

WEATHERLY B F
Form 4
May 16, 2011

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 *
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)

05/12/2011

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)
				(A) or (D) Price			
Common Stock					14,689	D	
Common Stock					32,982	I	401(k) Account ⁽¹⁾
Common Stock					2,288	I	IRA Account
Common Stock					66,526	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 of Underlying Securities (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
2011 Phantom Shares ⁽²⁾	\$ 7.01	05/12/2011	05/12/2011	A	V	37,500		05/12/2012	12/31/2013	Common Stock	37,500
2011 Restricted Stock Units - Cash ⁽³⁾	\$ 7.01	05/12/2011	05/12/2011	A	V	11,250		05/12/2012	05/12/2014	Common Stock	11,250
2011 Restricted Stock Units - Stock ⁽⁴⁾	\$ 7.01	05/12/2011	05/12/2011	A	V	63,750		05/12/2012	05/12/2014	Common Stock	63,750
2009 Restricted Stock Units - Cash ⁽⁵⁾	\$ 1.63							<u>(5)</u>	<u>(5)</u>	Common Stock	7,875
2009 Restricted Stock Units - Stock ⁽⁶⁾	\$ 1.63							<u>(6)</u>	<u>(6)</u>	Common Stock	44,625
2010 Phantom Shares ⁽⁷⁾	\$ 4.95							11/08/2010	12/31/2012	Common Stock	50,000
2010 Restricted Stock	\$ 4.95							11/08/2010	05/07/2013	Common Stock	15,000

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- This Phantom Share award is subject to vesting on December 31, 2012 and is payable in cash rather than stock. In addition, the award is
- (7) 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.
 - (8) 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.
 - (9) 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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