CONTANGO OIL & GAS CO

Form 4 May 25, 2010

## FORM 4

## **OMB APPROVAL**

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

OMB 3235-0287 Number:

Check this box if no longer subject to Section 16.

January 31, Expires: 2005

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES** 

Estimated average burden hours per response... 0.5

Form 4 or Form 5 obligations may continue.

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

1(b).

(Print or Type Responses)

See Instruction

1. Name and Address of Reporting Person * REIMER CHARLES M			2. Issuer Name <b>and</b> Ticker or Trading Symbol CONTANGO OIL & GAS CO [MCF]	5. Relationship of Reporting Person(s) to Issuer  (Check all applicable)			
(Last)  3700 BUFFA SUITE 960	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 05/21/2010	X Director 10% Owner Officer (give title below) Other (specify below)			
HOUSTON	(Street)		4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting			
HOUSTON, TX 77098				Person			

(City)	(State) (	Zip) Table	e I - Non-D	erivative S	Securi	ties Acq	uired, Disposed o	of, or Beneficial	ly Owned
1.Title of Security (Instr. 3)	2. Transaction Date 2A. Deemed (Month/Day/Year) Execution Date, if any (Month/Day/Year)		3. Transactio Code (Instr. 8)	4. Securities Acquired on(A) or Disposed of (D) (Instr. 3, 4 and 5)  (A) or			5. Amount of Securities Beneficially Owned Following Reported Transaction(s)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code V	Amount	(D)	Price	(Instr. 3 and 4)		
Common Stock	05/21/2010		S	22,225	D	\$ 50	128,480	D	
Common Stock	05/24/2010		S	22,540	D	\$ 49.3	105,940	D	

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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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 Derivative Securities Acquired ( or Dispose (D) (Instr. 3, 4, and 5)	A) d of	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amoun Underlying Securiti (Instr. 3 and 4)	
				Code V	(A) (D	<b>)</b> )	Date Exercisable	Expiration Date	Title	Amou or Numb of Sh
Forward Sale Contract (Obligation to Sell)	<u>(1)</u> <u>(2)</u>	05/21/2010		J(1)(2)	25,0	000	05/21/2010	05/21/2010	Common Stock	22,2
Forward Sale Contract (Obligation to Sell)	<u>(1)</u> <u>(2)</u>	05/24/2010		J(1)(2)	25,0	000	05/24/2010	05/24/2010	Common Stock	22,5

## **Reporting Owners**

Reporting Owner Name / Address	Relationships					
	Director	10% Owner	Officer	Other		
REIMER CHARLES M 3700 BUFFALO SPEEDWAY, SUITE 960 HOUSTON, TX 77098	X					

## **Signatures**

Sergio Castro, Attorney-in-Fact for Charles M.
Reimer 05/25/2010

\*\*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).

On May 19, 2009, the reporting person entered into a prepaid variable forward sale contract with an unaffiliated third party buyer. The contract obligates the reporting person to deliver to the buyer up to 100,000 shares of MCF common stock (or, at the reporting person's election, an equivalent amount of cash based on the market price of MCF common stock at that time) on the maturity date of the contract

(1) (May 21, 24, 25, 26, 2010). In exchange for assuming this obligation, the reporting person received a cash payment of \$3,875,081.26 as of the date of entering into the contract. The reporting person pledged 100,000 shares of MCF common stock (the "Pledged Shares") to secure his obligation under the contract, and retained dividend and voting rights in the Pledged Shares during the term of the pledge. The number of shares of MCF common stock to be delivered to the buyer on the maturity date is to be determined as explained in Footnote 2.

**(2)** 

Reporting Owners 2

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The number of shares of MCF common stock to be delivered to the buyer on the maturity date is to be determined as follows: (a) if the average of the closing price of MCF common stock on the 20 days immediately preceding the maturity date (the "Settlement Price") is less than or equal to \$44.45 (the "Initial Share Price"), the reporting person will deliver to the buyer all of the Pledged Shares; (b) if the Settlement Price is between the Initial Price and \$57.78 (the "Cap Price"), the reporting person will deliver to the buyer a number of shares of MCF common stock having a value (based on the then market price) equal to \$4,444,920; and (c) if the Settlement Price is greater than the Cap Price, the reporting person will retain a number of shares of MCF common stock having a value (based on the then market price) equal to \$1,333,480, and will deliver to the buyer the balance of the 100,000 shares of MCF common stock.

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.