

CONTANGO OIL & GAS CO
Form 424B5
July 21, 2016
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-193613

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement is not an offer to sell the securities described herein and it is not soliciting an offer to buy such securities in any state where such offer or sale is not permitted.

Subject to completion, dated July 21, 2016

Prospectus Supplement

(To prospectus dated May 15, 2015)

5,000,000 Shares

Contango Oil & Gas Company
Common Stock

We are selling 5,000,000 shares of our common stock.

Our shares trade on the NYSE MKT under the symbol MCF. On July 20, 2016, the last sale price of the shares as reported on the NYSE MKT was \$12.48 per share.

Investing in our common stock involves risks that are described and incorporated by reference in the Risk Factors section beginning on page S-5 of this prospectus supplement.

Per Common Share

Total

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Public Offering Price	\$	\$
Underwriting Discount(1)	\$	\$
Proceeds, before expenses, to us	\$	\$

(1) We refer you to Underwriting (Conflicts of Interest) beginning on page S-18 of this prospectus supplement for additional information regarding underwriting compensation.

The underwriters may exercise their option to purchase up to an additional 750,000 shares from us, at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about _____, 2016 (with any additional shares issued upon exercise of the underwriters' option to be delivered on the same or a later date).

RBC CAPITAL MARKETS

SUNTRUST ROBINSON HUMPHREY

SEAPORT GLOBAL SECURITIES

July , 2016

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, including the documents incorporated by reference herein, which describes the specific terms of this offering of our common stock. The second part is the accompanying base prospectus, including the documents incorporated by reference therein, which gives more general information, some of which may not apply to our common stock or this offering. Generally, when we refer to the prospectus, we are referring to this prospectus supplement and the accompanying base prospectus combined. If the information relating to this offering varies between this prospectus supplement and the accompanying base prospectus, you should rely on the information included or incorporated by reference in this prospectus supplement.

You should rely only on the information contained in or incorporated by reference into this prospectus supplement, the accompanying base prospectus and any related free writing prospectus. We have not authorized any dealer, salesman or other person to provide you with additional or different information. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus supplement and the accompanying base prospectus are not an offer to sell or the solicitation of an offer to buy any securities other than the securities to which they relate and are not an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make an offer or solicitation in that jurisdiction. You should not assume that the information contained in this prospectus supplement is accurate as of any date other than the date on the front cover of this prospectus supplement, or that the information contained in any document incorporated by reference is accurate as of any date other than the date of the document incorporated by reference, regardless of the time of delivery of this prospectus supplement or any sale of a security.

Unless otherwise indicated or the context otherwise requires, all references in this prospectus supplement to we, our, us, the Company or Contango are to Contango Oil & Gas Company, a Delaware corporation, and its subsidiaries.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports and other information with the Securities and Exchange Commission (the SEC) (File No. 001-16317) pursuant to the Securities Exchange Act of 1934, as amended (the Exchange Act). You may read and copy any documents that are filed at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may also obtain copies of these documents at prescribed rates from the Public Reference Room of the SEC at its Washington address. Please call the SEC at 1-800-SEC-0330 for further information. Our filings are also available to the public through the SEC's website at www.sec.gov.

The SEC allows us to incorporate by reference information that we file with the SEC, which means that we can disclose important information to you by referring you to documents previously filed with the SEC. The information incorporated by reference is an important part of this prospectus supplement, and information that we file later with the SEC will automatically update and supersede this information. The following documents we filed with the SEC pursuant to the Exchange Act are incorporated herein by reference:

- (a) Our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 filed with the SEC on March 14, 2016;
- (b) Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2016 filed with the SEC on May 9, 2016;

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(c) Our Current Reports on Form 8-K filed on January 8, 2016 and May 25, 2016 (excluding any information furnished pursuant to Item 2.02 or Item 7.01); and

(d) The description of our common stock which is contained in the Registration Statement on Form 8-A (File No. 001-16317) filed with the SEC on January 16, 2001, including any amendments or reports we file for purposes of updating that description. All documents filed pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (excluding any information furnished pursuant to Item 2.02 or Item 7.01 on any Current Report on Form 8-K or corresponding information furnished under Item 9.01 or included as an exhibit) subsequent to the date of this prospectus supplement and before the termination of the offering of common stock under this prospectus supplement shall be deemed to be incorporated in this prospectus supplement by reference and to be a part hereof from the date of filing of such documents. Any statement contained herein, or in a document incorporated or deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained herein or in any subsequently filed document that also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.

You may request a copy of these filings (other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing) at no cost by writing or telephoning us at the following address and telephone number:

Contango Oil & Gas Company

Attention: Corporate Secretary

717 Texas Avenue, Suite 2900

Houston, Texas 77002

(713) 236-7400

We also maintain a website at <http://www.contango.com>. However, the information on our website is not part of this prospectus.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this prospectus supplement may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act. The words and phrases should be, will be, believe, expect, anticipate, estimate, forecast, goal and similar expressions identify forward-looking statements and express our expectations about future events. Although we believe the expectations reflected in such forward-looking statements are reasonable, such expectations may not occur. These forward-looking statements are made subject to certain risks and uncertainties that could cause actual results to differ materially from those stated. Risks and uncertainties that could cause or contribute to such differences include, without limitation, those discussed in the section entitled Risk Factors included in this prospectus supplement and elsewhere in or incorporated by reference into this prospectus supplement, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and our subsequent SEC filings and those factors summarized below:

our ability to successfully complete the acquisition of undeveloped acreage contemplated by the Exploration Agreement as described under Summary West Texas Exploration Agreement, develop such acreage, integrate the operations relating thereto with our existing operations and realize the benefits from such acquisition;

our financial position;

our business strategy, including outsourcing;

meeting our forecasts and budgets;

expectations regarding natural gas and oil markets in the United States;

further or sustained declines in natural gas and oil prices;

operational constraints, start-up delays and production shut-ins at both operated and non-operated production platforms, pipelines and natural gas processing facilities;

the risks associated with operating deep high pressure and high temperature wells, including well blowouts and explosions;

the risks associated with exploration, including cost overruns and the drilling of non-economic wells or dry holes, especially in prospects in which we have made a large capital commitment relative to the size of our capitalization structure;

the timing and successful drilling and completion of natural gas and oil wells;

availability of capital and the ability to repay indebtedness when due;

availability and cost of rigs and other materials and operating equipment;

timely and full receipt of sale proceeds from the sale of our production;

the ability to find, acquire, market, develop and produce new natural gas and oil properties;

interest rate volatility;

uncertainties in the estimation of proved reserves and in the projection of future rates of production and timing of development expenditures;

the need to take impairments on our properties due to lower commodity prices;

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the ability to post additional collateral for current bonds or comply with new supplemental bonding requirements imposed by the Bureau of Ocean Energy Management;

operating hazards attendant to the natural gas and oil business including weather, environmental risks, accidental spills, blowouts and pipeline ruptures, and other risks;

downhole drilling and completion risks that are generally not recoverable from third parties or insurance;

potential mechanical failure or under-performance of significant wells, production facilities, processing plants or pipeline mishaps;

actions or inactions of third-party operators of our properties;

actions or inactions of third-party operators of pipelines or processing facilities;

the ability to find and retain skilled personnel;

the strength and financial resources of competitors;

federal and state legislative and regulatory developments and approvals;

worldwide economic conditions;

the ability to construct and operate infrastructure, including pipeline and production facilities;

the continued compliance by us with various pipeline and gas processing plant specifications for the gas and condensate produced by us;

operating costs, production rates and ultimate reserve recoveries of our natural gas and oil discoveries;

expanded rigorous monitoring and testing requirements; and

our ability to obtain insurance coverage on commercially reasonable terms.

Any of these factors and other factors contained in this prospectus supplement or any documents incorporated by reference could cause our actual results to differ materially from the results implied by these or any other forward-looking statements made by us or on our behalf. Although we believe our estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control. Our assumptions about future events may prove to be inaccurate. We caution you that the forward-looking statements contained in this prospectus are not guarantees of future performance, and we cannot assure you that those statements will be realized or the forward-looking events and circumstances will occur. All forward-looking statements speak only as of the date

of this prospectus.

Reserve engineering is a process of estimating underground accumulations of oil, natural gas and natural gas liquids that cannot be measured in an exact way. The accuracy of any reserve estimate depends on the quality of available data, the interpretation of such data and price and cost assumptions made by reserve engineers. In addition, the results of drilling, testing and production activities may justify revisions of estimates that were made previously. If significant, such revisions would change the schedule of any further production and development drilling. Accordingly, reserve estimates may differ significantly from the quantities of oil, natural gas and natural gas liquids that are ultimately recovered.

We do not intend to publicly update or revise any forward-looking statements as a result of new information, future events or otherwise, except as required by law. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

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SUMMARY

This summary highlights selected information contained elsewhere in this prospectus supplement, the accompanying base prospectus and the documents we incorporate by reference. It does not contain all of the information you should consider before making an investment decision. You should read the entire prospectus supplement, the accompanying base prospectus, the documents incorporated by reference and the other documents to which we refer for a more complete understanding of our business and this offering. Please read the section entitled "Risk Factors" on page S-5 of this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2015, which is incorporated by reference in this prospectus supplement, for more information about important factors you should consider before investing in our common stock in this offering.

Our Business

We are a Houston, Texas based independent oil and natural gas company. Our business is to maximize production and cash flow from our offshore properties in the shallow waters of the Gulf of Mexico and onshore properties in various plays, and use that cash flow to explore, develop, exploit and acquire crude oil and natural gas properties in the onshore Texas Gulf Coast and Rocky Mountain regions of the United States. We are also pursuing an acquisition of undeveloped acreage in the southern Delaware Basin of West Texas, as described in this prospectus supplement.

On October 1, 2013, we completed a merger with Crimson Exploration Inc. (Crimson) in an all-stock transaction pursuant to which Crimson became a wholly-owned subsidiary of Contango (the Merger). The Merger gave us access to high rate of return onshore prospects in known, prolific producing areas as well as long-life resource plays. In 2015, our drilling activity focused primarily on the Woodbine oil and liquids-rich play in Madison and Grimes counties, Texas (in our Southeast Texas Region), the Cretaceous Sands in Fayette and Gonzales counties, Texas (in our South Texas Region) and our new acreage position in Wyoming where we are targeting the Mowry Shale and the Muddy Sandstone formations. We believe these areas could provide long-term growth potential from multiple formations that we believe to be productive for oil and natural gas.

Additionally, we have (i) a 37% equity investment in Exaro Energy III LLC, which is primarily focused on the development of proved natural gas reserves in the Jonah Field in Wyoming; (ii) operated properties producing from various conventional formations in various counties along the Texas Gulf Coast; (iii) operated producing properties in the Denver Julesburg Basin in Weld and Adams counties in Colorado, which we believe may also be prospective in the Niobrara Shale formation; and (iv) operated producing properties in the Haynesville Shale, Mid Bossier and James Lime formations in East Texas.

Natural gas and crude oil prices declined severely during 2015 and may decline even further through 2016. Due to the current challenging commodity price environment, we intend to focus our 2016 capital program on: (i) the preservation of our healthy financial position, including limiting our overall capital expenditure budget to a minimal amount and using excess cash flow to repay debt; (ii) focusing drilling expenditures, if any, on strategic projects; (iii) identification of opportunities for cost efficiencies in all areas of our operations; and (iv) continuing to identify new resource potential opportunities, internally and, where appropriate, through acquisition. We will continuously monitor the commodity price environment, stability and forecast, and, if warranted, make adjustments to our drilling strategy as the year progresses.

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Our production for the three months ended June 30, 2016 was approximately 74.6 Mmcfe/d and was 67% offshore and 33% onshore. As of December 31, 2015, our proved reserves were approximately 61% offshore and 39% onshore and were 84% proved developed, which were approximately 72% offshore and 28% onshore.

West Texas Exploration Agreement

On July 19, 2016, we entered into an Exploration Agreement with an established private oil and gas company (the Exploration Agreement), whereby our wholly-owned subsidiary will acquire one-half of the counterparty's interest in up to approximately 10,000 undeveloped net acres in the southern Delaware Basin in Pecos County, Texas. Because we have not historically operated in West Texas, we believe this acreage will provide us with significant diversification through drilling opportunities in the multiple zones of the Wolfcamp and Bone Springs formations, which we view as one of the most economically attractive plays in the country. We currently plan to commence drilling of an initial well on this acreage in September or October 2016. Our drilling program in this area will be subject to our continuous evaluation of expected results and returns based upon drilling results, availability of capital and our view of commodity price and drilling and completion cost conditions.

Under the terms of the Exploration Agreement, we will be conveyed a 50% interest in approximately 10,000 net undeveloped acres for an initial cash payment of \$10 million plus a commitment to pay an additional \$10 million in the form of carried drilling and completion costs related to such acreage. If the full \$10 million carry commitment has not been satisfied by November 1, 2017, the remaining portion thereof will be payable by us in cash. We will also pay a spud fee of \$350,000 (up to a maximum of \$4.9 million) upon commencement of each of 14 future operated wells and/or non-operated wells in which we and the counterparty hold at least a 50% working interest that are spudded after the spudding of the sixth well on which we pay carried drilling and completion costs. We will be designated operator under the joint operating agreement(s) applicable to the acquired acreage. The Exploration Agreement contains an area of mutual interest provision whereby each of the parties will have the right to acquire a proportionate interest in additional interests acquired by the other party within a designated area.

The initial closing is expected by the end of July 2016, when we expect a substantial portion of the undeveloped acreage to be transferred, and will be subject to satisfaction of certain title, due diligence and customary closing conditions. The remainder of the undeveloped acreage is expected to be transferred within three months of the initial closing. This offering will not be contingent upon such closing or on the conveyance of any particular amount of acreage. We intend to use the net proceeds of this offering to fund the purchase price of our acquisition of undeveloped acreage pursuant to the Exploration Agreement and costs associated with the initial development thereof. Pending such use, we intend to use the proceeds of this offering to repay amounts outstanding under our revolving credit facility, which will be reborrowed from time to time. If the acquisition does not close, we intend to use the net proceeds for general corporate purposes.

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Corporate Information

Our principal executive offices are located at 717 Texas Avenue, Suite 2900, Houston, Texas 77002, and our phone number is (713) 236-7400. Our website is located at <http://www.contango.com>. We make our periodic reports and other information filed with or furnished to the SEC available, free of charge, through our website, as soon as reasonably practicable. Information contained on our website is not incorporated by reference into this prospectus supplement, and you should not consider information contained on our website as part of this prospectus.

For additional information as to our business, properties and financial condition, please refer to the documents cited in [Where You Can Find More Information](#).

The Offering

Issuer	Contango Oil & Gas Company
Shares of common stock offered	5,000,000 shares (5,750,000 shares if the underwriters' option to purchase additional shares is exercised in full).
Option to purchase additional shares	The underwriters have the option to purchase up to an additional 750,000 shares from us, at the public offering price, less the underwriting discount, set forth on the cover page of this prospectus supplement within 30 days from the date of this prospectus supplement.
Shares of common stock outstanding following this offering(1)	24,635,692 shares (25,385,692 shares if the underwriters exercise their option to purchase additional shares in full).
Use of proceeds	We will use the estimated net proceeds from this offering of approximately \$ _____ million (or \$ _____ million if the underwriters exercise their option to purchase additional shares in full) to fund the purchase price of our acquisition of undeveloped acreage pursuant to the Exploration Agreement and costs associated with the initial development thereof. Pending such use, we intend to use the proceeds of this offering to repay amounts outstanding under our revolving credit facility, which will be reborrowed from time to time. If the acquisition does not close, we intend to use the net proceeds for general corporate purposes. For more information about our use of proceeds from this offering, see Use of Proceeds .
Conflicts of Interest	Because an affiliate of RBC Capital Markets, LLC is a lender under our revolving credit facility and will receive more than 5% of the net proceeds of this offering due to the repayment of a portion of the revolving credit facility by us, RBC Capital Markets, LLC is deemed to have a conflict of interest under Rule 5121, or FINRA Rule 5121, of the Financial Industry

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Regulatory Authority, Inc., or FINRA. Accordingly, this offering is being made in compliance with the requirements of FINRA Rule 5121. The appointment of a qualified independent underwriter is not required in connection with this offering as a bona fide public market, as defined in FINRA Rule 5121, exists for our common stock. See Use of Proceeds and Underwriting (Conflicts of Interest).

Risk factors

Investing in our common stock involves substantial risk. You should carefully consider the risk factors set forth in the section entitled Risk Factors and the other information contained in this prospectus supplement and the accompanying base prospectus and the documents incorporated by reference herein and therein prior to making an investment in our common stock. See Risk Factors beginning on page S-5.

Exchange listing

Our common stock is traded on the NYSE MKT under the symbol MCF.

(1) Based on 19,635,692 shares outstanding as of July 20, 2016.

Unless we indicate otherwise or the context otherwise requires, all of the information in this prospectus supplement:

assumes no exercise of the underwriters' option to purchase additional shares; and

does not reflect as of July 20, 2016: (i) outstanding options to purchase 114,804 shares of our common stock held by our directors, officers and employees or (ii) 601,967 shares available for issuance under our Amended and Restated 2009 Incentive Compensation Plan.

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RISK FACTORS

*Investing in our common stock involves substantial risk. In addition to the risk factors set forth below, you should carefully consider the risk factors set forth in the section entitled *Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2015, which is incorporated by reference in this prospectus supplement, and the other information included or incorporated by reference in this prospectus supplement and the accompanying base prospectus prior to making an investment in our common stock. If any of the described risks were actually to occur, our business, financial condition, results of operations and cash flows could be materially adversely affected. Please read *Cautionary Statement Regarding Forward-Looking Statements*.*

The risks described below and those risks described in documents incorporated by reference into this prospectus supplement are not the only ones facing our company. Additional risks not presently known to us or that we currently deem immaterial individually or in the aggregate may also adversely affect our business operations.

The acquisition of undeveloped acreage contemplated by the Exploration Agreement may not be completed, and as a result, we may fail to realize the benefits anticipated as a result of such acquisition.

The acquisition of a substantial portion of the undeveloped acreage contemplated by the Exploration Agreement is expected to close by the end of July 2016, with the remainder of the undeveloped acreage expected to be transferred within three months of the initial closing, and will be subject to satisfaction of certain title, due diligence and customary closing conditions. If these conditions are not satisfied or waived, the Exploration Agreement may be terminated prior to conveyance of any acreage to us. There can be no assurances that the conveyances under the Exploration Agreement will be closed or that the expected benefits of the Exploration Agreement will be realized. This offering will not be contingent upon such closing or on a minimum conveyance of net acreage to be covered by the Exploration Agreement. If the transactions contemplated by the Exploration Agreement are delayed, not consummated or consummated in a manner different than described herein, the price of our common stock may decline. In addition, if the acquisition contemplated by the Exploration Agreement is not closed and the Exploration Agreement is terminated, our management will have broad discretion in the application of the net proceeds of this offering. Accordingly, if you decide to purchase common stock in this offering, you should be willing to do so whether or not we complete the transactions contemplated by the Exploration Agreement.

Under the Exploration Agreement, we are entering a new area of exploration and development in which we have limited experience and facilities, and as a result we may experience inefficiencies, incur unanticipated or higher costs and expenses, or may not fully realize the benefits anticipated as a result of the Exploration Agreement.

We have not historically operated in West Texas. Assuming we obtain the conveyances contemplated by the Exploration Agreement, we will need to integrate the properties and operations relating thereto with our current oil and gas operations, which may increase the risk of inefficiencies in timing, coordination and staffing, unanticipated higher costs and expenses than we currently have projected or drilling results below our expectations. As a result, any desired benefits of the Exploration Agreement may not be fully realized, if at all, and our future financial performance and results of operations could be negatively impacted.

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The borrowing base under our revolving credit facility could be further reduced as a result of a continued low commodity price environment, declines in our proved oil and natural gas reserves or for other reasons, which could have a material adverse effect on our liquidity, financial condition and results of operations and impair our ability to service our indebtedness.

Effective May 6, 2016, as part of the regular redetermination schedule, the borrowing base under our revolving credit facility was redetermined at \$140 million, which reflects the impact of a decline in commodity prices from those used in connection with the last redetermination and our limited drilling program. As of July 20, 2016, we had \$25 million available for borrowing under our current borrowing base.

Our next regularly scheduled borrowing base redetermination is on November 1, 2016. The borrowing base under our revolving credit facility could be further reduced as a result of a continued low commodity price environment, declines in our estimated proved oil and natural gas reserves due to production and our limited drilling to replace such reserves, or for other reasons. Furthermore, we anticipate that if initial drilling on acreage acquired pursuant to the Exploration Agreement has commenced and shows early success, recognition of significant value from proved reserves from such drilling in the November 1, 2016 borrowing base redetermination may be limited. If the borrowing base under our revolving credit facility is further reduced, our available credit would be reduced, or if our borrowings and letter of credit commitments exceed the redetermined borrowing base, we would be required to repay such excess. If our borrowing base is further reduced or we cannot access adequate funding under our revolving credit facility, it would have a material adverse effect on our financial condition and results of operations and impair our ability to service our indebtedness.

The price of our common stock may fluctuate significantly, and you could lose all or part of your investment.

Although our common stock is listed on the NYSE MKT, we cannot assure you that an active public market will continue for our common stock. If an active public market for our common stock does not continue, the trading price and liquidity of our common stock will be materially and adversely affected. If there is a thin trading market or float for our common stock, the market price for our common stock may fluctuate significantly more than the stock market as a whole. Without a large float, our common stock would be less liquid than the stock of companies with broader public ownership and, as a result, the trading prices of our common stock may be more volatile. In addition, in the absence of an active public trading market, investors may be unable to liquidate their investment in us. Furthermore, the stock market is subject to significant price and volume fluctuations, and the market price for our common stock could fluctuate significantly for various reasons, including:

our operating and financial performance and prospects;

our quarterly or annual earnings or those of other companies in our industry;

conditions that impact demand for crude oil, natural gas and natural gas liquids, domestically and globally;

future announcements concerning our business;

changes in financial estimates and recommendations by securities analysts;

actions of competitors;

market and industry perception of our success, or lack thereof, in pursuing our growth strategy;

strategic actions by us or our competitors, such as acquisitions or restructurings;

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changes in government and environmental regulation;

general market, economic and political conditions, domestically and globally;

changes in accounting standards, policies, guidance, interpretations or principles;

sales of common stock by us, our significant stockholders or members of our management team; and

natural disasters, terrorist attacks and acts of war.

Natural gas and crude oil prices declined severely during 2015 and have declined even further through 2016 to date. In addition, in recent years, the stock market has experienced significant price and volume fluctuations. This decline in commodity prices and stock market volatility has had a significant impact on the market price of securities issued by many companies, including companies in our industry. The changes frequently appear to occur without regard to the operating performance of the affected companies. Hence, the price of our common stock could fluctuate based upon factors that have little or nothing to do with our company, and these fluctuations could materially reduce our share price.

We have no plans to pay regular dividends on our common stock, so you may not receive funds without selling your common stock.

Our board of directors presently intends to retain all of our earnings for the expansion of our business; therefore, we have no plans to pay regular dividends on our common stock. Any payment of future dividends will be at the discretion of our board of directors and will depend on, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends, and other considerations that our board of directors deems relevant. Also, the provisions of our senior secured revolving credit agreement and second lien credit agreement restrict the payment of dividends. Accordingly, you may have to sell some or all of your common stock in order to generate cash flow from your investment.

Future sales or the possibility of future sales of a substantial amount of our common stock may depress the price of shares of our common stock.

Future sales or the availability for sale of substantial amounts of our common stock in the public market could adversely affect the prevailing market price of our common stock and could impair our ability to raise capital through future sales of equity securities.

We may issue shares of our common stock or other securities from time to time as consideration for future acquisitions and investments. If any such acquisition or investment is significant, the number of shares of our common stock, or the number or aggregate principal amount, as the case may be, of other securities that we may issue may in turn be substantial. We may also grant registration rights covering those shares of our common stock or other securities in connection with any such acquisitions and investments.

As of December 31, 2015, we had 116,461 stock options outstanding to purchase shares of our common stock outstanding, all of which were fully vested.

We cannot predict the size of future issuances of our common stock or the effect, if any, that future issuances and sales of our common stock will have on the market price of our common stock. Sales of substantial amounts of our common stock (including shares of our common stock issued in connection with an acquisition), or the perception that such sales could occur, may adversely affect prevailing market prices for our common stock.

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Our organizational documents may impede or discourage a takeover, which could deprive our investors of the opportunity to receive a premium for their shares.

Provisions of our certificate of incorporation and bylaws may make it more difficult for, or prevent a third party from, acquiring control of us without the approval of our board of directors. These provisions:

permit us to issue, without any further vote or action by the stockholders, shares of preferred stock in one or more series and, with respect to each such series, to fix the number of shares constituting the series and the designation of the series, the voting powers (if any) of the shares of the series, and the preferences and relative, participating, optional, and other special rights, if any, and any qualification, limitations or restrictions of the shares of such series;

require special meetings of the stockholders to be called by the Chairman of the board of directors, the Chief Executive Officer, the President, or by resolution of a majority of the board of directors;

require business at special meetings to be limited to the stated purpose or purposes of that meeting;

require that stockholder action be taken at a meeting rather than by written consent, unless approved by our board of directors;

require that stockholders follow certain procedures, including advance notice procedures, to bring certain matters before an annual meeting or to nominate a director for election; and

permit directors to fill vacancies in our board of directors.

We may issue preferred stock whose terms could adversely affect the voting power or value of our common stock.

Our board of directors is authorized, without further stockholder action, to issue preferred stock in one or more series and to designate the dividend rate, voting rights and other rights, preferences and restrictions of each such series. We are authorized to issue up to five million shares of preferred stock. The terms of one or more classes or series of preferred stock could adversely impact the voting power or value of our common stock. For example, we might grant holders of preferred stock the right to elect some number of our directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences we might assign to holders of preferred stock could affect the residual value of the common stock.

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USE OF PROCEEDS

We expect the net proceeds from this offering to be approximately \$ million (or approximately \$ million if the underwriters exercise their option to purchase additional shares in full), after deducting the underwriting discount and estimated fees and expenses. We intend to use the net proceeds of this offering to fund the purchase price of our acquisition of undeveloped acreage pursuant to the Exploration Agreement and costs associated with the initial development thereof. Pending such use, we intend to use the proceeds of this offering to repay amounts outstanding under our revolving credit facility, which will be reborrowed from time to time. If the acquisition does not close, we intend to use the net proceeds for general corporate purposes.

As of June 30, 2016, we had approximately \$111 million outstanding under our revolving credit facility, which matures on October 1, 2019, and \$1.9 million in outstanding letters of credit. Borrowings under our revolving credit facility bear interest at LIBOR, the U.S. prime rate, or the federal funds rate, plus a 2.5% to 4.0% margin, dependent upon the amount outstanding. As of June 30, 2016, the weighted average interest rate on our variable rate debt was 4.3% per year. Borrowings under our revolving credit facility are incurred for general corporate purposes, including the funding of our capital budget and recent acquisitions. Any amounts repaid with the proceeds from this offering may be reborrowed in the future.

An affiliate of RBC Capital Markets, LLC is a lender under our revolving credit facility and will receive a portion of the net proceeds from this offering in the form of the repayment of borrowings under such facility. See Underwriting (Conflicts of Interest).

Table of Contents**CAPITALIZATION**

The following table sets forth our capitalization at March 31, 2016:

on an actual basis; and

on an as adjusted basis to give effect to the issuance and sale of our common stock offered hereby and the application of the estimated net proceeds therefrom (assuming no exercise of the underwriters' option to purchase additional shares) as set forth under Use of Proceeds.

This table should be read in conjunction with, and is qualified in its entirety by reference to, Use of Proceeds and our historical audited consolidated financial statements and the accompanying notes in our Annual Report on Form 10-K for the year ended December 31, 2015 and our unaudited consolidated financial statements and the accompanying notes in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, which are incorporated by reference into this prospectus.

	March 31, 2016	
	Actual	As Adjusted
	(in thousands, except share amounts)	
Cash and cash equivalents	\$	\$
Long-term debt:		
Revolving credit facility(1)	\$ 112,182	\$
Total long-term debt	112,182	
Stockholders' equity:		
Common stock, \$0.04 par value; 50,000,000 authorized; (i) 24,677,584 actual shares issued and (ii) as adjusted shares issued, each at March 31, 2016	975	
Additional paid-in capital	241,025	
Retained earnings	113,701	113,701
Treasury stock, at cost; 5,284,583 shares at March 31, 2016, actual and as adjusted	(127,988)	(127,988)
Total stockholders' equity	227,713	
Total capitalization	\$ 339,895	\$

- (1) At July 20, 2016, after giving effect to the issuance and sale of the common stock offered hereby and the application of the estimated net proceeds therefrom (assuming no exercise of the underwriters' option to purchase additional shares), we would have been able to incur an additional \$ of indebtedness under our revolving credit facility. At July 20, 2016, we had approximately \$113 million in borrowings outstanding under our revolving credit facility.

Table of Contents**PRICE RANGE OF COMMON STOCK**

Our common stock is listed on the NYSE MKT under the symbol MCF. The following table shows, for the periods indicated, the high and low reported sale prices for our common stock, as reported on the NYSE MKT.

	Sales Price	
	High	Low
Year Ended December 31, 2016:		
Quarter Ended March 31, 2016	\$ 12.84	\$ 3.68
Quarter Ended June 30, 2016	\$ 14.14	\$ 10.52
Quarter Ended September 30, 2016 (through July 20, 2016)	\$ 12.85	\$ 11.55
Year Ended December 31, 2015:		
Quarter Ended March 31, 2015	\$ 33.17	\$ 20.25
Quarter Ended June 30, 2015	\$ 25.41	