

BORRELLO VINCENT
Form 4
May 14, 2012

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 *
BORRELLO VINCENT

(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)
05/10/2012

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)
VP/General Mgr - Permian

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 ⁽¹⁾ | 05/11/2012 | | A | V 1,008 A \$ 5.07 | 1,008 | I | 401(k) Account |
| Common Stock | | | | | 11,032 | D | |

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

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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 or Number of Shares |
| 2012 Phantom Shares ⁽²⁾ | \$ 5.09 | 05/10/2012 | | A | V | 26,690 | | 12/31/2014 | 12/31/2014 | Common Stock | 26,690 |
| 2012 Restricted Stock Units - Cash ⁽³⁾ | \$ 5.09 | 05/10/2012 | | A | V | 4,004 | | 05/08/2015 | 05/08/2015 | Common Stock | 4,004 |
| 2012 Restricted Stock Units - Stock ⁽⁴⁾ | \$ 5.09 | 05/10/2012 | | A | V | 22,687 | | 05/08/2015 | 05/01/2015 | Common Stock | 22,687 |
| 2011 Restricted Stock Units ⁽⁵⁾ | \$ 7.81 | | | | | | | 10/04/2011 | 04/04/2014 | Common Stock | 30,000 |
| 2011 Restricted Stock Units - Cash ⁽³⁾ | \$ 7.01 | | | | | | | 05/12/2012 | 05/12/2014 | Common Stock | 3,000 |
| 2011 Restricted Stock Units - Stock ⁽⁶⁾ | \$ 7.01 | | | | | | | 05/12/2012 | 05/12/2014 | Common Stock | 17,000 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

BORRELLO VINCENT
200 NORTH CANAL STREET
NATCHEZ, MS 391203212

VP/General
Mgr - Permian

Signatures

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

05/14/2012

**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).

(1) 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 Callon Petroleum Company Employee Savings and Protection Plan on the day prior to this Form 4 reporting date by the closing market price-per-share on that date.

(2) 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 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 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. The recipient has the option to surrender shares necessary to pay a portion of the income taxes associated with the vesting.

(5) The restricted stock units will vest 1/3 on each anniversary date beginning April 4, 2012, assuming continued employment.

(6) 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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