

CANO PETROLEUM, INC
 Form 3
 September 11, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
 Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *			2. Date of Event Requiring Statement	3. Issuer Name and Ticker or Trading Symbol	
Â TOURADJI CAPITAL MANAGEMENT, LP			(Month/Day/Year)	CANO PETROLEUM, INC [CFW]	
(Last)	(First)	(Middle)		4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
101 PARK AVENUE,Â 48TH FLOOR				(Check all applicable)	
(Street)				<input type="checkbox"/> Director	<input checked="" type="checkbox"/> 10% Owner
				<input type="checkbox"/> Officer	<input type="checkbox"/> Other
NEW YORK,Â NYÂ 10178				(give title below)	(specify below)
(City)	(State)	(Zip)			6. Individual or Joint/Group Filing(Check Applicable Line)
					<input type="checkbox"/> Form filed by One Reporting Person
					<input checked="" type="checkbox"/> Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	2,574,236	I	See footnote <u>(1)</u>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative	5. Ownership Form of Derivative Security:	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Security	Direct (D) or Indirect (I) (Instr. 5)	
Series D Convertible Preferred Stock	09/06/2006	09/06/2011	Common Stock	1,000,000 <u>(2)</u>	\$ 5.75	I	See footnote <u>(1)</u>
Warrants to Purchase Common Stock	09/06/2006	03/05/2008	Common Stock	125,000 <u>(3)</u>	\$ 4.75	I	See footnote <u>(1)</u>

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
TOURADJI CAPITAL MANAGEMENT, LP 101 PARK AVENUE 48TH FLOOR NEW YORK, NY 10178	^	^ X	^	^
TOURADJI PAUL 101 PARK AVENUE, 48TH FLOOR NEW YORK, NY 10178	^	^ X	^	^

Signatures

TOURADJI CAPITAL MANAGEMENT, LP, By: Touradji Capital G.P. LLC, its General Partner, By: /s/ Paul Touradji, Managing Member

09/11/2006

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 5(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) See Exhibit 99.1.

(2) See Exhibit 99.1.

(3) See Exhibit 99.1.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.