

CALLON PETROLEUM CO
Form 4
July 15, 2005

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 *
SCHWAGER THOMAS E

(Last) (First) (Middle)
200 NORTH CANAL STREET
(Street)

NATCHEZ, MS 39120

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
CALLON PETROLEUM CO [CPE]

3. Date of Earliest Transaction
(Month/Day/Year)
07/14/2005

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)
Vice-President

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 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)
				(A) or (D) Code V Amount Price			
Common Stock	07/14/2005	07/14/2005	M	V 3,500 (1) A \$ 16.51	6,151	D	
Common Stock	07/14/2005	07/14/2005	F	V 1,626 (2) D \$ 16.51	4,525	D	
Common Stock					86 (3)	I	By 401(k)

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

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number.

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 Security (Instr. 3 and 4)
2004 Performance Shares	\$ 13.71	07/14/2005	07/14/2005	M	V 3,500	05/05/2005 ⁽⁴⁾ 07/14/2014	Common Stock 3,
Stock Option (Right to Buy)	\$ 12					02/23/1997 08/23/2006	Common Stock 22,
Stock Option (Right to Buy)	\$ 4.5					01/13/2003 07/12/2012	Common Stock 3,
Stock Option (Right to Buy)	\$ 3.7					02/24/2003 08/23/2012	Common Stock 2,

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SCHWAGER THOMAS E 200 NORTH CANAL STREET NATCHEZ, MS 39120			Vice-President	

Signatures

By: Robert A. Mayfield as Attorney-in-fact for
Date: 07/15/2005

**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)

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Represents shares acquired as a result of partial vesting of Performance Stock previously awarded - see corresponding derivative transaction.

- (2) Represents disposition of shares previously reported and subject to certain vesting provisions. Issuer withheld shares to satisfy federal and state withholding tax liability associated with fair market value of securities vested.

The number of shares reported is calculated by dividing the total market value of the reporting person's account balance within the Callon

- (3) Petroleum Company Employee Savings and Protection Plan (401(k) Plan) on the day prior to this Form 4 reporting date by the closing market price per share on that day.

- (4) Performance Stock awarded July 14, 2004. These shares vest in five equal annual installments beginning on July 14, 2005.

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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