

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

PROOF OF CLAIM

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)
- 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.

POC ID: 2725 APR 09 2012

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

Martha Lou Hester Beaird

Name and address where notices should be sent:



29747776002725

MARTHA LOU HESTER BEAIRD
5121 MCKINNEY
DALLAS, TX 75205

RECEIVED

MAY 11 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.

Creditor Telephone Number (214-522-2053) e-mail: vicki@beairdrealty.com

THIS SPACE IS FOR COURT USE ONLY

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 \$?

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) Oil and gas royalty owed

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

0180

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 oil & gas royalty

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:

- 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.

CANO PETROLEUM



00269

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: Martha Lou Hester Beaird
Title: _____
Company: _____

Martha Lou Hester Beaird
(Signature)

5-1-2012
(Date)

Address and telephone number (if different from notice address above):
5121 McKinney Avenue
Dallas, TX 75205

Telephone number: 214-522-2053 - Extension 5 (Vicki Osborn Perry) email: vicki@beairdrealty.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, there may be exceptions to these general rules.

ITEMS TO BE COMPLETED IN PROOF OF CLAIM FORM (IF NOT ALREADY PROPERLY FILLED IN)

Court, Name of Debtor, and Case Number:

Fill in the federal judicial district where the bankruptcy case was filed (for example, Central District of California), the bankruptcy debtor's full name, and the case number. If you received a notice of the case from the Claims Agent, BMC Group, some or all of this information may have been already completed.

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 your 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 the 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 sued by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. This form must be filed with the court-appointed Claims Agent, BMC Group, at the address listed on the reverse side of the first page.

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 also may 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

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 or 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.

Date-Stamped Copy

Return claim form and attachments, if any. If you wish to receive an acknowledgement of your claim, please enclose a self-addressed stamped envelope and a second copy of the proof of claim form with any attachments to the Claims Agent, BMC Group, at the address on the second page of this form.

Please read - important information: upon completion of this claim form, you are certifying that the statements herein are true.

Be sure all items are answered on the claim form. If not applicable, insert "Not Applicable."

ONCE YOUR CLAIM IS FILED YOU CAN OBTAIN OR VERIFY YOUR CLAIM NUMBER BY VISITING www.bmcgroup.com/Cano

David M. Bennett
Texas Bar No. 02139600
Katharine Battaia Clark
Texas Bar No. 24046712
Cassandra A. Sepanik
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demetra.liggins@tklaw.com

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE

CANO PETROLEUM, INC., ET AL.

Debtors.

§
§
§
§
§

CASE NO. 12-31549-bjh-11
JOINTLY ADMINISTERED

(CHAPTER 11)

NOTICE OF SHORTENED DEADLINE FOR FILING PROOFS OF CLAIM

TO ALL CREDITORS, EQUITY INTEREST HOLDERS
OF THE DEBTORS AND OTHER PARTIES IN INTEREST:

PLEASE TAKE NOTICE OF THE FOLLOWING:

On March 30, 2012, the United States Bankruptcy Court for the Northern District of Texas (the "**Bankruptcy Court**") entered an order (the "**Bar Date Order**") in the above-captioned chapter 11 cases establishing **May 7, 2012 at 5:00 p.m. (prevailing Central Time)** as the claims bar date (the "**Claims Bar Date**") in the chapter 11 cases of the above-captioned debtors and debtors-in-possession (collectively, the "**Debtors**").² Except as described below, the Bar Date Order requires all Entities, as defined in section 101(15) of 11 U.S.C. §§ 101-1532 (the "**Bankruptcy Code**"), including persons, estates, trusts and governmental units, that have or assert any prepetition Claims (as defined herein)

² The Debtors include Cano Petroleum, Inc., Cano Petro of New Mexico, Ladder Companies, Inc., Square One Energy, Inc., Tri-Flow, Inc., W.O. Energy of Nevada, Inc., W.O. Operating Company, Ltd., W.O. Production Company, Ltd., and WO Energy, Inc.

against any of the Debtors to file a proof of claim with BMC Group, Inc. ("BMC") so that such proof of claim is received by BMC:

Online at:

www.bmcgroup.com/Cano/ClaimFiling

By hand delivery or overnight mail at:

BMC Group, Inc.
Re: Cano Petroleum, Inc. Claims Processing
18675 Lake Drive East
Chanhasen, MN 55317

By first class mail at:

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

before 5:00 p.m., (prevailing Central Time), on the Claims Bar Date, or be forever barred from asserting pre-petition claims against the bankruptcy estates of the Debtors.

The Debtors have filed their Schedules of Assets and Liabilities and Statements of Financial Affairs (the "Schedules and Statements") with the Bankruptcy Court. Copies of the Schedules and Statements can be obtained at <https://ecf.txnb.uscourts.gov/> or at <http://www.bmcgroup.com/cano>.

DEFINITION OF CLAIM

For purposes of this Bar Date Notice, "Claim" shall mean, as to or against any of the Debtors: (1) any right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or (2) any right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

PERSONS OR ENTITIES WHO MUST FILE A PROOF OF CLAIM

Pursuant to the Bar Date Order, all Entities holding Claims against the Debtors (whether secured, priority or unsecured) that arose prior to March 7, 2012 (the "Petition Date") are required to file proofs of claim by the Claims Bar Date, unless such Claims are "Excluded Claims" as defined below. "Excluded Claims" as defined in the Bar Date Order are:

- (i) Claims listed in the Schedules and Statements or any amendments thereto that are not therein listed as "contingent," "unliquidated" or "disputed" and that are not disputed by the holders thereof as to (a) amount, (b) classification or (c) the identity of the Debtor against whom such Claim is scheduled;

- (ii) Claims allowable under 11 U.S.C. §§ 503(b) and 507(a)(2) as expenses of administration, with the exception of claims allowable under 11 U.S.C. § 503(b)(9); and
- (iii) Claims of current officers or directors of a Debtor for indemnification and/or contribution arising as a result of such officer's or director's postpetition service to a Debtor.

Any person or entity that holds an interest in the Debtors based exclusively on ownership of any equity security (as defined in 11 U.S.C. § 101(16)), including common or preferred stock, membership interests, partnership interests, or warrants or rights to purchase, sell or subscribe to such a security interest need not file a proof of claim or proof of interest on account of such equity security. However, any such person or entity that wishes to assert a claim (as opposed to an ownership interest) against the Debtors that arises out of or relates to the ownership or purchase of an equity security, including claims arising out of or relating to the sale, issuance, or distribution of such equity security, must file a proof of claim on or before the Claims Bar Date, unless another exception identified within the Bar Date Order applies.

Any Entity whose prepetition Claim against a Debtor is not listed in the applicable Debtor's Schedules and Statements or is listed as "disputed," "contingent" or "unliquidated" and that desires to participate in any of these chapter 11 cases or share in any distribution in any of these chapter 11 cases, and any Entity whose prepetition Claim is improperly classified in the Schedules and Statements or is listed in an incorrect amount or is scheduled against an incorrect Debtor and that desires to have its Claim allowed in a classification or amount other than that set forth in the Schedules and Statements or against a Debtor other than as set forth in the Schedules and Statements, must file a proof of claim on or before the Claims Bar Date. If your claim has been scheduled by the Debtors, the classification, amount, and Debtor against which your claim has been scheduled is indicated on the claim form included with this notice.

OTHER IMPORTANT INFORMATION REGARDING FILING CLAIMS

If, after having given notice of the Claims Bar Date, any of the Debtors amend their Schedules and Statements to reduce the undisputed, noncontingent and liquidated amount or to change the nature or classification of a Claim against a Debtor reflected therein or to change the Debtor against which a Claim has been scheduled, then the affected claimant shall have thirty (30) days from the date of service of notice thereof to file a proof of claim or to amend any previously filed proof of claim in respect of such amended scheduled Claim (the "**Amended Schedule Bar Date**").

FILING PROOFS OF CLAIM AGAINST MULTIPLE DEBTORS

Any Entity asserting Claims against more than one Debtor must file a separate proof of claim with respect to each such Debtor under the case number assigned to that Debtor. All Entities asserting a Claim or Claims must identify on their proof of claim the particular Debtor against which their Claim is asserted and the case number of that Debtor's bankruptcy case.

CONSEQUENCES OF FAILURE TO FILE PROOF OF CLAIM

Any creditor that is required to file but fails to file a proof of claim for its Claim in accordance with the procedures set forth herein on or before the Claims Bar Date shall be forever barred, estopped, and enjoined from: (a) asserting any Claim against the Debtors that (i) is in an amount that exceeds the amount, if any, that is set forth in the Schedules as undisputed, noncontingent, and liquidated or (ii) is of a different nature or in a different classification (any such claim referred to as an "Unscheduled Claim") and (b) voting on, or receiving distributions under, any plan or plans of reorganization in these chapter 11 cases in respect of an Unscheduled Claim; and the Debtors and their property shall be forever discharged from any and all indebtedness or liability with respect to such Unscheduled Claim. If it is unclear from the Schedules and Statements whether your Claim (i) is disputed, contingent or unliquidated as to amount; (ii) or is otherwise properly listed and classified, you must file a proof of claim on or before the Claims Bar Date. Any Entity that relies on the Schedules and Statements bears responsibility for determining that its Claim is accurately listed therein.

TIME AND PLACE FOR FILING PROOFS OF CLAIM

A signed proof of claim, substantially in the form attached hereto, together with accompanying documentation, must be filed with BMC so as to be received no later than 5:00 p.m. (prevailing Central Time) in accordance with the rules and procedures herein.

RESERVATION OF RIGHTS

The Debtors reserve their rights to: (1) dispute, or to assert offsets or defenses against, any filed Claim or any Claim listed or reflected in the Schedules and Statements as to nature, amount, liability, classification, Debtor or otherwise; or (2) subsequently designate any Claim as disputed, contingent or unliquidated. Nothing set forth in this Notice shall preclude the Debtors from objecting to any Claim, whether scheduled or filed, on any grounds.

ADDITIONAL INFORMATION

If you require additional information regarding the filing of a proof of claim, you may contact the Debtors in writing, through their counsel, at the address listed below. All filings in the Debtors' bankruptcy cases can also be found on the following websites: <https://ecf.txnb.uscourts.gov/> or at <http://www.bmcgroup.com/cano>.

DATED: April 2, 2012.

Respectfully submitted,

THOMPSON & KNIGHT LLP

/s/ David M. Bennett

DAVID M. BENNETT

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CASSANDRA A. SEPANIK

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1722 Routh Street, Suite 1500

Dallas, Texas 75201

214.969.1700 (telephone)

214.969.1751 (facsimile)

-and-

DEMETRA L. LIGGINS

Texas State Bar No. 24026844

Demetra.Liggins@tklaw.com

THOMPSON & KNIGHT LLP

Three Allen Center

333 Clay Street, Suite 3300

Houston, Texas 77002

713.654.8111 (telephone)

713.654.1871 (facsimile)

**PROPOSED COUNSEL FOR DEBTORS
AND DEBTORS-IN-POSSESSION**

Square One Energy Inc
 801 Cherry Street, Suite 3200, Unit 25
 Fort Worth, TX 76102
 Royalty Relations (817) 698-0900
 Email: royalties@canopetro.com

Bank of Texas, N.A.
 801 Cherry Street
 Suite 1590, Unit 27
 Fort Worth, TX 76102

No. **0405000507**

PAY EXACTLY *Seven and 73/100 Dollars*

PAYEE NO.	DATE	PAY EXACTLY
10000180	12/16/09	\$7.73

Pay to the order of

MARTHA LOU HESTER BEAIRD
 5121 MCKINNEY
 DALLAS TX 75205



⑈0405000507⑈ ⑆111014325⑆ 0031013023⑈

DATE	RI	TX	UNIT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
102008	100	RI		75.5800									
112008	100	RI		53.0700	713.77	37,878.27	1,221.00						
122008	100	RI		43.4300	542.18	23,545.61	1,221.00						
012009	100	RI		39.0400	879.01	34,316.80	1,831.50	0.00001638	0.39	0.03			
022009	100	RI		32.1600	848.73	27,290.91	1,221.00	0.00001638	0.56	0.03			0.53
032009	100	RI		41.4300	697.36	28,894.11	1,831.50	0.00001638	0.44	0.02			0.42
042009	100	RI		46.6200	878.64	40,961.40	1,831.50	0.00001638	0.47	0.03			0.44
052009	100	RI		54.3700	701.40	38,131.87	1,221.00	0.00001638	0.67	0.03			0.64
062009	100	RI		66.2700	711.09	47,124.29	2,169.19	0.00001638	0.62	0.02			0.60
072009	100	RI		61.2900	348.22	21,341.11	983.12	0.00001638	0.78	0.04			0.74
082009	100	RI		67.4800	532.68	35,943.05	1,656.25	0.00001638	0.35	0.02			0.33
092009	100	RI		65.1200	353.08	22,992.57	1,060.53	0.00001638	0.59	0.03			0.56
102009	100	RI		72.8700	181.50	13,225.78	609.86	0.00001638	0.38	0.02			0.36
00104000	00002		Desdemona Field Unit					0.00001638	0.22	0.01			0.21
102008	200	RI						0.00001638					
112008	200	RI		4.8400	1,064.70	5,149.36	610.50	0.00001638		0.01			-0.01
122008	200	RI		4.9600	1,036.15	5,139.58	610.50	0.00001638	0.08	0.01			0.07
012009	200	RI		4.4900	1,409.87	6,329.68	610.50	0.00001638	0.08	0.01			0.07
022009	200	RI		3.0600	1,037.01	3,177.83		0.00001638	0.10	0.01			0.09
032009	200	RI		2.7200	876.09	2,380.08		0.00001638	0.05				0.05
042009	200	RI		2.8100	1,035.97	2,911.89		0.00001638	0.04				0.04
052009	200	RI		2.2500	973.95	2,194.26		0.00001638	0.05				0.05
062009	204	RI		2.8000	615.00	1,722.00	129.56	0.00001638	0.04				0.04
072009	204	RI		3.2700	1,239.00	4,048.26	304.44	0.00001638	0.03				0.03
082009	204	RI		2.7700	760.00	2,106.13	158.47	0.00001638	0.07				0.07
102009	204	RI		2.9400	1,066.00	3,128.87	235.38	0.00001638	0.03				0.03
								0.00001638	0.05				0.05

DEC 18 2009

PLEASE DETACH BEFORE PRESENTING FOR PAYMENT

DEC 18 2009

CURRENT CHECK	OWNER VALUE 8.16	OWNER TAXES 0.43	OWNER DEDUCTS	NET SHARE 7.73	TOTAL CHECK AMOUNT:	7.73
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Square One Energy Inc
 801 Cherry Street, Suite 3200, Unit 25
 Fort Worth, TX 76102
 Royalty Relations (817) 698-0900
 Email: royalties@canopetro.com

PAYEE NAME	PAYEE NO.	DATE	CHECK NUMBER	AMOUNT
MARTHA LOU HESTER BEARD	10000180	12/16/09	0405000507	\$7.73

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
00104000	00001	Desdemona Field Unit	TX	EASTLAND	0.00001638					
102008	100	RI	75.5800	498.41	37,671.97	1,831.50	0.00001638	0.62	0.03	0.59
112008	100	RI	53.0700	713.77	37,878.27	1,221.00	0.00001638	0.62	0.02	0.60
122008	100	RI	43.4300	542.18	23,545.61	1,221.00	0.00001638	0.39	0.02	0.37
012009	100	RI	39.0400	879.01	34,316.80	1,831.50	0.00001638	0.56	0.03	0.53
022009	100	RI	32.1600	848.73	27,290.91	1,221.00	0.00001638	0.44	0.02	0.42
032009	100	RI	41.4300	697.36	28,894.11	1,831.50	0.00001638	0.47	0.03	0.44
042009	100	RI	46.6200	878.64	40,961.40	1,831.50	0.00001638	0.67	0.03	0.64
052009	100	RI	54.3700	701.40	38,131.87	1,221.00	0.00001638	0.62	0.02	0.60
062009	100	RI	66.2700	711.09	47,124.29	2,169.19	0.00001638	0.78	0.04	0.74
072009	100	RI	61.2900	348.22	21,341.11	983.12	0.00001638	0.35	0.02	0.33
082009	100	RI	67.4800	532.68	35,943.05	1,656.25	0.00001638	0.59	0.03	0.56
092009	100	RI	65.1200	353.08	22,992.57	1,060.53	0.00001638	0.38	0.02	0.36
102009	100	RI	72.8700	181.50	13,225.78	609.86	0.00001638	0.22	0.01	0.21
00104000	00002	Desdemona Field Unit	TX	EASTLAND	0.00001638					
102008	200	RI			610.50		0.00001638		0.01	-0.01
112008	200	RI	4.8400	1,064.70	5,149.36	610.50	294.97	0.00001638	0.08	0.01
122008	200	RI	4.9600	1,036.15	5,139.58	610.50		0.00001638	0.08	0.01
012009	200	RI	4.4900	1,409.87	6,329.68	610.50		0.00001638	0.10	0.01
022009	200	RI	3.0600	1,037.01	3,177.83			0.00001638	0.05	0.05
032009	200	RI	2.7200	876.09	2,380.08			0.00001638	0.04	0.04
042009	200	RI	2.8100	1,035.97	2,911.89			0.00001638	0.05	0.05
052009	200	RI	2.2500	973.95	2,194.26			0.00001638	0.04	0.04
062009	204	RI	2.8000	615.00	1,722.00	129.56		0.00001638	0.03	0.03
072009	204	RI	3.2700	1,239.00	4,048.26	304.44		0.00001638	0.07	0.07
082009	204	RI	2.7700	760.00	2,106.13	158.47		0.00001638	0.03	0.03
102009	204	RI	2.9400	1,066.00	3,128.87	235.38		0.00001638	0.05	0.05

DEC 18 2009

PLEASE DETACH BEFORE PRESENTING FOR PAYMENT

DEC 18 2009

	OWNER VALUE	OWNER TAXES	OWNER DEDUCTS	NET SHARE	TOTAL CHECK AMOUNT:
CURRENT CHECK	8.16	0.43		7.73	7.73

Square One Energy Inc
 801 Cherry Street, Suite 3200, Unit 25
 Fort Worth, TX 76102
 Royalty Relations (817) 698-0900
 Email: royalties@canopetro.com

PAYEE NAME	PAYEE NO.	DATE	CHECK NUMBER	AMOUNT
MARTHA LOU HESTER BEAIRD	10000180	12/16/09	0405000507	\$7.73

Property #	DOI #	Property Name	State	County	Legal Decimal									
Sale Date	PC	TYP INT	PRICE	GROSS QUANTITY	GROSS VALUE	GROSS TAX	GROSS TRANSP.	GROSS DEDUCTS	PAID INT	OWNER VALUE	OWNER TAX	OWNER DEDUCTS	ADJ. CODE	NET SHARE
112008	400	RI			883.32				0.00001638	0.01				0.01
122008	400	RI			4,482.61	610.50			0.00001638	0.07	0.01			0.06
012009	400	RI			4,758.86	610.50			0.00001638	0.08	0.01			0.07
022009	400	RI			11,172.31	610.50			0.00001638	0.18	0.01			0.17
032009	400	RI			11,402.14	610.50			0.00001638	0.19	0.01			0.18
042009	400	RI			4,866.14	610.50			0.00001638	0.08	0.01			0.07
052009	400	RI			5,424.70	610.50			0.00001638	0.09	0.01			0.08
062009	400	RI	1.0500	7,329.00	7,724.77	579.86			0.00001638	0.13	0.01			0.12

DEC 18 2009

	OWNER VALUE	OWNER TAXES	OWNER DEDUCTS	NET SHARE
CURRENT CHECK	8.16	0.43		7.73

TOTAL CHECK AMOUNT: 7.73

Bank of Texas, N.A.

Square One Energy, Inc.
P.O. Box 961251
File: 99408
Fort Worth, TX 76161
(817)698-0900

Square One Energy, Inc.

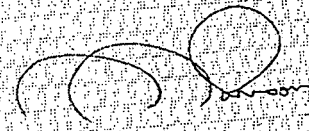
CHECK NUMBER
12383

AMOUNT
*****14.94

DATE
12/15/2008

*****14 Dollars and 94 Cents

PAY TO THE ORDER OF
MARTHA LOU HESTER BEAIRD
5121 MCKINNEY
DALLAS, TX 75205



VOID IF NOT CASHED WITHIN 90 DAYS

⑈ 12383 ⑈ ⑆ 111014325 ⑆ ⑈ 0031013023 ⑈

110000	Oil 12/07 Roy	0.00001638	98.69	9,163.02	0.00	0.00	0.00	1.04
	Desdemona Field Unit		92.85	0.15	0.00	0.00	0.00	0.15
			County: Eastland		State: TX			

Square One Energy, Inc.
801 Cherry Street Fort Worth, TX 76102 (817)698-0900

Property	Product	Date	Owner Interest	Vol/Unt Prc	Gross	Deducts	Taxes	State With	Owner Net
.10000	Desdemona Field Unit			County: Eastland			State: TX		
	Oil	10/07 Roy	0.00001638	181.80	15,833.77	0.00	729.83		
				87.09	0.26	0.00	0.01	0.00	0.25
.10000	Desdemona Field Unit			County: Eastland			State: TX		
	Gas	10/07 Roy	0.00001638	0.00	0.00	0.00	3,487.76		
				0.00	0.00	0.00	0.06	0.00	-0.06
.10000	Desdemona Field Unit			County: Eastland			State: TX		
	Oil	11/07 Roy	0.00001638	146.24	13,674.47	0.00	630.23		
				93.51	0.22	0.00	0.01	0.00	0.21
.10000	Desdemona Field Unit			County: Eastland			State: TX		
	Gas	11/07 Roy	0.00001638	0.00	0.00	0.00	3,420.16		
				0.00	0.00	0.00	0.06	0.00	-0.06
.10000	Desdemona Field Unit			County: Eastland			State: TX		
	Gas	11/07 Roy	0.00001638	3,764.00	33,437.63	2,972.67	0.00		
				8.88	0.55	0.05	0.00	0.00	0.50
.10000	Desdemona Field Unit			County: Eastland			State: TX		
	Gas	11/07 Roy	0.00001638	9,252.00	63,211.18	0.00	0.00		
				6.83	1.04	0.00	0.00	0.00	1.04
.10000	Desdemona Field Unit			County: Eastland			State: TX		
	Oil	12/07 Roy	0.00001638	98.69	9,163.02	0.00	0.00		
				92.85	0.15	0.00	0.00	0.00	0.15
.10000	Desdemona Field Unit			County: Eastland			State: TX		
	Oil	12/07 Roy	0.00001638	124.57	11,648.17	0.00	536.82		
				93.51	0.19	0.00	0.01	0.00	0.18
.10000	Desdemona Field Unit			County: Eastland			State: TX		
	Oil	12/07 Roy	0.00001638	270.78	25,548.12	0.00	1,177.43		
				94.35	0.42	0.00	0.02	0.00	0.40
.10000	Desdemona Field Unit			County: Eastland			State: TX		
	Gas	12/07 Roy	0.00001638	2,922.00	26,648.62	2,314.39	0.00		
				9.12	0.44	0.04	0.00	0.00	0.40
.10000	Desdemona Field Unit			County: Eastland			State: TX		
	Gas	12/07 Roy	0.00001638	664.00	4,470.49	0.00	0.00		
				6.73	0.07	0.00	0.00	0.00	0.07
.10000	Desdemona Field Unit			County: Eastland			State: TX		
	Gas	12/07 Roy	0.00001638	0.00	0.00	0.00	2,617.24		
				0.00	0.00	0.00	0.04	0.00	-0.04
.10000	Desdemona Field Unit			County: Eastland			State: TX		
	Other	12/07 Roy	0.00001638	207.00	3,547.54	0.00	0.00		
				17.14	0.06	0.00	0.00	0.00	0.06
.10000	Desdemona Field Unit			County: Eastland			State: TX		
	Gas	1/08 Roy	0.00001638	1,705.00	11,205.93	0.00	0.00		
				6.57	0.18	0.00	0.00	0.00	0.18

SEE ATTACHED DETAIL

DEC 18 2008

OWNER: BE555 CHECK NUMBER: 12383 12/15/2008 TAX: \$0.85 AMOUNT: \$14.94

PLEASE DETACH THIS REMITTANCE ADVICE BEFORE DEPOSITING CHECK

Property	Product	Date	Owner Interest	Vol/Unt Prc	Gross	Deducts	Taxes	State With	Owner Net
110000	Desdemona Field Unit			County: Eastland				State: TX	
	Gas	1/08 Roy	0.00001638	3,086.00 9.37	28,924.16 0.47	2,533.69 0.04	0.00 0.00	0.00	0.43
110000	Desdemona Field Unit			County: Eastland				State: TX	
	Gas	1/08 Roy	0.00001638	0.00 0.00	0.00 0.00	0.00 0.00	3,246.42 0.05	0.00	-0.05
110000	Desdemona Field Unit			County: Eastland				State: TX	
	Other	1/08 Roy	0.00001638	320.00 17.07	5,461.59 0.09	0.00 0.00	0.00 0.00	0.00	0.09
110000	Desdemona Field Unit			County: Eastland				State: TX	
	Oil	2/08 Roy	0.00001638	626.68 95.82	60,049.07 0.98	0.00 0.00	2,767.35 0.05	0.00	0.93
110000	Desdemona Field Unit			County: Eastland				State: TX	
	Gas	2/08 Roy	0.00001638	0.00 0.00	0.00 0.00	0.00 0.00	2,583.20 0.04	0.00	-0.04
110000	Desdemona Field Unit			County: Eastland				State: TX	
	Gas	2/08 Roy	0.00001638	3,340.00 9.95	33,235.48 0.54	2,789.68 0.05	0.00 0.00	0.00	0.49
110000	Desdemona Field Unit			County: Eastland				State: TX	
	Gas	2/08 Roy	0.00001638	1,501.00 7.62	11,440.94 0.19	0.00 0.00	0.00 0.00	0.00	0.19
110000	Desdemona Field Unit			County: Eastland				State: TX	
	Other	2/08 Roy	0.00001638	243.00 15.95	3,875.09 0.06	0.00 0.00	0.00 0.00	0.00	0.06
110000	Desdemona Field Unit			County: Eastland				State: TX	
	Oil	3/08 Roy	0.00001638	158.92 105.85	16,821.68 0.28	0.00 0.00	775.09 0.01	0.00	0.27
110000	Desdemona Field Unit			County: Eastland				State: TX	
	Gas	3/08 Roy	0.00001638	0.00 0.00	0.00 0.00	0.00 0.00	2,616.31 0.04	0.00	-0.04
110000	Desdemona Field Unit			County: Eastland				State: TX	
	Gas	3/08 Roy	0.00001638	2,238.00 10.40	23,282.42 0.38	1,862.31 0.03	0.00 0.00	0.00	0.35
110000	Desdemona Field Unit			County: Eastland				State: TX	
	Gas	3/08 Roy	0.00001638	827.00 8.70	7,198.41 0.12	0.00 0.00	0.00 0.00	0.00	0.12
110000	Desdemona Field Unit			County: Eastland				State: TX	
	Other	3/08 Roy	0.00001638	317.00 16.80	5,324.55 0.09	0.00 0.00	0.00 0.00	0.00	0.09
110000	Desdemona Field Unit			County: Eastland				State: TX	
	Oil	4/08 Roy	0.00001638	343.40 115.02	39,497.98 0.65	0.00 0.00	1,819.68 0.03	0.00	0.62
110000	Desdemona Field Unit			County: Eastland				State: TX	
	Gas	4/08 Roy	0.00001638	0.00 0.00	0.00 0.00	0.00 0.00	2,410.23 0.04	0.00	-0.04

OWNER: BE555 CHECK NUMBER: 12383 12/15/2008 TAX: \$0.85 AMOUNT: \$14.94

PLEASE DETACH THIS REMITTANCE ADVICE BEFORE DEPOSITING CHECK

DEC 18 2008

Square One Energy, Inc.

CHECK NUMBER

VOID

DATE

VOID

VOID

PAY MARTHA LOU HESTER BEAIRD
TO THE 5121 MCKINNEY
ORDER OF DALLAS, TX 75205

Property	Product	Date	Owner Interest	Vol/Unt Prc	Gross	Deducts	Taxes	State With	Owner Net
110000	Desdemona Field Unit			County: Eastland		State: TX			
	Gas	4/08 Roy	0.00001638	1,025.00 10.94	11,215.46 0.18	855.99 0.01	0.00 0.00	0.00	0.17
110000	Desdemona Field Unit			County: Eastland		State: TX			
	Gas	4/08 Roy	0.00001638	240.00 9.18	2,204.20 0.04	0.00 0.00	0.00 0.00	0.00	0.04
110000	Desdemona Field Unit			County: Eastland		State: TX			
	Other	4/08 Roy	0.00001638	77.00 18.21	1,401.82 0.02	0.00 0.00	0.00 0.00	0.00	0.02
110000	Desdemona Field Unit			County: Eastland		State: TX			
	Oil	5/08 Roy	0.00001638	524.62 121.47	63,726.10 1.04	0.00 0.00	2,935.69 0.05	0.00	0.99
110000	Desdemona Field Unit			County: Eastland		State: TX			
	Gas	5/08 Roy	0.00001638	0.00 0.00	0.00 0.00	0.00 0.00	2,015.57 0.03	0.00	-0.03
110000	Desdemona Field Unit			County: Eastland		State: TX			
	Gas	5/08 Roy	0.00001638	1,912.00 10.68	20,411.63 0.33	0.00 0.00	0.00 0.00	0.00	0.33
110000	Desdemona Field Unit			County: Eastland		State: TX			
	Gas	5/08 Roy	0.00001638	1,537.00 12.63	19,409.65 0.32	1,293.85 0.02	0.00 0.00	0.00	0.30
110000	Desdemona Field Unit			County: Eastland		State: TX			
	Other	5/08 Roy	0.00001638	167.00 19.87	3,317.64 0.05	0.00 0.00	0.00 0.00	0.00	0.05
110000	Desdemona Field Unit			County: Eastland		State: TX			
	Oil	6/08 Roy	0.00001638	673.14 130.08	87,558.89 1.43	0.00 0.00	4,033.16 0.07	0.00	1.36
110000	Desdemona Field Unit			County: Eastland		State: TX			
	Gas	6/08 Roy	0.00001638	3,512.00 11.45	40,226.43 0.66	0.00 0.00	0.00 0.00	0.00	0.66
110000	Desdemona Field Unit			County: Eastland		State: TX			
	Gas	6/08 Roy	0.00001638	0.00 0.00	0.00 0.00	0.00 0.00	1,736.13 0.03	0.00	-0.03
110000	Desdemona Field Unit			County: Eastland		State: TX			
	Oil	7/08 Roy	0.00001638	343.24 138.45	47,522.29 0.78	0.00 0.00	2,188.81 0.04	0.00	0.74
110000	Desdemona Field Unit			County: Eastland		State: TX			
	Gas	7/08 Roy	0.00001638	235.00 13.35	3,136.15 0.05	0.00 0.00	0.00 0.00	0.00	0.05
110000	Desdemona Field Unit			County: Eastland		State: TX			
	Gas	7/08 Roy	0.00001638	-2.35 1,334.53	-3,136.15 -0.05	0.00 0.00	0.00 0.00	0.00	-0.05
110000	Desdemona Field Unit			County: Eastland		State: TX			
	Gas	7/08 Roy	0.00001638	3,103.00 11.43	35,466.16 0.58	0.00 0.00	0.00 0.00	0.00	0.58

OWNER: BE555 CHECK NUMBER: 12383 12/15/2008 TAX: \$0.85 AMOUNT: \$14.94

PLEASE DETACH THIS REMITTANCE ADVICE BEFORE DEPOSITING CHECK

Square One Energy, Inc.

CHECK NUMBER

VOID

DEC 18 2008

DATE

VOID

VOID

PAY TO THE ORDER OF MARTHA LOU HESTER BEAIRD
 5121 MCKINNEY
 DALLAS, TX 75205

Property	Product	Date	Owner Interest	Vol/Unt Prc	Gross	Deducts	Taxes	State With	Owner Net
110000	Desdemona Field Unit			County: Eastland			State: TX		
	Gas	7/08 Roy	0.00001638	0.00	0.00	0.00	1,391.53	0.00	-0.02
110000	Desdemona Field Unit			County: Eastland			State: TX		
	Oil	8/08 Roy	0.00001638	114.91	0.65	0.00	0.03	0.00	0.62
110000	Desdemona Field Unit			County: Eastland			State: TX		
	Gas	8/08 Roy	0.00001638	0.00	0.00	0.00	1,129.76	0.00	-0.02
110000	Desdemona Field Unit			County: Eastland			State: TX		
	Gas	8/08 Roy	0.00001638	8.43	0.26	0.00	0.00	0.00	0.26
110000	Desdemona Field Unit			County: Eastland			State: TX		
	Oil	9/08 Roy	0.00001638	103.85	0.29	0.00	0.00	0.00	0.29
110000	Desdemona Field Unit			County: Eastland			State: TX		
	Oil	9/08 Roy	0.00001638	97.72	0.83	0.00	0.04	0.00	0.79
110000	Desdemona Field Unit			County: Eastland			State: TX		
	Oil	9/08 Roy	0.00001638	97.72	0.28	0.00	0.01	0.00	0.27
110000	Desdemona Field Unit			County: Eastland			State: TX		
	Gas	9/08 Roy	0.00001638	0.00	0.00	0.00	948.29	0.00	-0.02
110000	Desdemona Field Unit			County: Eastland			State: TX		
	Gas	9/08 Roy	0.00001638	7.34	0.21	0.00	0.00	0.00	0.21
110000	Desdemona Field Unit			County: Eastland			State: TX		
	Oil	10/08 Roy	0.00001638	69.45	0.40	0.00	0.02	0.00	0.38
110000	Desdemona Field Unit			County: Eastland			State: TX		
	Gas	10/08 Roy	0.00001638	6.59	0.19	0.00	0.00	0.00	0.19
110000	Desdemona Field Unit			County: Eastland			State: TX		
	Other	10/08 Roy	0.00001638	11.34	0.06	0.00	0.00	0.00	0.06

OWNER: BE555 CHECK NUMBER: 12383 12/15/2008 TAX: \$0.85 AMOUNT: \$14.94

PLEASE DETACH THIS REMITTANCE ADVICE BEFORE DEPOSITING CHECK

DEC 18 2008

Square One Energy, Inc.

CHECK NUMBER

VOID

DATE

VOID

VOID

PAY MARTHA LOU HESTER BEAIRD
 TO THE 5121 MCKINNEY
 ORDER OF DALLAS, TX 75205

5121 MCKINNEY AVENUE
DALLAS, TEXAS 75205



RECEIVED

MAY 11 2012

BMC GROUP

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

