

CONTANGO OIL & GAS CO
 Form 4
 February 15, 2006

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)

3. Date of Earliest Transaction (Month/Day/Year)
 02/13/2006

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

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	02/13/2006		M		60,000	A	\$ 2.44
Common Stock	02/13/2006		M		80,000	A	\$ 3.3
Common Stock	02/13/2006		M		100,000	A	\$ 4.73

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

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 (9-02)

displays a currently valid OMB control number.

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)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount of Number of Shares
Stock option (right to buy)	\$ 2.44	02/13/2006		M	60,000	07/23/2001	07/23/2011	Common Stock	60,000
Stock option (right to buy)	\$ 3.3	02/13/2006		M	80,000	07/12/2002	07/12/2007	Common Stock	80,000
Stock option (right to buy)	\$ 4.37	02/13/2006		M	100,000	10/08/2003	10/08/2008	Common Stock	100,000

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 02/15/2006

**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 five equal annual installments beginning 07/23/01. Value of common stock at the date of exercise was \$11.50 per share.

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- (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 five equal annual installments beginning 07/12/02. Value of common stock at the date of exercise was \$11.50 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 10/08/03. Value of common stock at the date of exercise was \$11.50 per share.

- Amount of securities beneficially owned following reported transaction includes the transfer of 600,000 shares on December 30, 2005 pursuant to a transaction that is subject to Rule 16a-12. Reporting person disclaims beneficial ownership of the shares pursuant to Section 16, and this report shall not be deemed an admission of beneficial ownership, and although reporting person retains voting rights, same person has no pecuniary interest in the shares.
- (4)

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.