERBERT HUNT TRUST ESTATE

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

Alan Bain
(Signature)

5/3/2012
(Date)

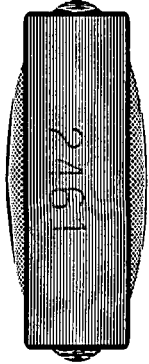
214-860-0400
Telephone number: email:

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.

NOT VALID UNLESS COUNTERSIGNED BY TRANSFER AGENT
INCORPORATED UNDER THE LAWS OF THE STATE OF
Delaware

Delaware

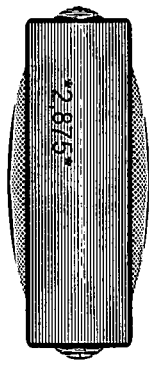
NUMBER



SEE REVERSE SIDE FOR SPECIAL LEGEND

CANO PETROLEUM, Inc.

SHARES



CUSIP: 2875
XXXXXXXXXXXXXXXXXXXX

The shares represented by this certificate have not been registered under the Securities Act of 1933, as amended. The shares have not been acquired in the absence of an effective registration statement with respect to the shares, and the issuer of the shares, as to the validity of said act that is applicable to the issuer of transfer agent, is not bound by the opinion of counsel.

WILLIAM HERBERT HUNT TRUST ESTATE

IS THE RECORD HOLDER OF

* TWO THOUSAND EIGHT HUNDRED SEVENTY FIVE *

Shares of CANO PETROLEUM, INC. XXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXX SERIES D CONVERTIBLE PREFERRED STOCK
transferable on the books of the Corporation in person or by duly authorized attorney upon surrender of this Certificate properly endorsed. This Certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.

Witness the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

Dated: SEPTEMBER 6, 2006

Michael J. Roberts
SECRETARY

[Signature]
PRESIDENT



NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE CONVERTIBLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL, IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT AND APPLICABLE STATE SECURITIES LAWS OR (C) UNLESS SOLD PURSUANT TO RULE 144 UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PURCHASED PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES. REFERENCE IS MADE TO THE CERTIFICATE OF INCORPORATION, WHICH IS FILED WITH THE SECRETARY OF STATE OF DELAWARE AND SETS FORTH THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL, OR OTHER SPECIAL RIGHTS OF EACH CLASS OF CAPITAL STOCK OR SERIES THEREOF AND THE QUALIFICATIONS, LIMITATIONS, OR RESTRICTIONS OF SUCH PREFERENCES AND/OR RIGHTS. THE COMPANY WILL FURNISH WITHOUT CHARGE TO EACH SHAREHOLDER WHO SO REQUESTS THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL, OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OR SERIES THEREOF AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND/OR RIGHTS. SUCH REQUEST MAY BE MADE TO THE COMPANY OR TO THE TRANSFER AGENT.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - Custodian
(Cust) (Minor)
under Uniform Gifts to Minors
Act
(State)

Additional abbreviations may also be used though not in the above list.

For Value Received, _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

Shares

of the capital stock represented by the within certificate, and do hereby irrevocably constitute and appoint

_____ Attorney
to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.

Dated _____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER

• NOTICE SIGNATURE GUARANTEED:

SIGNATURE(S) MUST BE GUARANTEED BY A FIRM WHICH IS A MEMBER OF A REGISTERED NATIONAL STOCK EXCHANGE, OR BY A BANK (OTHER THAN A SAVINGS BANK), OR A TRUST COMPANY. THE GUARANTEERING FIRM MUST BE A MEMBER OF THE MEDALLION GUARANTEE PROGRAM.

TRANSFER FEE WILL APPLY

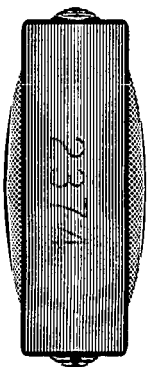
◆◆◆ FOR MEDALLION GUARANTEE USE ONLY ◆◆◆

Large dashed rectangular box for signature and stamp.

NOT VALID UNLESS COUNTERSIGNED BY TRANSFER AGENT
INCORPORATED UNDER THE LAWS OF THE STATE OF

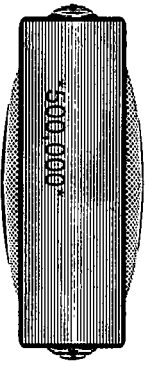
Delaware

NUMBER



SEE REVERSE SIDE FOR SPECIAL LEGEND

SHARES



CANO PETROLEUM, Inc.

The shares represented by this certificate have not been acquired for investment and may not be offered, sold or otherwise acquired in the absence of an effective registration statement under the Securities Act of 1933, as amended. The shares have been acquired in the absence of an effective registration statement under the Securities Act of 1933, as amended. The shares have been acquired in the absence of an effective registration statement under the Securities Act of 1933, as amended. The shares have been acquired in the absence of an effective registration statement under the Securities Act of 1933, as amended.

AUTHORIZED COMMON STOCK: 50,000,000 SHARES
PAR VALUE: \$.0001
CUSIP NO. 13780J 10 6

THIS CERTIFICATE THAT
of said act that the opinion of counsel is required."

WILLIAM HERBERT HUNT TRUST ESTATE

IS THE RECORD HOLDER OF

*FIVE HUNDRED THOUSAND *

Shares of CANO PETROLEUM, INC. Common Stock

transferable on the books of the Corporation in person or by duly authorized attorney upon surrender of this Certificate properly endorsed. This Certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.

Witness the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

Dated: SEPTEMBER 6, 2006

Michael J. Richetta
SECRETARY

[Signature]
PRESIDENT



"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL, IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT AND APPLICABLE STATE SECURITIES LAWS OR (II) UNLESS SOLD PURSUANT TO RULE 144 UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLACED PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES. REFERENCE IS MADE TO THE CERTIFICATE OF INCORPORATION, WHICH IS FILED WITH THE SECRETARY OF STATE OF DELAWARE AND SETS FORTH THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL, OR OTHER SPECIAL RIGHTS OF EACH CLASS OF CAPITAL STOCK OR SERIES THEREOF AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND/OR RIGHTS. THE COMPANY WILL FURNISH WITHOUT CHARGE TO EACH SHAREHOLDER WHO SO REQUESTS THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL, OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OR SERIES THEREOF AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND/OR RIGHTS, SUCH REQUEST MAY BE MADE TO THE COMPANY OR TO THE TRANSFER AGENT."

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common
 TEN ENT - as tenants by the entireties
 JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - Custodian
 (Cust) (Minor)
 under Uniform Gifts to Minors Act
 (State)

Additional abbreviations may also be used though not in the above list.

For Value Received, _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

 (PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

 _____ Shares

of the capital stock represented by the within certificate, and do hereby irrevocably constitute and appoint

_____ Attorney
 to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.

Dated _____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER

• NOTICE SIGNATURE GUARANTEED:

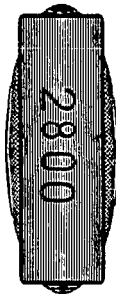
SIGNATURE(S) MUST BE GUARANTEED BY A FIRM WHICH IS A MEMBER OF A REGISTERED NATIONAL STOCK EXCHANGE, OR BY A BANK (OTHER THAN A SAVINGS BANK), OR A TRUST COMPANY. THE GUARANTEEING FIRM MUST BE A MEMBER OF THE MEDALLION GUARANTEE PROGRAM.

TRANSFER FEE WILL APPLY

◆◆◆ FOR MEDALLION GUARANTEE USE ONLY ◆◆◆

NOT VALID UNLESS COUNTERSIGNED BY TRANSFER AGENT.
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

NUMBER



SHARES



CANO PETROLEUM, INC.

AUTHORIZED COMMON STOCK: 50,000,000 SHARES
PAR VALUE: \$.0001

CUSTIP NO. 137801 10 6

THIS CERTIFIES THAT

WILLIAM HERBERT HUNT TRUST ESTATE

IS THE RECORD HOLDER OF

*ONE HUNDRED TWENTY FIVE THOUSAND *

Shares of **CANO PETROLEUM, INC.** Common Stock

transferable on the books of the Corporation in person or by duly authorized attorney upon surrender of this Certificate properly endorsed. This Certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.

Witness the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

Dated: MARCH 7, 2008



[Signature]
SECRETARY

[Signature]
PRESIDENT

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT -Custodian
(Cust) (Minor)
under Uniform Gifts to Minors
Act.....
(State)

Additional abbreviations may also be used though not in the above list.

For Value Received, _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

Shares

of the capital stock represented by the within certificate, and do hereby irrevocably constitute and appoint

Attorney
to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.

Dated _____

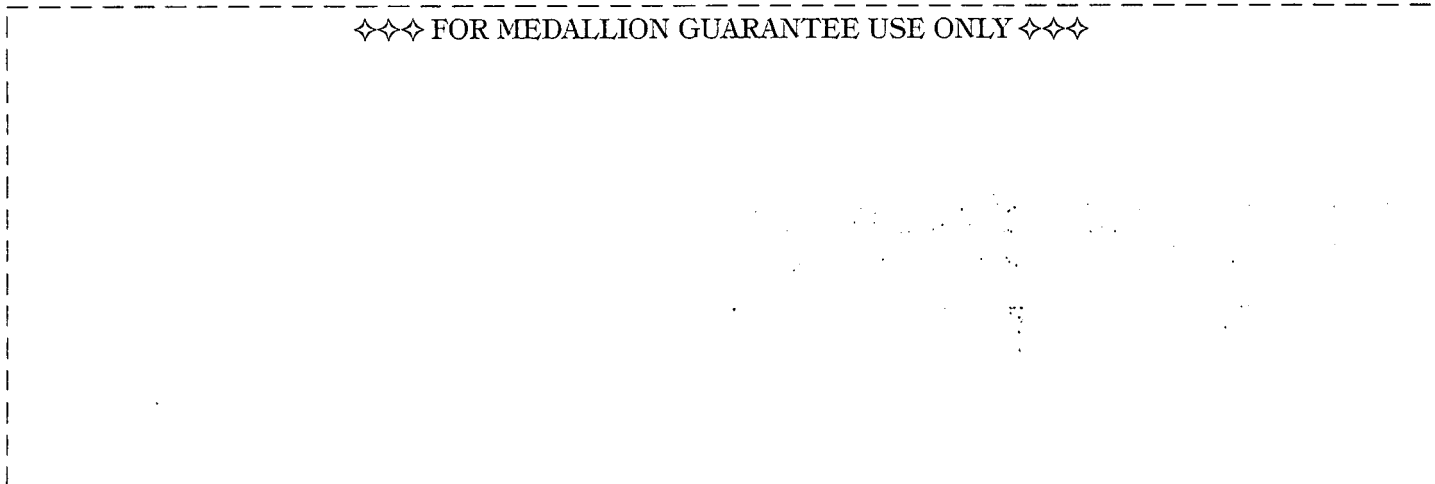
NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER

• NOTICE SIGNATURE GUARANTEED:

SIGNATURE(S) MUST BE GUARANTEED BY A FIRM WHICH IS A MEMBER OF A REGISTERED NATIONAL STOCK EXCHANGE, OR BY A BANK (OTHER THAN A SAVINGS BANK), OR A TRUST COMPANY. THE GUARANTEEING FIRM MUST BE A MEMBER OF THE MEDALLION GUARANTEE PROGRAM.

TRANSFER FEE WILL APPLY

◆◆◆ FOR MEDALLION GUARANTEE USE ONLY ◆◆◆



WILLIAM HERBERT HUNT TRUST ESTATE
1601 Elm Street, Suite 3400
Dallas, Texas 75201
ATTN: DON JEWELL



02 1M
000 4238027
\$ 00.65⁰
MAY 03 2012
MAILED FROM ZIP CODE 75201



RECEIVED

MAY 07 2012

BMC GROUP

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

5531733020 B050

