

CALLON PETROLEUM CO  
Form 10-K/A  
March 18, 2011

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
Form 10-K/A  
Amendment No.1

- Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the fiscal year ended December 31, 2010
- or
- Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the transition period from\_\_\_\_ to\_\_\_\_

Commission File Number 001-14039  
CALLON PETROLEUM COMPANY  
(Exact name of registrant as specified in its charter)

|                                                                                            |                                                    |
|--------------------------------------------------------------------------------------------|----------------------------------------------------|
| Delaware<br>(State or other jurisdiction of incorporation or organization)                 | 64-0844345<br>(I.R.S. Employer Identification No.) |
| 200 North Canal Street<br>Natchez, Mississippi<br>(Address of principal executive offices) | 39120<br>(Zip Code)                                |

601-442-1601  
(Registrant's telephone number, including area code)

|                                                             |                                                                       |
|-------------------------------------------------------------|-----------------------------------------------------------------------|
| Securities registered pursuant to Section 12(b) of the Act: |                                                                       |
| Title of each class:<br>Common Stock, \$.01 par value       | Name of each exchange on which registered:<br>New York Stock Exchange |

Securities registered pursuant to section 12 (g) of the Act: None

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

Indicate by check mark whether the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes  No

Indicate by check mark whether registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes

No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrants knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes

No

The aggregate market value of the voting and non-voting common equity stock held by non-affiliates of the registrant was \$165.3 million as of June 30, 2010.

As of March 3, 2011, 39,105,130 shares of the Registrant's common stock, par value \$.01 per share, were outstanding.

Documents Incorporated by Reference

Portions of the definitive Proxy Statement of Callon Petroleum Company (to be filed no later than 120 days after December 31, 2010) relating to the Annual Meeting of Stockholders to be held on May 12, 2011, which are incorporated into Part III of this Form 10-K.

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EXPLANATORY NOTE

We filed our Annual Report on Form 10-K for the year ended December 31, 2010 on March 15, 2010 (the “Original Report”). We are filing this Amendment No. 1 on Form 10-K/A (this “Amendment”) solely to revise Exhibit 99.1. In addition to the revised report being filed as Exhibit 99.1, we are including in this Amendment the consent of Huddleston & Company. No other changes to the Original Report are included in this Amendment other than the exhibits described above. We have made no attempt in this Amendment to modify or update the disclosures presented in the Original Report other than as noted above. Also, this Amendment does not reflect events occurring after the filing of the Original Report. Accordingly, this Amendment should be read in conjunction with the Original Report and our other filings with the SEC subsequent to the filing of the Original Report.

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Part IV.

Item 15. Exhibits

| Exhibit | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | <p>The following is an index to the financial statements and financial statement schedules that are filed as part of this Form 10-K on pages 45 through 75.</p> <p style="padding-left: 40px;">Report of Independent Registered Public Accounting Firm<br/>                     Consolidated Balance Sheets as of December 31, 2010 and 2009<br/>                     Consolidated Statements of Operations for each of the three years in the period ended December 31, 2010<br/>                     Consolidated Statements of Stockholders' Equity (Deficit) for each of the three years in the Period Ended December 31, 2010<br/>                     Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2010<br/>                     Notes to Consolidated Financial Statements</p> |
| 2       | Schedules other than those listed above are omitted because they are not required, not applicable or the required information is included in the financial statements or notes thereto.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 3       | Exhibits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 2       | Plan of acquisition, reorganization, arrangement, liquidation or succession                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 3       | Articles of Incorporation and Bylaws                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 3.1     | Certificate of Incorporation of the Company, as amended (incorporated by reference to Exhibit 3.1 of the Company's Annual Report on Form 10-K for the year ended December 31, 2003, File No. 001-14039)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 3.2     | Bylaws of the Company (incorporated by reference from Exhibit 3.2 of the Company's Registration Statement on Form S-4, filed August 4, 1994, Reg. No. 33-82408)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 3.3     | Certificate of Amendment to Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.3 of the Company's Annual Report on Form 10-K for the year ended December 31, 2003, File No. 001-14039)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 3.4     | Certificate of Amendment to the Certificate of Incorporation of the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 4       | Instruments defining the rights of security holders, including indentures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 4.1     | Specimen Common Stock Certificate (incorporated by reference from Exhibit 4.1 of the Company's Registration Statement on Form S-4, filed August 4,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

|      |                        |                                                                                                                                                                                                                                                                                                                                             |
|------|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4.2  |                        | 1994, Reg. No. 33-82408)<br>Rights Agreement between Callon Petroleum Company and American Stock Transfer & Trust Company, Rights Agent, dated March 30, 2000 (incorporated by reference from Exhibit 99.1 of the Company's Registration Statement on Form 8-A, filed April 6, 2000, File No. 001-14039)                                    |
| 4.3  |                        | Indenture for the Company's 13.00% Senior Notes due 2016, dated November 24, 2009, between Callon Petroleum Company, the subsidiary guarantors described therein, Regions Bank and American Stock Transfer & Trust Company (incorporated by reference to Exhibit T3C to the Company's Form T3, filed November 19, 2009, File No. 022-28916) |
| 9    | Voting trust agreement | None                                                                                                                                                                                                                                                                                                                                        |
| 10   | Material contracts     |                                                                                                                                                                                                                                                                                                                                             |
| 10.1 |                        | Callon Petroleum Company 1994 Stock Incentive Plan (incorporated by reference from Exhibit 10.5 of the Company's Registration Statement on Form 8-B, filed October 3, 1994)                                                                                                                                                                 |
| 10.2 |                        | Callon Petroleum Company 1996 Stock Incentive Plan as amended on May 9, 2000 (incorporated by reference from Appendix I of the Company's Definitive Proxy Statement on Schedule 14A, filed March 28, 2000, File No. 001-14039)                                                                                                              |
| 10.3 |                        | Callon Petroleum Company 2002 Stock Incentive Plan (incorporated by reference to Exhibit 10.13 of the Company's Annual Report on Form 10-K for the year ended December 31, 2001, File No. 001-14039)                                                                                                                                        |
| 10.4 |                        | Medusa Spar Agreement dated as of August 8, 2003, among Callon Petroleum Operating Company, Murphy Exploration & Production Company-USA and Oceaneering International, Inc. (incorporated by reference to Exhibit 10.19 of the Company's Annual Report on Form 10-K for the year ended December 31, 2003, File No. 001-14039)               |
| 10.5 |                        | Severance Compensation Agreement dated April 18, 2008 by and between Fred L. Callon and Callon Petroleum Company (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed April 23, 2008, File No. 001-14039)                                                                                          |
| 10.6 |                        | Form of Severance Compensation Agreement dated April 18, 2008 by and between Callon Petroleum Company and its executive officers (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K, filed April 23, 2008, File No. 001-14039)                                                                          |

- 10.7 Amendment No. 1 to Severance Compensation Agreement executed on December 31, 2008 by and between Fred L. Callon and Callon Petroleum Company (incorporated by reference from Exhibit 10.1 of the Company's Current Report on Form 8-K, filed January 5, 2009, File No. 001-14039)
- 10.8 Form of Amendment No. 1 to Severance Compensation Agreement by and between Callon Petroleum Company and its executive officers (incorporated by reference from Exhibit 10.2 of the Company's Current Report on Form 8-K, filed January 5, 2009, File No. 001-14039)
- 10.9 Amendment No. 3 to the Callon Petroleum Company 1996 Stock Incentive Plan (incorporated by reference from Exhibit 10.1 of the Company's Current Report on Form 8-K, filed January 5, 2009, File No. 001-14039)
- 10.1 Amendment No. 1 to the Callon Petroleum Company 2002 Stock Incentive Plan (incorporated by reference from Exhibit 10.2 of the Company's Current Report on Form 8-K, filed January 5, 2009, File No. 001-14039)
- 10.11 Callon Petroleum Company Amended and Restated 2006 Stock Incentive Plan (incorporated by reference from Exhibit 10.3 of the Company's Current Report on Form 8-K, filed January 5, 2009, File No. 001-14039)
- 10.12 Callon Petroleum Company 2009 Stock Incentive Plan effective as of April 30, 2009 (incorporated by reference from Exhibit A to the Company's Definitive Proxy Statement on Schedule 14A, filed March 30, 2009, File No. 001-14039)
- 10.13 Amendment to the Callon Petroleum Company 1996 Stock Incentive Plan effective as of August 7, 2009 (incorporated by reference from Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2009, File No. 001-14039)
- 10.14 Third Amended and Restated Credit Agreement dated January 29, 2010, by and among Callon Petroleum Company, the "Lenders" described therein, Regions Bank, as Administrative Agent, Documentation Agent and Syndication Agent (incorporated by reference from Exhibit 10.1 of the Company's Current Report on Form 8-K, filed February 3, 2010, File No. 001-14039)
- 10.15 Callon Petroleum Company 2010 Phantom Share Plan, adopted May 4, 2010 (incorporated by reference to Exhibit 10.1 of the Company's current Report on Form 8-K filed on May 7, 2010)
- 10.16 Form of Callon Petroleum Company Phantom Share Award Agreement, adopted May 4, 2010 (incorporated by reference to Exhibit 10.2 of the Company's current Report on Form 8-K filed on May 7, 2010)
- 10.17 Deferred Compensation Plan for Outside Directors; Callon Petroleum Company (effective as of January 1,

2011)

|       |                                                                                                    |                                                                                                                                                                                                                            |
|-------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11    | Statement re computation of per share earnings                                                     |                                                                                                                                                                                                                            |
| 12    | Statements re computation of ratios                                                                |                                                                                                                                                                                                                            |
| 13    | Annual Report to security holders, Form 10-Q or quarterly reports                                  |                                                                                                                                                                                                                            |
| 14    | Code of Ethics                                                                                     |                                                                                                                                                                                                                            |
| 14.1  |                                                                                                    | Code of Ethics for Chief Executive Officers and Senior Financial Officers (incorporated by reference to Exhibit 14.1 of the Company's Annual Report on Form 10-K for the year ended December 31, 2003, File No. 001-14039) |
| 16    | Letter re change in certifying accountant                                                          |                                                                                                                                                                                                                            |
| 18    | Letter re change in accounting principles                                                          |                                                                                                                                                                                                                            |
| 21    | Subsidiaries of the Company                                                                        |                                                                                                                                                                                                                            |
| 21.1  |                                                                                                    | Subsidiaries of the Company (incorporated by reference from Exhibit 21.1 of the Company's Registration Statement on Form 8-B filed October 3, 1994)                                                                        |
| 22    | Published report regarding matters submitted to vote of security holders                           |                                                                                                                                                                                                                            |
| 23    | Consents of experts and counsel                                                                    |                                                                                                                                                                                                                            |
| 23.1  |                                                                                                    | Consent of Ernst & Young LLP                                                                                                                                                                                               |
| 23.3* |                                                                                                    | Consent of Huddleston & Co., Inc.                                                                                                                                                                                          |
| 24    | Power of attorney                                                                                  |                                                                                                                                                                                                                            |
| 31    | Rule 13a-14(a) Certifications                                                                      |                                                                                                                                                                                                                            |
| 31.1  |                                                                                                    | Certification of Chief Executive Officer pursuant to Rule 13(a)-14(a)                                                                                                                                                      |
| 31.2  |                                                                                                    | Certification of Chief Financial Officer pursuant to Rule 13(a)-14(a)                                                                                                                                                      |
| 32    | Section 1350 Certifications of Chief Executive and Financial Officers pursuant to Rule 13(a)-14(b) |                                                                                                                                                                                                                            |
| 99    | Additional Exhibits                                                                                |                                                                                                                                                                                                                            |
| 99.1* |                                                                                                    | Reserve Report Summary prepared by Huddleston and Co. as of December 31, 2010.                                                                                                                                             |

\* Filed herewith.