

CALLON PETROLEUM CO
Form 4
June 19, 2008

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 *
SMITH CLARK H

(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)
06/17/2008

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)

Chief Information Officer

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) Code V Amount (D) Price | | | |
| Common Stock | 06/18/2008 | 06/18/2008 | M | V 7,000 A \$ 9 | 32,253 | D | |
| Common Stock | 06/18/2008 | 06/18/2008 | F | V 7,205 D \$ 27.72 | 25,048 | D | |
| Common Stock | 06/18/2008 | 06/18/2008 | M | V 6,000 A \$ 10.5 | 31,048 | D | |
| Common Stock | 06/19/2008 | 06/19/2008 | S | V 5,795 D \$ 27.62 | 25,253 | D | |
| Common Stock | 06/17/2008 | 06/17/2008 | J | V 5,253 (1) D \$ 27.35 | 0 | I | 401(k) Account |

| | | | |
|-----------------|-------|---|----------------------------|
| Common Stock | 2,193 | I | Jt. Ten. with Spouse |
|-----------------|-------|---|----------------------------|

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

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(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 Underlying Securities (Instr. 3 and 4) | Amount or Number of Shares | | |
|---|---|---|---|---|---|--|-----|--|--|-----------------|-------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | |
| Stock Option (Right to Buy) | \$ 9 | 06/18/2008 | 06/18/2008 | M | V | 7,000 | | 09/05/1999 | 03/05/2009 | Common Stock | 7,000 |
| Stock Option (Right to Buy) | \$ 10.5 | 06/18/2008 | 06/18/2008 | M | V | 6,000 | | 09/23/2000 | 03/23/2010 | Common Stock | 6,000 |
| 2004 Performance Shares | \$ 13.71 | | | | | | | 05/05/2005 | 07/14/2014 | Common Stock | 4,400 |
| 2006 Performance Shares | \$ 15.83 | | | | | | | 08/21/2006 | 08/21/2010 | Common Stock | 9,600 |
| 2008 Performance Stock Award | \$ 0 ⁽²⁾ | | | | | | | <u>(2)</u> | <u>(2)</u> | Common Stock | 4,000 |
| Stock Option (Right to Buy) | \$ 4.5 | | | | | | | 01/13/2003 | 07/12/2012 | Common Stock | 4,800 |
| Stock Option (Right to Buy) | \$ 3.7 | | | | | | | 02/24/2003 | 08/23/2012 | Common Stock | 3,250 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| SMITH CLARK H 200 NORTH CANAL STREET NATCHEZ, MS 391203212 | | | Chief Information Officer | |

Signatures

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

06/19/2008

__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) Represents equivalent shares liquidated within participant's 401-K portfolio and reinvested in other investments.

The number of shares awarded is conditioned based on the achievement of a specified performance target, based upon the price of
 (2) Callon's stock, to be calculated on December 31, 2010. If the performance target is achieved, vesting with respect to the awarded shares will occur on 04/18/2011, the third anniversary following the award date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.