

CONTANGO OIL & GAS CO
 Form 4
 February 09, 2007

FORM 4

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

OMB APPROVAL

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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 *
 PEAK KENNETH R

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)
 3700 BUFFALO
 SPEEDWAY, SUITE 960
 (Street)

3. Date of Earliest Transaction
 (Month/Day/Year)
 02/07/2007

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

HOUSTON, TX 77098

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

(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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	02/07/2007		M		20,000	A	\$ 3.3
					2,004,149		
Common Stock	02/07/2007		M		50,000	A	\$ 4.73
					2,054,149		

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

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SEC 1474
 (9-02)

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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 Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount
Stock Option (right to buy)	\$ 3.3	02/07/2007		M	20,000	(1) 07/12/2007	Common Stock 20,000
Stock Option (right to buy)	\$ 4.73	02/07/2007		M	50,000	(2) 10/08/2008	Common Stock 50,000
Stock Option (right to buy)	\$ 21	02/07/2007		A	200,000	(3) 02/07/2012	Common Stock 200,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PEAK KENNETH R 3700 BUFFALO SPEEDWAY SUITE 960 HOUSTON, TX 77098	X	X	Chairman & CEO	

Signatures

Kenneth R. Peak 02/07/2007

**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 five equal annual installments beginning on 07/12/02. Value of common stock at the date of exercise was \$21.00 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 10/08/03. Value of common stock at the date of exercise was \$21.00 per share.
- (3) The options vest in three annual installments beginning February 7, 2007. Value of common stock at the date of grant was \$21.00 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.

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