

WEATHERLY B F  
Form 4  
May 19, 2011

**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 \*  
WEATHERLY B F

(Last) (First) (Middle)  
200 NORTH CANAL STREET  
(Street)

NATCHEZ, MS 391203212

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
CALLON PETROLEUM CO [CPE]

3. Date of Earliest Transaction  
(Month/Day/Year)  
05/18/2011

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Executive Vice President/ CFO

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**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 Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	05/18/2011	05/18/2011	F	V <u>4,407</u> (1) D \$ 6.7	10,282	D	
Common Stock	05/18/2011	05/18/2011	G	V <u>10,282</u> (2) D \$ 6.7	0	D	
Common Stock	05/18/2011	05/18/2011	G	V <u>10,282</u> (2) A \$ 6.7	10,282	D	
Common Stock					32,982	I	401(k) Account <sup>(3)</sup>
Common Stock					2,288	I	IRA Account

Common Stock	66,526	I	Jt. Ten. with Spouse
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

**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)	8. F Der Sec (Ins	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
2009 Restricted Stock Units - Cash <sup>(4)</sup>	\$ 1.63					<u>(4)</u>	<u>(4)</u>	Common Stock	7,875
2009 Restricted Stock Units - Stock <sup>(5)</sup>	\$ 1.63					<u>(5)</u>	<u>(5)</u>	Common Stock	44,625
2010 Phantom Shares <sup>(6)</sup>	\$ 4.95					11/08/2010	12/31/2012	Common Stock	50,000
2010 Restricted Stock Units - Cash <sup>(7)</sup>	\$ 4.95					11/08/2010	05/07/2013	Common Stock	15,000
2010 Restricted Stock Units -	\$ 4.95					11/08/2010	05/07/2013	Common Stock	85,000

Stock <sup>(8)</sup>					
2011 Phantom Shares <sup>(9)</sup>	\$ 7.01	05/12/2012	12/31/2013	Common Stock	37,500
2011 Restricted Stock Units - Cash <sup>(10)</sup>					
2011 Restricted Stock Units - Stock <sup>(11)</sup>	\$ 7.01	05/12/2012	05/12/2014	Common Stock	11,250
2011 Restricted Stock Units - Stock <sup>(11)</sup>					
2011 Restricted Stock Units - Stock <sup>(11)</sup>	\$ 7.01	05/12/2012	05/12/2014	Common Stock	63,750
Stock Option (Right to Buy)					
Stock Option (Right to Buy)	\$ 6.05	11/09/2002	05/08/2012	Common Stock	5,000
Stock Options (Right to Buy)					
Stock Options (Right to Buy)	\$ 5.12	11/03/2003	05/02/2013	Common Stock	5,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WEATHERLY B F 200 NORTH CANAL STREET NATCHEZ, MS 391203212	X		Executive Vice President/ CFO	

## Signatures

By: Robert A. Mayfield as Attorney-in-fact for 05/19/2011

\*\*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) Represents disposition of shares previously reported and subject to certain vesting provisions. Issuer withheld shares to satisfy federal and state withholding tax liability associated with fair market value of securities vested.
  - (2) Transfer of shares owned directly to joint tenant with spouse.
  - (3) The number of shares reported is calculated by dividing the total market value of the reporting person's account balance within the Callon Petroleum Company Employee Savings and Protection Plan (401(k) Plan) on the day prior to this Form 4 reporting date by the closing market price per share on that day.

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- (4) Restricted Stock Units will vest 100% on the third anniversary date following the grant date. Payment will be made in cash based on the average of the opening and closing market price of the underlying common stock of the issuer on the date of vesting.
- (5) Restricted Stock Units will vest 100% on the third anniversary date following the grant date. Payment will be made in shares of common stock of the issuer based on the average of the opening and closing market price of the underlying common stock on the date of vesting.
- (6) This Phantom Share award is subject to vesting on December 31, 2012 and is payable in cash rather than stock. In addition, the award is subject to a variable percentage payout based on a performance criteria related to the Total Shareholder Return of the Company compared to a group of peer companies. Therefore this award can range from 0% to as much as 150% of its original value at the vesting date.
- (7) Restricted Stock Units will vest on the third anniversary date following the grant date. Payment will be made in cash based on the average of the opening and closing market price of the underlying common stock of the issuer on the date of vesting.
- (8) Restricted Stock Units will vest on the third anniversary date following the grant date. Payment will be made in shares of common stock of the issuer based on the average of the opening and closing market price of the underlying common stock on the date of vesting.
- (9) This Phantom Share award is subject to vesting on December 31, 2013 and is payable in cash rather than stock. In addition, the award is subject to a variable percentage payout based on a performance criteria related to the Total Shareholder Return of the Company compared to a group of peer companies. Therefore this award can range from 0% to as much as 150% of its original value at the vesting date.
- (10) Restricted Stock Units will vest on the third anniversary date following the grant date. Payment will be made in cash based on the average of the opening and closing market price of the underlying common stock on the date of vesting.
- (11) Restricted Stock Units will vest on the third anniversary date following the grant date. Payment will be made in shares of common stock of the issuer based on the average of the opening and closing market price of the underlying common stock on the date of vesting.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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