

WEATHERLY B F  
Form 4  
August 17, 2012

**FORM 4**

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

OMB APPROVAL

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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 \*  
WEATHERLY B F

(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)  
08/14/2012

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)  
Executive Vice President/ CFO

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                    | 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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**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 |   |
| 2009 Restricted Stock Units - Cash <sup>(2)</sup>  | \$ 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 <sup>(3)</sup> | \$ 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 <sup>(4)</sup>  | \$ 4.95  |                                      |  |                                |   |        |     | 11/08/2010   | 05/07/2013      | Common Stock 15,000   |
| 2010 Restricted Stock Units - Stock <sup>(5)</sup> | \$ 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   |

|  |         |            |            |                 |        |
|--|---------|------------|------------|-----------------|--------|
| 2011<br>Restricted<br>Stock<br>Units -<br>Cash <sup>(6)</sup>  | \$ 7.01 | 05/12/2012 | 05/12/2014 | Common<br>Stock | 11,250 |
| 2011<br>Restricted<br>Stock<br>Units -<br>Stock <sup>(7)</sup> | \$ 7.01 | 05/12/2012 | 05/12/2014 | Common<br>Stock | 63,750 |
| 2012<br>Phantom<br>Shares <sup>(8)</sup>                       | \$ 5.09 | 12/31/2014 | 12/31/2014 | Common<br>Stock | 75,623 |
| 2012<br>Restricted<br>Stock<br>Units -<br>Cash                 | \$ 5.09 | 05/08/2015 | 05/08/2015 | Common<br>Stock | 11,343 |
| 2012<br>Restricted<br>Stock<br>Units -<br>Stock                | \$ 5.09 | 05/08/2015 | 05/01/2015 | Common<br>Stock | 64,280 |
| Stock<br>Options<br>(Right to<br>Buy)                          | \$ 5.12 | 11/03/2003 | 05/02/2013 | Common<br>Stock | 5,000  |

## Reporting Owners

| Reporting Owner Name / Address                                   | Relationships |           |                               |       |
|--|---------------|-----------|-------------------------------|-------|
|  | Director      | 10% Owner | Officer                       | Other |
| WEATHERLY B F<br>200 NORTH CANAL STREET<br>NATCHEZ, MS 391203212 | X             |           | Executive Vice President/ CFO |       |

## Signatures

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

08/17/2012

\_\_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 account balance within the Callon Petroleum Company Employee Savings and Protection Plan (401(k) Plan) on the day prior to this Form 4 reporting date by the closing

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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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