

CALLON FRED L  
Form 4  
August 23, 2012

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2015  
Estimated average burden hours per response... 0.5

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 \*  
CALLON FRED L

(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)  
08/21/2012

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)  
Chairman, President, CEO

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                    | 08/21/2012                           |  | C                              |   | 12,625 A \$ 3.7   | 165,189  | D   |
| Common Stock                    | 08/21/2012                           |  | F                              |   | 9,762 D \$ 5.53   | 155,427  | D   |
| Common Stock                    |                                      |  |                                |   |   | 36,961 <sup>(1)</sup>                                    | I 401(k) Account                                      |
| Common Stock                    |                                      |  |                                |   |   | 25,215   | I By Custodian For Child                              |
| Common Stock                    |                                      |  |                                |   |   | 24,904   | I 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) |                 |              |                      |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|---|-----------------|--------------|----------------------|
|  |  |                                      |  | Code                           | V   | (A)  | (D) | Date Exercisable  | Expiration Date | Title        | Amount Number Shares |
| 2012 Restricted Stock Units - Cash                 | \$ 5.09  |                                      |  |                                |   |  |     | 05/08/2015  | 05/08/2015      | Common Stock | 26,690               |
| 2012 Restricted Stock Units - Stock                | \$ 5.09  |                                      |  |                                |   |  |     | 05/08/2015  | 05/01/2015      | Common Stock | 151,240              |
| Stock Option (Right to Buy)                        | \$ 3.7   | 08/21/2012                           |  | C                              |   | 12,625   |     | 02/24/2003  | 08/23/2012      | Common Stock | 12,625               |
| 2010 Phantom Shares <sup>(2)</sup>                 | \$ 4.95  |                                      |  |                                |   |  |     | 11/08/2010  | 12/31/2012      | Common Stock | 62,500               |
| 2010 Restricted Stock Units - Cash <sup>(3)</sup>  | \$ 4.95  |                                      |  |                                |   |  |     | 11/08/2010  | 05/07/2013      | Common Stock | 18,750               |
| 2010 Restricted Stock Units - Stock <sup>(4)</sup> | \$ 4.95  |                                      |  |                                |   |  |     | 11/08/2010  | 05/07/2013      | Common Stock | 106,250              |
| 2011 Phantom                                       | \$ 7.01  |                                      |  |                                |   |  |     | 05/12/2012  | 12/31/2013      | Common Stock | 55,000               |

Shares <sup>(5)</sup>

2011

Restricted

Stock \$ 7.01

05/12/2012 05/12/2014

Common  
Stock

16,500

Units -

Cash <sup>(6)</sup>

2011

Restricted

Stock \$ 7.01

05/12/2012 05/12/2014

Common  
Stock

93,500

Units -

Stock <sup>(7)</sup>

2012

Phantom \$ 5.09

12/31/2014 12/31/2014

Common  
Stock

177,930

Shares <sup>(8)</sup>

## Reporting Owners

| Reporting Owner Name / Address                                   | Relationships |           |                                |       |
|--|---------------|-----------|--------------------------------|-------|
|  | Director      | 10% Owner | Officer                        | Other |
| CALLON FRED L<br>200 NORTH CANAL STREET<br>NATCHEZ, MS 391203212 | X             |           | Chairman,<br>President,<br>CEO |       |

## Signatures

By: Clay V. Bland as  
Attorney-in-fact for

08/23/2012

\*\*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).

The number of shares reported are held within the individual's 401(k) account and are invested in the Callon Petroleum Company

(1) Employee Savings and Protection Plan. The share count reported is obtained from the financial institution responsible for the plan administration, and has been adjusted for shares acquired or sold within the plan since the reporting individual's last Form 4 filing.

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

(2) 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.

(3) 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.

(4) 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.

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

(5) 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.

(6) 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.

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- (7) 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.

- This Phantom Share award is subject to vesting on December 31, 2014 and is payable in cash rather than stock. In addition, the award is (8) 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.

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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