

CONTANGO OIL & GAS CO
Form 8-K
December 20, 2006

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) December 14, 2006

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

95-4079863
(IRS Employer
Identification No.)

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)

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:

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)

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.. 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))

ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

On December 14, 2006, Contango Operators, Inc. (COI), a subsidiary of Contango Oil & Gas Company, entered into a Purchase and Sale Agreement (the Agreement) with Rosetta Resources Offshore LLC (Rosetta) pursuant to which COI sold to Rosetta, effective December 1, 2006, its 25% working interest in the Grand Isle 72 (Liberty) for \$7.0 million. The sold property had reserves of approximately 1.9 billion cubic feet equivalent, net to COL.

The above description is a summary and is qualified in its entirety by the terms of the Agreement filed as Exhibit 2.1 to this Current Report on Form 8K.

ITEM 2.01. COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS

The information set forth under Item 1.01 of this Current Report on Form 8-K is hereby incorporated by reference into this Item 2.01.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits

| Exhibit No. | Description of Document |
|--------------------|--|
| 2.1 | Purchase and Sale Agreement by and between Contango Operators, Inc., as Seller and Rosetta Resources Offshore, LLC, as Buyer |
| 99.1 | Press release dated December 19, 2006. |

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: December 20, 2006

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