

CALLON PETROLEUM CO
Form 4
May 15, 2017

FORM 4

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

OMB APPROVAL

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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 *
Gatto Joseph C. Jr.

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

3. Date of Earliest Transaction (Month/Day/Year)
05/11/2017

____ Director
____ Officer (give title below)
____ 10% Owner
____ Other (specify below)
President and CFO

NATCHEZ, MS 39120
(City) (State) (Zip)

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

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount or Price | | |
| Common Stock | 05/14/2017 | 05/14/2017 | M | | 20,482 A \$ 0 | D | |
| Common Stock | 05/14/2017 | 05/14/2017 | F | | 8,593 D \$ 12.45 | D | |
| Common Stock | 05/14/2017 | 05/14/2017 | M | | 3,614 A 12.45 | D | |
| Common Stock | 05/14/2017 | 05/14/2017 | D | | 3,614 D \$ 12.45 | D | |
| Common Stock | | | | | 18,745 (2) (3) | I | 401(k) Account |

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

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(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 Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title |
| 2014 RSU - Stock ⁽⁴⁾ | \$ 0 | 05/14/2017 | | M | 20,482 | 05/14/2017 05/14/2017 | Common Stock |
| 2014 Phantom Units ⁽⁴⁾ | <u>1</u> | 05/14/2017 | | M | 3,614 | 05/14/2017 05/14/2017 | Common Stock |
| 2017 RSU - Stock ⁽⁴⁾ | \$ 0 | 05/11/2017 | | A | 42,868 | 05/11/2020 05/11/2020 | Common Stock |
| 2017 Performance Based Units - 50% Stock/50% Cash ^{(5) (6)} | <u>1</u> | 05/11/2017 | | A | 64,304 | 12/31/2019 12/31/2019 | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Gatto Joseph C. Jr. 200 NORTH CANAL STREET NATCHEZ, MS 39120 | | | President and CFO | |

Signatures

Clay V. Bland as
Attorney-in-fact
05/15/2017

 **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) The terms of this Phantom Unit award specify payments in cash rather than in common shares. The value of each vested unit is equal to the economic value of one share of Callon Petroleum Company common stock at its closing price on the vesting date.

(2) The number of shares indirectly held by the reporting person are reported on this Form 4 for the purpose of disclosing beneficial ownership.

(3) The number of shares reported is calculated by dividing the total market value of the reporting person's 401(k) account balance invested in the Employer Stock Fund on the date of the earliest transaction reported on this Form 4 by the closing market price-per-share on that date.

(4) The award terms specify cliff vesting three years from the date of the award.

(5) The award terms specify cliff vesting on December 31, 2019.

(6) This Performance Based Unit award is subject to a variable number of units vesting based on a performance criteria related to the total shareholder return of the company compared to a group of peer companies. The number of units subject to vest under this award can range from 0% to as much as 200%. The award terms also specify that upon vesting 50% of the vested units will be payable in common shares and 50% will be payable in cash.

(7) Each unit is the economic equivalent of one share of the company's 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.

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