

CALLON PETROLEUM CO
Form 4
July 17, 2007

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 *
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)
07/14/2007

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 (A) or (D) Price | | | |
| Common Stock | 07/14/2007 | 07/16/2007 ⁽¹⁾ | M | V 8,600 A 15.34 | 279,320 | D | |
| Common Stock | 07/14/2007 | 07/16/2007 ⁽¹⁾ | F | V 2,705 D 15.34 | 276,615 | D | |
| Common Stock | | | | | 11,648 ⁽²⁾ | I | 401(k) Account |
| Common Stock | | | | | 92,170 | I | By Custodian For Child |

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Common Stock 24,904 I 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 Security (Instr. 3 and 4) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Am Nur Sha |
| 2004 Performance Shares | \$ 13.71 | 07/14/2007 | 07/16/2007 ⁽¹⁾ | M | V | 8,600 | 05/05/2005 ⁽³⁾ 07/14/2014 | Common Stock | 8 |
| 2006 Performance Shares | \$ 15.83 | | | | | 08/21/2006 | 08/21/2010 | Common Stock | 40 |
| Stock Option (Right to Buy) | \$ 9.47 | | | | | 02/20/1999 | 08/20/2008 | Common Stock | 60 |
| Stock Option (Right to Buy) | \$ 10.5 | | | | | 09/23/2000 | 03/23/2010 | Common Stock | 11 |
| Stock Option (Right to Buy) | \$ 4.5 | | | | | 01/13/2003 | 07/12/2012 | Common Stock | 18 |
| Stock Option (Right to Buy) | \$ 3.7 | | | | | 02/24/2003 | 08/23/2012 | Common Stock | 12 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--------------------------------|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |

CALLON FRED L
200 NORTH CANAL STREET
NATCHEZ, MS 391203212

X

Chairman,
President,
CEO

Signatures

By: Robert A. Mayfield as
Attorney-in-fact for

07/17/2007

**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) Shares vested on Saturday, July 14, 2007. Deemed execution date and pricing date was Monday, July 16, 2007, the following business day.

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

(2) 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.

(3) 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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