

Edgar Filing: CANO PETROLEUM, INC - Form SC 13D/A

CANO PETROLEUM, INC  
Form SC 13D/A  
June 01, 2009

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 13D

UNDER THE SECURITIES EXCHANGE ACT OF 1934  
(AMENDMENT NO. 5)\*

Cano Petroleum, Inc.

-----  
(Name of Issuer)

Common Stock, par value \$0.0001 per share

-----  
(Title of Class of Securities)

137801106

-----  
(CUSIP Number)

Steven J. Pully, Esq.  
Carlson Capital, L.P.  
2100 McKinney Avenue, Suite 1600  
Dallas, TX 75201  
(214) 932-9600

with a copy to

Peter Halasz  
Schulte Roth & Zabel LLP  
919 Third Avenue  
New York, New York 10022  
(212) 756-2000

-----  
(Name, Address and Telephone Number of Person Authorized to  
Receive Notices and Communications)

May 26, 2009

-----  
(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of ss.ss.240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. [ ]

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

\* 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 disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of

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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

Double Black Diamond Offshore Ltd.

-----

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

(a)

(b)

-----

3 SEC USE ONLY

-----

4 SOURCE OF FUNDS (SEE INSTRUCTIONS)

WC

-----

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

-----

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

-----

	7	SOLE VOTING POWER
NUMBER OF		3,487,661
SHARES	8	SHARED VOTING POWER
BENEFICIALLY OWNED BY		-0-
EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER
		3,487,661
WITH	10	SHARED DISPOSITIVE POWER
		-0-

-----

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,487,661

-----

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

-----

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

7.6%

-----

14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

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CO

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1	NAMES OF REPORTING PERSONS	
	Black Diamond Offshore Ltd.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)	
	(a) <input type="checkbox"/>	
	(b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS (SEE INSTRUCTIONS)	
	WC	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2 (d) OR 2 (e)	
	<input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION	
	Cayman Islands	
	7	SOLE VOTING POWER
NUMBER OF		178,767
SHARES	8	SHARED VOTING POWER
BENEFICIALLY		-0-
OWNED BY	9	SOLE DISPOSITIVE POWER
EACH		178,767
REPORTING	10	SHARED DISPOSITIVE POWER
PERSON		-0-
WITH		
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	
	178,767	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)	
	<input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	
	0.4%	
14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)	
	CO	

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1	NAMES OF REPORTING PERSONS  Black Diamond Relative Value Offshore Ltd.
-----	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS) (a) <input type="checkbox"/> (b) <input type="checkbox"/>
-----	
3	SEC USE ONLY
-----	
4	SOURCE OF FUNDS (SEE INSTRUCTIONS)  WC
-----	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2 (d) OR 2 (e)  <input type="checkbox"/>
-----	
6	CITIZENSHIP OR PLACE OF ORGANIZATION  Cayman Islands
-----	
	7 SOLE VOTING POWER
NUMBER OF	1,706,783
-----	
SHARES BENEFICIALLY OWNED BY	8 SHARED VOTING POWER
	-0-
-----	
EACH REPORTING PERSON	9 SOLE DISPOSITIVE POWER
	1,706,783
-----	
WITH	10 SHARED DISPOSITIVE POWER
	-0-
-----	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  1,706,783
-----	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)  <input type="checkbox"/>
-----	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  3.7%
-----	
14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

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1 NAMES OF REPORTING PERSONS

Carlson Capital, L.P.

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

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (SEE INSTRUCTIONS)

AF

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER

NUMBER OF 5,605,818

SHARES 8 SHARED VOTING POWER

BENEFICIALLY OWNED BY -0-

EACH 9 SOLE DISPOSITIVE POWER

REPORTING PERSON 5,605,818

WITH 10 SHARED DISPOSITIVE POWER

-0-

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

5,605,818

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

12.3%

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14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

PN

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1 NAMES OF REPORTING PERSONS

Asgard Investment Corp.

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

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (SEE INSTRUCTIONS)

AF

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER

NUMBER OF 5,605,818

SHARES 8 SHARED VOTING POWER

BENEFICIALLY OWNED BY -0-

EACH 9 SOLE DISPOSITIVE POWER

REPORTING PERSON 5,605,818

WITH 10 SHARED DISPOSITIVE POWER

-0-

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

5,605,818

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

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12.3%

14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

CO

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1 NAMES OF REPORTING PERSONS

Clint D. Carlson

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

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (SEE INSTRUCTIONS)

AF

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

USA

7 SOLE VOTING POWER

NUMBER OF 5,605,818

8 SHARED VOTING POWER

OWNED BY -0-

9 SOLE DISPOSITIVE POWER

PERSON 5,605,818

10 SHARED DISPOSITIVE POWER

-0-

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

5,605,818

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

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-----  
13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

12.3%

-----  
14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

IN  
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The Schedule 13D filed on August 25, 2008, as amended by Amendment No. 1 filed on September 9, 2008, Amendment No. 2 filed on September 25, 2008, Amendment No. 3 filed on October 8, 2008 and Amendment No. 4 filed on October 31, 2008 (the "Schedule 13D") by Double Black Diamond Offshore Ltd., a Cayman Islands exempted company, Black Diamond Offshore Ltd., a Cayman Islands exempted company, Black Diamond Relative Value Offshore Ltd., a Cayman Islands exempted company, Carlson Capital, L.P., a Delaware limited partnership, Asgard Investment Corp., a Delaware corporation and Clint D. Carlson (together, the "Reporting Persons"), relating to the shares ("Shares") of common stock, par value \$0.0001 per share, of Cano Petroleum, Inc. (the "Issuer"), is hereby amended as set forth below by this Amendment No. 5 to the Schedule 13D.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

Item 3 of the Schedule 13D is hereby amended and restated as follows:

The Shares reported herein were acquired at an aggregate purchase price of approximately \$18,641,119 including commissions. The Shares were acquired with working capital of the Funds and the Account.

ITEM 4. PURPOSE OF TRANSACTION.

Item 4 of the Schedule 13D is hereby amended and supplemented as follows:

On May 26, 2009, Steven J. Pully, an employee of Carlson Capital, L.P., was appointed to the Board of Directors of the Issuer. Mr. Pully's appointment was effective immediately.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

Paragraphs (a) and (b) of Item 5 of the Schedule 13D are hereby amended and restated as follows:

(a) As of the close of business on May 29, 2009, the Reporting Persons beneficially owned an aggregate of 5,605,818 Shares, constituting approximately 12.3% of the Shares outstanding.

The aggregate percentage of Shares beneficially owned by the Reporting Persons is based upon 45,643,735 Shares outstanding, which is the total number of Shares issued and outstanding as of May 8, 2009 as reported by the Issuer in its Annual Report on Form 10-Q for the quarter ended March 31, 2009, filed on May 11, 2009.

(b) Carlson Capital, Asgard and Mr. Carlson have the power to vote and direct the disposition of (i) the 178,767 Shares reported herein as owned by



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Offshore Ltd., (ii) the 3,487,661 Shares reported herein as owned by Double Offshore Ltd., (iii) the 1,706,783 Shares reported herein as owned by Relative Value Offshore Ltd., and (iv) an additional 232,607 Shares held in the Account.

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SIGNATURE

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

DATED: June 1, 2009

BLACK DIAMOND OFFSHORE LTD.

By: Carlson Capital, L.P., its investment manager

By: Asgard Investment Corp., its general partner

By: /s/ Clint D. Carlson

-----  
Name: Clint D. Carlson  
Title: President

DOUBLE BLACK DIAMOND OFFSHORE LTD.

By: Carlson Capital, L.P., its investment manager

By: Asgard Investment Corp., its general partner

By: /s/ Clint D. Carlson

-----  
Name: Clint D. Carlson  
Title: President

BLACK DIAMOND RELATIVE VALUE OFFSHORE LTD.

By: Carlson Capital, L.P., its investment manager

By: Asgard Investment Corp., its general partner

By: /s/ Clint D. Carlson

-----  
Name: Clint D. Carlson  
Title: President

CARLSON CAPITAL, L.P.

By: Asgard Investment Corp., its general partner

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By: /s/ Clint D. Carlson

-----  
Name: Clint D. Carlson  
Title: President

ASGARD INVESTMENT CORP.

By: /s/ Clint D. Carlson

-----  
Name: Clint D. Carlson  
Title: President

/s/ Clint D. Carlson

-----  
Clint D. Carlson