

CANO PETROLEUM, INC
Form 8-K
March 14, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported) **March 12, 2007**

Cano Petroleum, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

001-32496

(Commission File Number)

77-0635673

(IRS Employer Identification No.)

801 Cherry Street, Suite 3200
Fort Worth, Texas

(Address of Principal Executive Offices)

76102

(Zip Code)

(817) 698-0900

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Appointment of William O. Powell III to the Board

On March 12, 2007, Cano's Board selected William O. Powell III to be an additional member of the Board. The Board also appointed Mr. Powell as the Audit Committee financial expert and as the Chairman of the Audit Committee and accepted Dr. Jim Underwood's resignation as the Audit Committee financial expert and Chairman of the Audit Committee. As a director, Mr. Powell will receive his pro rata share of Cano's standard \$25,000 annual director fee which is approximately \$20,137, plus \$5,000 for serving as Audit Committee Chairman plus the standard fees for attending meetings of the Board and of committees as previously set forth in Exhibit 10.1 to the Current Report on Form 8-K filed on January 12, 2006.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 14, 2007

CANO PETROLEUM, INC.

By: /s/ Morris B. Smith
Morris B. Smith
Senior Vice President and Chief
Financial Officer
