EXHIBIT A

PLAN SUPPORT AND LOCK-UP AGREEMENT

This Plan Support and Lock-Up Agreement (this "Agreement") dated as of March 7, 2012 (the "Agreement Effective Date") is among Cano Petroleum, Inc. (the "Borrower"), each of the Borrower's Subsidiaries (as defined below), and the Lenders (as defined below) executing this Agreement (collectively, the "Supporting Lenders").

RECITALS

A. The Borrower is a party to that certain *Amended and Restated Credit Agreement* dated as of December 17, 2008 among the Borrower, the financial institutions party thereto from time to time (the "Senior Lenders"), and Union Bank, N.A. as administrative agent for the Senior Lenders (in such capacity the "Senior Administrative Agent") and as issuing lender (in such capacity, the "Issuing Senior Lender"), as amended (as so amended and as the same may be further amended, modified or supplemented from time to time, the "Senior Credit Agreement").

B. The Borrower is also a party to that certain *Subordinated Credit Agreement* dated as of December 17, 2008 among the Borrower, the financial institutions party thereto from time to time (the "Junior Lenders"), and UnionBanCal Equities, Inc. as administrative agent for the Junior Lenders (in such capacity the "Junior Administrative Agent") and as issuing lender (in such capacity, the "Issuing Junior Lender"), as amended (as so amended and as the same may be further amended, modified or supplemented from time to time, the "Junior Credit Agreement"). Certain rights between the Junior Lenders and the Senior Lenders are set forth in that certain Intercreditor Agreement, dated as of December 17, 2008 (the "Intercreditor Agreement").

C. Pursuant to certain covenants within the Senior Credit Agreement, the Borrower hedged certain risks related to financing oil and gas production, namely protections against commodity price fluctuations and interest rate fluctuations on the outstanding indebtedness. The Borrower therefore executed certain commodity swap transactions and interest rate swap transactions (collectively, the "Swap Transactions" and the documents, the "Swap Transaction Documents"), with one of the Senior Lenders, Natixis (the "Swap Counterparty"). The foregoing commodity swap transactions and interest rate swap transactions were terminated in August and September 2011, respectively, due to defaults of the Borrower. The Borrower remains obligated to pay the termination amounts due for the Swap Transactions and such obligations to Natixis are secured by and share, on a *pari passu* basis as set forth more precisely in the Senior Credit Facility, in the same mortgages, liens and collateral that secure Borrower's indebtedness to the Senior Lenders and to the same rank and priority.

D. Unless otherwise defined in this Agreement, each capitalized term used in this Agreement that is defined in the Senior Credit Agreement has the meaning assigned to such term in the Senior Credit Agreement; provided, however, that unless otherwise defined in this Agreement, the capitalized terms appearing, but not otherwise defined, in Section 2(b)(ii) shall have the meaning given to them in **Exhibit A** hereto. The Junior Lenders who are also Supporting Lenders represent holders of at least two-thirds of the outstanding Obligations (as defined therein) under the Junior Credit Agreement and more than one-half in number of the

Junior Lenders. The Senior Lenders who are also Supporting Lenders represent holders of at least two-thirds of the outstanding Obligations under the Senior Credit Agreement and more than one-half in number of the Senior Lenders.

E. Borrower and Cano Petro of New Mexico, Inc., 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. (collectively, the "Subsidiaries" and each a "Subsidiary"), desire to implement a restructuring and reorganization of Borrower and its Subsidiaries such that the Junior Lenders, Swap Counterparty and Senior Lenders (collectively, the "Lenders") and the other holders of claims against and/or equity interests in Borrower and its Subsidiaries shall receive the consideration to be paid, distributed or provided by the Borrower pursuant to such restructuring and reorganization as set forth in a plan of reorganization conforming in all material respects to the plan attached as **Exhibit A** (the "Conforming Plan").

F. To facilitate the restructuring and reorganization contemplated by the Conforming Plan, the Borrower has entered into that certain *Stock Purchase Agreement* (the "Stalking Horse SPA") dated as of March 7, 2012, with NBI Service, Inc. (the "Buyer") attached as **Exhibit B.**

G. In order to expedite the contemplated restructuring and reorganization of the Borrower and its Subsidiaries, each party hereto desires to pursue and support the Conforming Plan by way of the Borrower and each of the Subsidiaries each commencing a voluntary case (collectively, the "Bankruptcy Cases") pursuant to Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the "Bankruptcy Court"). Upon commencing such cases, the Borrower shall cause to be filed a motion (the "Sale Motion") to establish bidding procedures to effect the sale of its stock or all or substantially all of its assets to the bidder who submits the highest and best offer. Together, the Sale Motion and the Conforming Plan will seek to achieve and implement the Stalking Horse SPA, subject to a higher and better offer solicited, selected and approved as the winning bid in accordance with the Bid Procedures Order (as defined in the Stalking Horse SPA) (the purchase and sale or similar agreement effecting the purchase and sale of the equity interests or assets of the Borrower and its Subsidiaries, whether the Stalking Horse SPA or a higher and better agreement entered into pursuant to the Bid Procedures Order, being referred to herein as the "Final Agreement," and any such restructuring transaction effected thereby a "Restructuring Transaction").

H. In order to implement the Restructuring Transaction, the Borrower and its Subsidiaries have agreed, subject to the terms of this Agreement, (i) to prepare and file (a) a Conforming Plan, and (b) a disclosure statement that conforms in all material respects with the disclosure statement attached as **Exhibit C** (the "Conforming Disclosure Statement") and (ii) to use reasonable commercial efforts to have the Conforming Disclosure Statement approved and the Conforming Plan confirmed by the Bankruptcy Court.

I. To facilitate the restructuring and reorganization contemplated by the Conforming Plan, the Supporting Lenders and the Borrower and its Subsidiaries have agreed to a budget and conforms in all material respects with the *Interim Order (I) Authorizing the Debtors' Interim Use of Cash Collateral; (II) Granting Adequate Protection, and (III) Scheduling a Final Hearing on Use of Cash Collateral* (the "Conforming Cash Collateral Order and Budget") attached as **Exhibit D.**

STATEMENT OF AGREEMENT

In consideration of the premises and mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

Section 1. Support of Final Agreement, Filing of Bankruptcy Cases and Related Transactions.

(a) Each Supporting Lender agrees that until this Agreement is terminated (or the obligations of the Supporting Lenders as set forth in this Section 1(a) (the "Support Obligations") terminate), it (i) shall vote (or cause the voting of) its claim(s) to accept the Conforming Plan following receipt of the Conforming Disclosure Statement and any solicitation of votes for the Conforming Plan, no later than any voting deadline stated therein; (ii) shall vote its claim(s) against and shall in no way otherwise, directly or indirectly, support any restructuring or reorganization of the Borrower and its Subsidiaries (or any plan or proposal in respect of the same) that is not consistent with, or does not implement or achieve the Conforming Plan and the Final Agreement; and (iii) shall not (A) directly or indirectly seek, solicit, support or encourage any other plan or the termination of the exclusive period for the filing of any plan, proposal or offer of dissolution, winding up, liquidation, reorganization, merger or restructuring of the Borrower and/or its Subsidiaries except as contemplated in the Conforming Plan; (B) object to the Conforming Disclosure Statement or the solicitation of votes for the Conforming Plan or support any such objection by any third party or (C) take any other action that is inconsistent with, or that would materially delay or obstruct the proposed solicitation, confirmation or consummation of, the Conforming Plan. Nothing contained herein shall limit the ability of any Supporting Lender, the Issuing Junior Lender or Issuing Senior Lender (collectively, the "Issuing Lenders"), or the Junior Administrative Agent or Senior Administrative Agent (collectively, the "Administrative Agents") to consult with the Borrower, or to appear and be heard, concerning any matter arising in the Bankruptcy Cases so long as such consultation or appearance does not violate the Supporting Lenders' obligations under the terms of this Agreement. Notwithstanding the foregoing or any other provision of this Agreement, the Conforming Plan, the Bid Procedures Order and the Conforming Cash Collateral Order and Budget to be entered by the court in the Bankruptcy Cases have set forth or will describe a number of rights of the Administrative Agents, the Issuing Lenders or the Supporting Lenders, and the exercise of any of such rights, including, without limitation, an objection or a refusal to consent or approve or similar action, is hereby expressly permitted by, and will not be or be deemed to be a violation or breach of this Agreement. The Supporting Lenders, the Issuing Lenders, and the Administrative Agents may also exercise their other rights as creditors and parties of interest in the Bankruptcy Cases as long as the exercise of those rights do not violate the Support Obligations.

(b) The Borrower and its Subsidiaries agree that they will (i) use reasonable commercial efforts to (A) file the Bankruptcy Cases with respect to the Restructuring Transaction in the Bankruptcy Court, on or prior to March 9, 2012 (the "Filing Date"); (B) within thirty (30) days of the Filing Date, obtain Bankruptcy Court approval of the Conforming Cash Collateral Order and Budget that are, in each case; (C) file the Conforming Plan and Conforming Disclosure Statement with the Bankruptcy Court within seven (7) days of the Filing Date; (D) obtain Bankruptcy Court approval of the Conforming Disclosure Statement within seventy-five (75) days of the Filing Date; (E) obtain confirmation of the Conforming Plan by the Bankruptcy Court within one hundred twenty (120) days of the Filing Date, and (F) consummate the Final Agreement within thirty (30) days of confirmation of the Conforming Plan, and not to take any action that is materially inconsistent with, or that would materially delay consummation of, either the Restructuring Transaction or the effectiveness of the Conforming Plan; and (ii) not assert or support any assertion by any third party that, in order to act on the provisions of Section 2(b), the Supporting Lenders shall be required to obtain relief from the automatic stay from the Bankruptcy Court (and hereby waives, to the greatest extent possible, the applicability of the automatic stay to the giving of such notice).

(c) The Supporting Lenders and the Borrower and its Subsidiaries have agreed to the Conforming Cash Collateral Order.

Section 2. Termination of Support Obligations.

(a) The Support Obligations shall be subject to termination upon the occurrence of any Support Termination Event.

(b) A "Support Termination Event" shall mean any of the following:

(i) the Bankruptcy Cases to implement the Restructuring Transaction through confirmation of the Conforming Plan shall not have been commenced by March 9, 2012;

(ii) the sum of all Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Priority Non-Tax Claims, Allowed Miscellaneous Secured Claims, and Allowed Royalty Claims (collectively, the "Allowed Administrative and Priority Claims Amount") exceeds the Claims Reserve;

(iii) the Borrower or any of its Subsidiaries (A) shall file with the Bankruptcy Court any plan of reorganization or liquidation other than the Conforming Plan or (B) shall modify or amend the Conforming Plan in any material respect without the written consent of the Supporting Lenders or (C) shall modify or amend the Stalking Horse SPA or any of its Exhibits or Schedules in any material respect or waive any material right thereunder without the written consent of the Supporting Lenders;

(iv) the Bankruptcy Court shall enter a cash collateral order or budget that is, without the written consent of the Supporting Lenders, materially different from the Conforming Cash Collateral Order and Budget, attached as **Exhibit D**;

(v) the Conforming Plan shall not have been confirmed by the Bankruptcy Court in accordance with its terms within one hundred twenty (120) days of the Filing Date;

(vi) (A) the Borrower or any of its Subsidiaries shall withdraw or revoke the Conforming Plan or (B) the Borrower or any of its Subsidiaries shall publicly announce its intention not to pursue confirmation of the Conforming Plan;

(vii) (A) a trustee shall have been appointed in any of the Bankruptcy Cases; (B) any of the Bankruptcy Cases shall have been converted to cases under Chapter 7 of the Bankruptcy Code, or (C) any of the Bankruptcy Cases shall have been dismissed by order of the Bankruptcy Court; or

(viii) the Conforming Plan shall not have been substantially consummated in accordance with its terms within one hundred fifty (150) days of the Filing Date.

(c) The Borrower shall promptly notify the Supporting Lenders of the occurrence of any Support Termination Event.

(d) Upon the occurrence of a Support Termination Event (other than a Support Termination Event described in Section 2(b)(ii)), the Support Obligations of the Supporting Lenders shall terminate. In the case of a Support Termination Event described in Section 2(b)(ii), such termination shall not be effective until 5:00 p.m. prevailing central time on the fifth (5th) business day following written notice by any Supporting Lender to the Borrower (the "Termination Time"). In the event of a termination pursuant to Section 2(b)(ii), any such termination shall not be effective if Buyer delivers a written notice to the Supporting Lenders and the Borrower prior to the Termination Time, which notice includes a binding commitment of Buyer to the Supporting Lenders and the Borrower to increase the Purchase Price (as defined in the Stalking Horse SPA) by an amount equal to the amount by which the Allowed Administrative and Priority Claims Amount exceeds the Claims Reserve. Following the termination of the Support Obligations, each party shall have all rights and remedies available to it under applicable law, the Junior Credit Agreement, the Swap Transaction Documents, the Intercreditor Agreement, and the Senior Credit Agreement (collectively, the "Credit Agreements"), and any ancillary documents or agreements thereto. If the Support Obligations have been terminated in accordance with the terms herein, and such termination was not as the direct result of a breach of the Support Obligations by the Supporting Lenders, the Issuing Lenders or the Administrative Agents, at any time when permission of the Bankruptcy Court may be required for a Supporting Lender, an Issuing Lender or an Administrative Agent to change or withdraw (or cause to change or withdraw) its vote to accept the Conforming Plan, the Borrower and its Subsidiaries shall not oppose any attempt by a Supporting Lender, an Issuing Lender or an Administrative Agent to change or withdraw (or cause to change or withdraw) such vote at such time. No Lender, Issuing Lender or Administrative Agent shall have any liability to the Borrower or its Subsidiaries, the Buyer, or any other Person in respect of any termination of the Support Obligations so long as such termination is in accordance with the terms hereof.

Section 3. Conditions to Effectiveness. This Agreement shall become effective on the Agreement Effective Date and enforceable against the parties hereto upon the occurrence of the following conditions precedent:

(a) The Administrative Agents shall have received multiple original counterparts, as requested by the Administrative Agents, of this Agreement duly and validly executed and delivered by duly authorized officers of (i) the Junior Lenders who are also Supporting Lenders (representing at least two thirds in amount of the outstanding Obligations (as defined therein) under the Junior Credit Agreement and more than one half in number of the Junior Lenders); (ii) the Senior Lenders who are also Supporting Lenders (representing at least two thirds in amount of the outstanding Obligations under the Senior Credit Agreement and more than one half in number of the Senior Lenders); (iii) the Swap Counterparty; (iv) the Borrower; and (v) each of the Subsidiaries.

(b) After giving effect to this Agreement, no Support Termination Event shall have occurred and be continuing as of the Agreement Effective Date.

(c) The representations and warranties in this Agreement shall be true and correct in all material respects.

Section 4. Good Faith Cooperation; Further Assurances. To the extent practicable and subject to the terms hereof, the parties hereto shall cooperate with each other in good faith and shall coordinate their activities with respect to the performance of their obligations under this Agreement, including, without limitation, those with respect to the Conforming Plan, the Final Agreement and the Restructuring Transaction. Furthermore, subject to the terms hereof, each of the parties shall take action as may be reasonably necessary in connection with the performance of their obligations hereunder (provided that no Supporting Lender shall be required to incur any expense, liability or other obligation), and shall refrain from taking any action in violation thereof, including proposing a plan that is not a Conforming Plan or taking any other action that is inconsistent with, or that would materially delay or obstruct the proposed confirmation of, the Conforming Plan. This Agreement is not and shall not be deemed a solicitation for consents to the Conforming Plan.

Section 5. Acknowledgement and Agreement.

(a) The Borrower acknowledges that on the date hereof all Obligations (as defined in the Senior Credit Agreement, the Swap Transaction Documents and the Junior Credit Agreement) are payable without defense, offset, counterclaim or recoupment.

(b) The Supporting Lenders hereby expressly reserve all of their rights, remedies and claims under the Loan Documents (as defined in the Senior Credit Agreement, the Swap Transaction Documents and the Junior Credit Agreement).

(c) Each of the Borrower and the Subsidiaries does hereby adopt, ratify and confirm the Credit Agreements and the Swap Transactions Documents and acknowledges and agrees that the Credit Agreements and Swap Transaction Documents are and remain in full force

and effect, and that its liabilities and obligations under the Credit Agreements and Swap Transaction Documents are not impaired in any respect by this Agreement.

Section 6. Releases. EACH OF THE BORROWER AND ITS SUBSIDIARIES (FOR THEMSELVES AND THEIR RESPECTIVE SUCCESSORS, AGENTS, ASSIGNS, TRANSFEREES, OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, SHAREHOLDERS, ATTORNEYS AND AGENTS) HEREBY RELEASES ANY AND ALL CLAIMS, CAUSES OF ACTION OR OTHER DISPUTES IT MAY HAVE AGAINST THE ADMINISTRATIVE AGENTS, ISSUING LENDERS, ANY OF THE LENDERS, LEGAL COUNSEL TO THE ADMINISTRATIVE AGENTS, ISSUING LENDERS OR ANY OF THE LENDERS, CONSULTANTS HIRED BY ANY OF THE FOREGOING, OR ANY OF THEIR RESPECTIVE AFFILIATES, SUBSIDIARIES, SHAREHOLDERS, AGENTS, DIRECTORS, MANAGERS, OFFICERS, EMPLOYEES, REPRESENTATIVES, SUCCESSORS OR ASSIGNS OF ANY KIND OR NATURE ARISING OUT OF, RELATED TO, OR IN ANY WAY CONNECTED WITH, THE CREDIT AGREEMENTS, THE SWAP TRANSACTION DOCUMENTS OR THE LOAN DOCUMENTS, IN EACH CASE WHICH MAY HAVE ARISEN ON OR BEFORE THE DATE OF THIS AGREEMENT. EACH OF THE BORROWER AND ITS SUBSIDIARIES HEREBY ACKNOWLEDGES THAT IT HAS READ THIS AGREEMENT AND HAS CONFERRED WITH ITS COUNSEL AND ADVISORS REGARDING ITS CONTENT, INCLUDING THIS SECTION, AND IS FREELY AND VOLUNTARILY ENTERING INTO THIS AGREEMENT AND HEREBY AGREES TO WAIVE AND HEREBY WAIVES ANY CLAIM THAT THE TERMS OF THIS AGREEMENT (INCLUDING, WITHOUT LIMITATION, THE RELEASES CONTAINED HEREIN) ARE INVALID OR OTHERWISE UNENFORCEABLE.

Section 7. Representations and Warranties. Each of the Borrower and its Subsidiaries and each of the Supporting Lenders represent and warrant to each other that the following statements are true, correct, and complete as of the date hereof:

(a) the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate or other action on its part;

(b) the execution, delivery, and performance by it of this Agreement do not and shall not (i) violate any provision of law, rule, or regulation applicable to it or its certificate of incorporation or corporate by-laws or other organizational documents, or (ii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it is a party or its certificate of incorporation or corporate by-laws or other organizational documents;

(c) the execution, delivery, and performance by it of this Agreement do not and shall not require by it any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any federal, state, or governmental authority or regulatory body, except such filings as may be necessary and/or required for disclosure with the Securities and Exchange Commission and in connection with the commencement of the Bankruptcy Cases, the approval of the Conforming Disclosure Statement, and confirmation of the Conforming Plan; and

(d) this Agreement is the legally valid and binding obligation of such party, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

Section 8. Amendments and Waivers. Once effective, this Agreement and any material term or provision of the Conforming Plan or the Restructuring Transaction may not be modified, amended, or supplemented except in writing signed by both (i) the Borrower; and (ii) each of the Supporting Lenders.

Section 9. No Third-Party Beneficiaries. Unless expressly stated herein, this Agreement shall be solely for the benefit of the parties hereto, and no other person or entity shall be a third-party beneficiary hereof.

Section 10. Counterparts, Facsimile Signatures. This Agreement may be signed in any number of counterparts, each of which shall be an original and all of which, taken together, constitute a single instrument. This Agreement may be executed by facsimile signature and all of such signatures shall be effective as original signatures.

Section 11. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted pursuant to the Credit Agreements. No Supporting Lender may assign its Obligations (as defined therein) under the Credit Agreements unless it concurrently assigns to such assignee its rights and obligations under this Agreement and such assignee agrees to be bound hereby.

Section 12. Invalidity. In the event that any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement.

Section 13. Governing Law. This Agreement shall be deemed to be a contract made under and shall be governed by and construed in accordance with the laws of the State of Texas.

Section 14. Entire Agreement. This Agreement (including the Exhibits, which are an integral part of this Agreement), the Credit Agreements, Swap Transaction Documents, the Notes and the other Loan Documents (as defined under the Senior Credit Agreement and Junior Credit Agreement) constitute the entire understanding among the parties hereto with respect to the subject matter hereof and supersede any prior agreements, written or oral, with respect thereto.

Section 15. Notice. All notices and other communications under this Agreement shall be in writing, sent contemporaneously to all of the entities set forth below, and deemed given when sent by hand, by facsimile, or any other electronic means during standard business hours (from 8:00 a.m. to 6:00 p.m. prevailing central time) at the place of receipt at the addresses, facsimile numbers, or e-mail addresses listed below with a copy to each of the following:

If to the Borrower:

Cano Petroleum Corporation
Attention: James R. Latimer, III
6500 N. Belt Line Road, Suite 200
Irving, TX 75063

With a copy to:

David M. Bennett
THOMPSON & KNIGHT, LLP
1722 Routh Street, Suite 1500
Dallas, Texas 75201
214.969.1700 (telephone)
214.969.1751 (facsimile)

If to the Supporting Lenders:

Malcolm Duncan McDuffie
Union Bank, N.A.
445 S. Figueroa Street
Los Angeles, CA 90071-1602
Phone: (213) 236-6786
Fax: (213) 236-6476

With a copy to:

William A. (Trey) Wood, III
BRACEWELL & GIULIANI LLP
711 Louisiana, Suite 2300
Houston, Texas 77002
Phone: (713) 223-2300
Fax: (713) 221-1212

THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

LENDER:

NATIXIS, as a Lender

By: _____
Printed Name: Mark A. Harrington
Title: Managing Director

John-Charles van Essche
Managing Director

EXECUTED effective as of the date first written above.

LENDER: UNION BANK, N.A., as a Lender

By: Malcolm D. McDuffie

Printed Name: Malcolm D. McDuffie

Title: Vice President

LENDER:

UNIONBANCAL EQUITIES, INC., as a Lender

By: _____
Printed Name: TED McNULTY
Title: SVP

EXECUTED effective as of the date first written above.

BORROWER:

CANO PETROLEUM, INC.,
a Delaware Corporation

By: _____
Name: James R. Latimer, III
Title: Chief Executive Officer

SUBSIDIARY:

LADDER COMPANIES, INC.,
a Delaware Corporation

By: _____
Name: James R. Latimer, III
Title: Chief Executive Officer

SUBSIDIARY:

SQUARE ONE ENERGY, INC.,
a Texas Corporation

By: _____
Name: James R. Latimer, III
Title: Chief Executive Officer

SUBSIDIARY:

W.O. ENERGY OF NEVADA, INC.,
a Nevada Corporation

By: _____
Name: James R. Latimer, III
Title: Chief Executive Officer

SUBSIDIARY:

WO ENERGY, INC.,
a Texas Corporation

By: _____
Name: James R. Latimer, III
Title: Chief Executive Officer

SUBSIDIARY:

W.O. OPERATING COMPANY, LTD.,
a Texas Limited Partnership

By: _____
Name: James R. Latimer, III
Title: Chief Executive Officer

SUBSIDIARY:

W.O. PRODUCTION COMPANY, LTD.,
a Texas Limited Partnership

By: _____
Name: James R. Latimer, III
Title: Chief Executive Officer

SUBSIDIARY:

CANO PETRO OF NEW MEXICO, INC.,
a Texas Limited Corporation

By: _____
Name: James R. Latimer, III
Title: Chief Executive Officer

SUBSIDIARY:

TRI-FLOW, INC.,
an Oklahoma Corporation

By: _____
Name: James R. Latimer, III
Title: Chief Executive Officer