

WEATHERLY B F

Form 4

December 17, 2010

**FORM 4**
**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

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

## OMB APPROVAL

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(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)

12/16/2010

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<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3.<br>Transaction<br>Code<br>(Instr. 8) | 4. Securities Acquired<br>(A) or Disposed of<br>(D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or<br>Indirect (I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|---|---|---|--|--|--|---|
| Common<br>Stock                       | 12/16/2010                              | 12/16/2010  | F                                       | V<br>3,305<br>(1)  | D<br>\$<br>5.87  | 66,526   | I<br>Jt. Ten.<br>with<br>Spouse                                   |
| Common<br>Stock                       |   |   |   |  |  | 15,000   | D   |
| Common<br>Stock                       |   |   |   |  |  | 33,087   | I<br>401(k)<br>Account (2)  |
| Common<br>Stock                       |   |   |   |  |  | 2,288  | I<br>IRA<br>Account   |

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<br>Derivative<br>Security<br>(Instr. 3)          | 2.<br>Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4.<br>Transaction<br>Code<br>(Instr. 8) | 5.<br>Number<br>of<br>Derivative<br>Securities<br>Acquired<br>(A) or<br>Disposed<br>of (D)<br>(Instr. 3,<br>4, and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) |                    | 7. Title and Amount of<br>Underlying Securities<br>(Instr. 3 and 4) |                                     |
|--|---|---|---|---|---|--|--------------------|---|-------------------------------------|
|  |   |   |   | Code                                    | V (A) (D)   | Date<br>Exercisable  | Expiration<br>Date | Title   | Amount<br>or<br>Number<br>of Shares |
| 2008<br>Performance<br>Stock Award                           | \$ 0 <sup>(3)</sup>   |   |   |   |   | <sup>(3)</sup>   | <sup>(3)</sup>     | Common<br>Stock   | 15,000                              |
| 2009<br>Restricted<br>Stock Units -<br>cash <sup>(4)</sup>   | \$ 1.63   |   |   |   |   | <sup>(4)</sup>   | <sup>(4)</sup>     | Common<br>Stock   | 7,875                               |
| 2009<br>Restricted<br>Stock Units -<br>shares <sup>(5)</sup> | \$ 1.63   |   |   |   |   | <sup>(5)</sup>   | <sup>(5)</sup>     | Common<br>Stock   | 44,625                              |
| 2010<br>Phantom<br>Shares <sup>(6)</sup>                     | \$ 4.95   |   |   |   |   | 11/08/2010   | 12/31/2012         | Common<br>Stock   | 50,000                              |
| 2010<br>Restricted<br>Stock Units -<br>cash <sup>(7)</sup>   | \$ 4.95   |   |   |   |   | 11/08/2010   | 05/07/2013         | Common<br>Stock   | 15,000                              |
| 2010<br>Restricted<br>Stock Units -<br>shares <sup>(8)</sup> | \$ 4.95   |   |   |   |   | 11/08/2010   | 05/07/2013         | Common<br>Stock   | 85,000                              |
| Stock Option<br>(Right to<br>Buy)                            | \$ 6.05   |   |   |   |   | 11/09/2002   | 05/08/2012         | Common<br>Stock   | 5,000                               |
|  | \$ 5.12   |   |   |   |   | 11/03/2003   | 05/02/2013         |   | 5,000                               |

Stock  
Options  
(Right to  
Buy)

Common  
Stock

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

12/17/2010

\_\_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 withheld by the Issuer to satisfy federal and state tax liabilities associated with the taxable income recognized on the payment date of certain previously vested restricted stock.

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.

The number of shares awarded is conditioned based on the achievement of a specified performance target, based upon the price of

- (3) 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.

- (4) 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.

- (5) 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.

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

- (6) 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.

- (7) 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.

- (8) 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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