CONTANGO OIL & GAS CO

Form 4

September 04, 2008

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

OMB

OMB APPROVAL

Number:

3235-0287

Expires:

January 31, 2005

0.5

Estimated average burden hours per

response...

if no longer subject to Section 16. Form 4 or Form 5

Check this box

SECURITIES

obligations may continue. See Instruction

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)

1. Name and Address of Reporting Person * Sellers Capital LLC

2. Issuer Name and Ticker or Trading

Symbol

(Middle)

CONTANGO OIL & GAS CO

[MCF]

5. Relationship of Reporting Person(s) to

(Check all applicable)

(Last) (First) 3. Date of Earliest Transaction

(Month/Day/Year)

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

311 S WACKER DR, STE 925

(Street)

09/04/2008

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

Person

Issuer

CHICAGO, IL 60606

(City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) Execution Date, if (Instr. 3) (Month/Day/Year)

3. 4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)

7. Nature of 5. Amount of 6. Securities Ownership Indirect Beneficially Form: Direct Beneficial Owned Ownership (D) or Indirect (I) (Instr. 4) Following Reported

(A) or Code V Amount (D)

Transaction(s) (Instr. 3 and 4) Price

(Instr. 4)

Contango Oil & Gas

09/04/2008(1)

J(1)745,578 A 3,134,089

D

Common

Co. -

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.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

Edgar Filing: CONTANGO OIL & GAS CO - Form 4

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. Transactic Code (Instr. 8)	5. Number op Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4,		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	and 5		Date Exercisable	Expiration Date	Title	Amount Number Shares
Linear Knock-Out Option	\$ 0 (1)	09/04/2008		<u>J(1)</u>		1,000	07/11/2011	07/11/2011	Contango Oil & Gas Co.	745,57

Reporting Owners

Reporting Owner Name / Address	Relationships						
• 0	Director	10% Owner	Officer	Other			
Sellers Capital LLC 311 S WACKER DR STE 925 CHICAGO, IL 60606		X					

Signatures

Mark A Sellers 09/04/2008

**Signature of 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).

Sellers Capital, LLC acquired the shares on behalf of Sellers Capital Master Fund, Ltd., a limited liability company organized under the laws of the Cayman Islands through the unwinding of the derivative instrument detailed in Table II. As a result of this transaction, the

(1) ownership of the shares converted from indirect to direct beneficial ownership by Sellers Capital Master Fund, Ltd. The cost to unwind the derivative instrument was the net difference between the market value of the securities acquired and the value of the derivative instrument at the time of the transaction.

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.

Reporting Owners 2