

CONTANGO OIL & GAS CO  
Form 8-K  
May 17, 2007

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) May 11, 2007

**CONTANGO OIL & GAS COMPANY**

(Exact Name of Registrant as Specified in Its Charter)

**DELAWARE**  
(State or other jurisdiction

of incorporation)

**001-16317**  
(Commission

File Number)

**3700 BUFFALO SPEEDWAY, SUITE 960**

**HOUSTON, TEXAS 77098**

(Address of principal executive offices)

**(713) 960-1901**

(Registrant's telephone number, including area code)

**N/A**

(Former name or former address, if changed since last report)

**95-4079863**  
(IRS Employer

Identification No.)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

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- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  
  - .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  
  - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  
  - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT**

On May 11, 2007, Contango Oil & Gas Company (the Company) entered into a Securities Purchase Agreement (the Agreement) with a group of private investors (the Purchasers), pursuant to which the Company agreed to issue and sell to the Purchasers, at a price of \$5,000 per share, a total of 6,000 shares of the Company's Series E Perpetual Cumulative Convertible Preferred Stock, par value \$0.04 per share (the Series E Preferred Stock), for an aggregate purchase price of \$30.0 million to be paid by the Purchasers. The Series E Preferred Stock is perpetual and is convertible at any time into shares of the Company's common stock at a price of \$38.00 per share. The dividend on the Series E Preferred Stock can be paid quarterly in cash at a rate of 6.0% per annum or paid-in-kind at a rate of 7.5% per annum. The Company has agreed to file a registration statement covering the shares of the Company's common stock issuable on conversion of the Series E Preferred Stock. The Company paid a 4% commission to the placement agents in connection with the transaction.

The above description is a summary and is qualified in its entirety by the terms of the Agreement filed as Exhibit 10.1 to this Current Report on Form 8-K.

**ITEM 3.02. UNREGISTERED SALES OF EQUITY SECURITIES**

The disclosure set forth above under Item 1.01 is hereby incorporated by reference into this Item 3.02.

On May 17, 2007, the Company sold 6,000 shares of its Series E Preferred Stock to the Purchasers pursuant to the Agreement for an aggregate purchase price of \$30.0 million. The shares were issued pursuant to the exemption from registration available under Section 4(2) of the Securities Act of 1933, as amended. The transaction did not involve a public offering and the Purchasers were accredited investors and/or qualified institutional buyers.

**ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS**

<b>Exhibit No.</b>	<b>Description of Document</b>
4.1	Certificate of Designations, Preferences and Relative Rights and Limitations for Series D Perpetual Cumulative Convertible Preferred Stock
10.1	Securities Purchase Agreement dated May 11, 2007
99.1	Press Release dated May 14, 2007

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**CONTANGO OIL & GAS COMPANY**

Date: May 17, 2007

By: /s/ KENNETH R. PEAK  
Kenneth R. Peak  
Chairman and Chief Executive Officer