

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

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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) 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))

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**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**

<b>Exhibit No.</b>	<b>Description of Document</b>
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