

CONTANGO OIL & GAS CO
Form 4
October 18, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN 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 *
REIMER CHARLES M

2. Issuer Name and Ticker or Trading Symbol
CONTANGO OIL & GAS CO
[MCF]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
10/17/2006

Director 10% Owner
 Officer (give title below) Other (specify below)

3700 BUFFALO SPEEDWAY,
SUITE 960

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

HOUSTON, TX 77098

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|---|
| | | | | (A) or (D) | Price | | | |
| | | | | Code | V | Amount | | |
| Common Stock | 10/17/2006 | | M | 1,000 | A | \$ 11.8 | 236,001 | D |
| Common Stock | 10/17/2006 | | M | 1,000 | A | \$ 14.14 | 237,001 | D |
| Common Stock | 10/17/2006 | | M | 1,000 | A | \$ 12.95 | 238,001 | D |
| Common Stock | 10/17/2006 | | M | 1,000 | A | \$ 11.44 | 239,001 | D |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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.

SEC 1474
(9-02)

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

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Option (Right to Buy) | \$ 11.8 | 10/17/2006 | | M | 1,000 | 12/31/2005 12/31/2010 | Common Stock | 1,000 |
| Stock Option (Right to Buy) | \$ 14.14 | 10/17/2006 | | M | 1,000 | 03/31/2006 03/31/2011 | Common Stock | 1,000 |
| Stock Option (Right to Buy) | \$ 12.95 | 10/17/2006 | | M | 1,000 | 06/30/2006 06/30/2011 | Common Stock | 1,000 |
| Stock Option (Right to Buy) | \$ 11.44 | 10/17/2006 | | M | 1,000 | 09/30/2006 09/30/2011 | Common Stock | 1,000 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

REIMER CHARLES M
3700 BUFFALO SPEEDWAY, SUITE 960 X
HOUSTON, TX 77098

Signatures

Sergio Castro, Attorney-in-Fact for Charles M.
Reimer

10/18/2006

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(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) Reporting person engaged in an exercise of stock options granted under the Issuer's Incentive Plan exempt under 16b-3. The option(s) vested in three equal annual installments beginning on 12/31/05. Value of common stock at the date of exercise was \$14.60 per share.
- (2) Reporting person engaged in an exercise of stock options granted under the Issuer's Incentive Plan exempt under 16b-3. The option(s) vested in three equal annual installments beginning on 03/31/06. Value of common stock at the date of exercise was \$14.60 per share.
- (3) Reporting person engaged in an exercise of stock options granted under the Issuer's Incentive Plan exempt under 16b-3. The option(s) vested in three equal annual installments beginning on 06/30/06. Value of common stock at the date of exercise was \$14.60 per share.
- (4) Reporting person engaged in an exercise of stock options granted under the Issuer's Incentive Plan exempt under 16b-3. The option(s) vested in three equal annual installments beginning on 09/30/06. Value of common stock at the date of exercise was \$14.60 per share.

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.