

WEATHERLY B F
Form 4
August 17, 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

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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 *
WEATHERLY B F

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)

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

08/14/2012

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

Executive Vice President/ CFO

200 NORTH CANAL STREET

(Street)

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

NATCHEZ, MS 391203212

(City) (State) (Zip)

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	08/14/2012	08/15/2012	M		44,625	A	\$ 5.19	
Common Stock	08/14/2012	08/15/2012	F		14,035	D	\$ 5.19	
Common Stock							39,383	
Common Stock							2,288	
Common Stock							66,526	
								401(k) Account (1)
								IRA Account
								Jt. Ten. with

Spouse

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)	
					V	(A)	(D)	Date Exercisable	Expiration Date		Title
2009 Restricted Stock Units - Cash ⁽²⁾	\$ 1.63	08/14/2012	08/15/2012	M		7,875		<u>(2)</u>	<u>(2)</u>	Common Stock	7,875
2009 Restricted Stock Units - Stock ⁽³⁾	\$ 1.63	08/14/2012	08/15/2012	M		44,625		<u>(3)</u>	<u>(3)</u>	Common Stock	44,625
2010 Phantom Shares	\$ 4.95							11/08/2010	12/31/2012	Common Stock	50,000
2010 Restricted Stock Units - Cash ⁽⁴⁾	\$ 4.95							11/08/2010	05/07/2013	Common Stock	15,000
2010 Restricted Stock Units - Stock ⁽⁵⁾	\$ 4.95							11/08/2010	05/07/2013	Common Stock	85,000
2011 Phantom Shares	\$ 7.01							05/12/2012	12/31/2013	Common Stock	37,500

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market price per share on that day.

- (2) 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.
- (3) 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.
- (4) 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.
- (5) 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.
- (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.
- (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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