

CALLON PETROLEUM CO  
Form 4  
May 27, 2008

**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 \*  
**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)  
05/23/2008

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)  
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 Indirect Beneficial Ownership (Instr. 4)			
			Code	V	Amount	(A) or (D)	Price			
Common Stock	05/23/2008	05/23/2008	M	V	5,000 (1)	A	\$ 26.57	34,412	I	Jt. Ten. with Spouse
Common Stock	05/23/2008	05/23/2008	M	V	5,000 (1)	A	\$ 26.57	39,412	I	Jt. Ten. with Spouse
Common Stock	05/23/2008	05/23/2008	M	V	5,000 (1)	A	\$ 26.57	44,412	I	Jt. Ten. with Spouse
Common Stock	05/23/2008	05/23/2008	M	V	5,000 (1)	A	\$ 26.57	49,412	I	Jt. Ten. with

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Common Stock	05/23/2008	05/23/2008	F	V	12,030 (2)	D	\$ 26.57	37,382	I	Spouse Jt. Ten. with Spouse
Common Stock								15,000	D	
Common Stock								592	I	401(k) Account (3)
Common Stock								2,288	I	IRA 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 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)	Am or Nur of S	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Am or Nur of S
Stock Option (Right to Buy)	\$ 9.47	05/23/2008	05/23/2008	M	V 5,000	11/29/1998 05/29/2008	Common Stock	5,	
Stock Option (Right to Buy)	\$ 10.97	05/23/2008	05/23/2008	M	V 5,000	10/30/1999 04/23/2009	Common Stock	5,	
Stock Option (Right to Buy)	\$ 13.56	05/23/2008	05/23/2008	M	V 5,000	11/10/2000 05/10/2010	Common Stock	5,	
Stock Option (Right to Buy)	\$ 10.5	05/23/2008	05/23/2008	M	V 5,000	01/25/2001 07/25/2010	Common Stock	5,	
2004	\$ 13.71					05/05/2005 <sup>(4)</sup> 07/14/2014	Common	10,	

Performance Shares					Stock
2006 Restricted Shares	\$ 15.93		11/16/2007 <sup>(5)</sup>	11/16/2010	Common Stock 33
2008 Performance Stock Award	\$ 0 <sup>(6)</sup>		<u>(6)</u>	<u>(6)</u>	Common Stock 15
Stock Option (Right to Buy)	\$ 11.61		11/05/2001	05/04/2011	Common Stock 5,
Stock Option (Right to Buy)	\$ 6.05		11/09/2002	05/08/2012	Common Stock 5,
Stock Option (Right to Buy)	\$ 12.4		11/08/2004	05/06/2014	Common Stock 5,
Stock Option (Right to Buy)	\$ 13.71		11/05/2005	05/05/2015	Common Stock 5,
Stock Options (Right to Buy)	\$ 5.12		11/03/2003	05/02/2013	Common Stock 5,

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WEATHERLY B F 200 NORTH CANAL STREET NATCHEZ, MS 391203212	X		Executive Vice President/ CFO	

## Signatures

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

05/27/2008

\*\*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) Ownership of the shares acquired by recipient was transferred to his Joint Tennant account with his spouse.
- (2) Represents shares withheld by the issuer to (1) pay federal and state income taxes and (2) payment of stock option exercise price.
- (3)

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The number of shares reported is calculated by dividing the total market value of the reporting person's account balance within the Callon 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.
- (5) Restricted shares awarded November 16, 2006. Vesting will occur 25% on each anniversary date beginning on November 16, 2007.

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

- (6) 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.

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