

CANO PETROLEUM, INC
Form SC 13G
January 16, 2007

CUSIP No. 137801106

13G

Page 1 of 12 Pages

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

Cano Petroleum, Inc.
(Name of Issuer)

Common Stock, \$0.0001 par value per share
(Title of Class of Securities)

137801106
(CUSIP Number)

September 6, 2006
(Date of Event Which Requires Filing of this statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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(1) NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

GLG Partners LP

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a) [X]
(b) []

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION

United Kingdom

NUMBER OF (5) SOLE VOTING POWER
SHARES 0

BENEFICIALLY (6) SHARED VOTING POWER
1,250,432 Shares of Common Stock

5,175 shares of Series D Convertible Preferred Stock which
are convertible into 900,450 shares of Common Stock

OWNED BY

EACH (7) SOLE DISPOSITIVE POWER
REPORTING 0

PERSON WITH: (8) SHARED DISPOSITIVE POWER
1,250,432 Shares of Common Stock

5,175 shares of Series D Convertible Preferred Stock which
are convertible into 900,450 shares of Common Stock

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,250,432 Shares of Common Stock

5,175 shares of Series D Convertible Preferred Stock which are
convertible into 900,450 shares of Common Stock

(10) CHECK BOX IF THE AGGREGATE AMOUNT
IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

[]

(11) PERCENT OF CLASS REPRESENTED
BY AMOUNT IN ROW (9)
6.48%

(12) TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
PN

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- (1) NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

GLG North American Opportunity Fund

- (2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)
(a) [X]
(b) []

- (3) SEC USE ONLY

- (4) CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

- NUMBER OF (5) SOLE VOTING POWER
SHARES 0

- BENEFICIALLY (6) SHARED VOTING POWER
OWNED BY 1,207,178 Shares of Common Stock
5,175 shares of Series D Convertible Preferred Stock which
are convertible into 900,450 shares of Common Stock

- EACH (7) SOLE DISPOSITIVE POWER
REPORTING 0

- PERSON WITH: (8) SHARED DISPOSITIVE POWER
1,207,178 Shares of Common Stock
5,175 shares of Series D Convertible Preferred Stock which
are convertible into 900,450 shares of Common Stock

- (9) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
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IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

[]

- (11) PERCENT OF CLASS REPRESENTED
BY AMOUNT IN ROW (9)
6.35%

- (12) TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
PN

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(1) NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

GLG Partners Limited

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a) [X]
(b) []

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION

United Kingdom

NUMBER OF (5) SOLE VOTING POWER
SHARES 0

BENEFICIALLY (6) SHARED VOTING POWER
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REPORTING 0

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IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

[]

(11) PERCENT OF CLASS REPRESENTED
BY AMOUNT IN ROW (9)
6.48%

(12) TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
IA, HC

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(1) NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

Noam Gottesman

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a) [X]
(b) []

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF (5) SOLE VOTING POWER
SHARES 0

BENEFICIALLY (6) SHARED VOTING POWER
OWNED BY 1,250,432 Shares of Common Stock
5,175 shares of Series D Convertible Preferred Stock which
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(11) PERCENT OF CLASS REPRESENTED
BY AMOUNT IN ROW (9)
6.48%

(12) TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
IN, HC

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(1) NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

Pierre Lagrange

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)
(a)
(b)

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION

Belgium

NUMBER OF (5) SOLE VOTING POWER
SHARES 0

BENEFICIALLY (6) SHARED VOTING POWER
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are convertible into 900,450 shares of Common Stock

EACH (7) SOLE DISPOSITIVE POWER
REPORTING 0

PERSON WITH: (8) SHARED DISPOSITIVE POWER
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(11) PERCENT OF CLASS REPRESENTED
BY AMOUNT IN ROW (9)
6.48%

(12) TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
IN, HC

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- (1) NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

Emmanuel Roman

- (2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)
(a)
(b)

- (3) SEC USE ONLY

- (4) CITIZENSHIP OR PLACE OF ORGANIZATION

France

NUMBER OF (5) SOLE VOTING POWER
SHARES 0

BENEFICIALLY (6) SHARED VOTING POWER
1,250,432 Shares of Common Stock
5,175 shares of Series D Convertible Preferred Stock which
are convertible into 900,450 shares of Common Stock

OWNED BY

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REPORTING 0

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[]

- (11) PERCENT OF CLASS REPRESENTED
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6.48%

- (12) TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
IN, HC

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(a) Name of Issuer

Cano Petroleum, Inc., a Delaware corporation (the "Company").

(b) Address of Issuer's Principal Executive Offices

Burnett Plaza, 801 Cherry Street
Unit 25, Suite 3200
Fort Worth, Texas 76102

Item 2(a). Name of Person Filing

This statement is filed by the entities and persons listed below, who are collectively referred to herein as "Reporting Persons," with respect to Shares (as defined in Item 2(d) below) of the Company:

- (i) GLG North American Opportunity Fund (the "North American Fund"), with respect to the Shares held by North American Fund.

INVESTMENT MANAGER

- (ii) GLG Partners, LP (the "Investment Manager"), with respect to the Shares held by North American Fund and certain other funds to which the Investment Manager serves as investment manager (collectively, the "GLG Funds").

GENERAL PARTNER

- (iii) GLG Partners Limited (the "General Partner"), which serves as the general partner of the Investment Manager, with respect to the Shares held by each of the GLG Funds.

REPORTING INDIVIDUALS

- (iv) Mr. Noam Gottesman ("Mr. Gottesman"), with respect to the Shares held by each of the GLG Funds.
- (v) Mr. Pierre Lagrange ("Mr. Lagrange"), with respect to the Shares held by each of the GLG Funds.
- (vi) Mr. Emmanuel Roman ("Mr. Roman"), with respect to the Shares held by each of the GLG Funds.

Mr. Gottesman, Mr. Lagrange and Mr. Roman are collectively referred to as the "Reporting Individuals."

The Investment Manager serves as the investment manager to each of the GLG Funds. The General Partner serves as the general partner to the Investment Manager. Each of the Reporting Individuals is a Managing Director of the General Partner.

Item 2(b). Address of Principal Business Office or, if none, Residence

The address of the principal business office of each of the Reporting Persons is:

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c/o GLG Partners LP
1 Curzon Street
London W1J 5HB
United Kingdom

Item 2(c). Citizenship

Citizenship is set forth in Row 4 of the cover page for each Reporting Person hereto and is incorporated herein by reference for each such Reporting Person.

Item 2(d) Title of Class of Securities

Common Stock, \$0.0001 par value per share (the "Shares")

Item 2(e) CUSIP Number

137801106

Item 3. If this statement is filed pursuant to ss.ss.240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

- (a) Broker or dealer registered under Section 15 of the Act (15 U.S.C. 78o).
- (b) Bank as defined in Section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c) Insurance company as defined in Section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d) Investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e) An investment adviser in accordance with ss.240.13d-1(b)(1)(ii)(E);
- (f) An employee benefit plan or endowment fund in accordance with Section 240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with Section 240.13d-1(b)(1)(ii)(G);
- (h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) Group, in accordance with Rule 13d-1(b)(1)(ii)(J).

Item 4. Ownership

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

The information required by Items 4(a) - (c) is set forth in Rows 5 - 11 of the cover page for each Reporting Person hereto and is incorporated herein by reference for each such Reporting Person. The Company's most recent current report on Form 10-Q, Amendment No. 1 to which was filed on

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December 26, 2006, indicates there were 32,308,894 Shares outstanding as of December 26, 2006.

In addition to the Shares, the GLG Funds own warrants to purchase 262,500 shares of Common Stock of the Company. However, these warrants may not be exercised until March 5, 2007 and as a result are not included on this Schedule 13G.

The Investment Manager, which serves as the investment manager to each of the GLG Funds, may be deemed to be the beneficial owner of all Shares owned by the GLG Funds. The General Partner, as general partner to the Investment Manager, may be deemed to be the beneficial owner of all Shares owned by the GLG Funds. Each of the Reporting Individuals, as a Managing Director of the General Partner with the power to exercise investment discretion, may be deemed to be the beneficial owner of all Shares owned by the GLG Funds. Each of the Investment Manager, the General Partner, and the Reporting Individuals hereby disclaims any beneficial ownership of any such Shares, except for their pecuniary interest therein.

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following: []

Item 6. Ownership of More than Five Percent on Behalf of Another Person

Not applicable.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company

Not applicable.

Item 8. Identification and Classification of Members of the Group

See Exhibit I.

Item 9. Notice of Dissolution of Group

Not applicable.

Item 10. Certification

By signing below each of the undersigned certifies that, to the best of its knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

Exhibits:

Exhibit I: Joint Filing Agreement, dated as of January 16, 2007, by and among GLG North American Opportunity Fund, GLG Partners LP, GLG Partners Limited, Noam Gottesman, Pierre Lagrange and Emmanuel Roman.

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SIGNATURES

After reasonable inquiry and to the best of its knowledge and belief, each of the undersigned certifies that the information with respect to it set forth in this statement is true, complete, and correct.

Dated: January 16, 2007

GLG NORTH AMERICAN OPPORTUNITY FUND

By: GLG Partners LP,
as its Investment Manager
By: GLG Partners Limited,
as its General Partner

GLG PARTNERS LIMITED

/s/ Emmanuel Roman

Name: Emmanuel Roman
Title: Attorney-in-Fact for
Noam Gottesman, Managing Director

/s/ Emmanuel Roman

Name: Emmanuel Roman
Title: Attorney-in-Fact for
Noam Gottesman, Managing Director

/s/ Victoria Parry

Name: Victoria Parry
Title: Senior Legal Counsel

/s/ Victoria Parry

Name: Victoria Parry
Title: Senior Legal Counsel

/s/ Emmanuel Roman

EMMANUEL ROMAN, individually and
on behalf of Noam Gottesman and
Pierre Lagrange

GLG PARTNERS LP

By: GLG Partners Limited,
as its General Partner

/s/ Emmanuel Roman

Name: Emmanuel Roman
Title: Attorney-in-Fact for
Noam Gottesman, Managing Director

/s/ Victoria Parry

Name: Victoria Parry
Title: Senior Legal Counsel

The Powers of Attorney executed by Noam Gottesman and Pierre Lagrange, authorizing Emmanuel Roman to sign and file this Schedule 13G on each person's behalf, which were filed with the Schedule 13G filed with the Securities and Exchange Commission on December 15, 2006 by such Reporting Persons with respect to the common stock of Movado Group, Inc., are hereby incorporated by reference.

EXHIBIT I

JOINT FILING AGREEMENT

This will confirm the agreement by and among the undersigned that the Schedule 13G filed with the Securities and Exchange Commission on or about the date hereof with respect to the beneficial ownership by the undersigned of the Shares is being filed, and all amendments thereto will be filed, on behalf of each of the persons and entities named below in accordance with Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Dated as of January 16, 2007

GLG NORTH AMERICAN OPPORTUNITY FUND

By: GLG Partners LP,
as its Investment Manager
By: GLG Partners Limited,
as its General Partner

GLG PARTNERS LIMITED

/s/ Emmanuel Roman

Name: Emmanuel Roman
Title: Attorney-in-Fact for
Noam Gottesman, Managing Director

/s/ Emmanuel Roman

Name: Emmanuel Roman
Title: Attorney-in-Fact for
Noam Gottesman, Managing Director

/s/ Victoria Parry

Name: Victoria Parry
Title: Senior Legal Counsel

/s/ Victoria Parry

Name: Victoria Parry
Title: Senior Legal Counsel

/s/ Emmanuel Roman

EMMANUEL ROMAN, individually and
on behalf of Noam Gottesman and
Pierre Lagrange

GLG PARTNERS LP
By: GLG Partners Limited,
as its General Partner

/s/ Emmanuel Roman

Name: Emmanuel Roman
Title: Attorney-in-Fact for
Noam Gottesman, Managing Director

/s/ Victoria Parry

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Name: Victoria Parry
Title: Senior Legal Counsel