

CALLON PETROLEUM CO
Form 4
June 19, 2008

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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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 *
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)
06/18/2008

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)
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	06/18/2008	06/18/2008	M	V 60,000 A \$ 9.47	366,470	D	
Common Stock	06/18/2008	06/18/2008	F	V 32,920 D \$ 27.72	333,550	D	
Common Stock	06/19/2008	06/19/2008	S	V 27,080 D \$ 27.62	306,470	D	
Common Stock					11,950 ⁽¹⁾	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)	Amount of Shares
					V	(A) (D)	Date Exercisable	Expiration Date		
Stock Option (Right to Buy)	\$ 9.47	06/18/2008	06/18/2008	M	V	60,000	02/20/1999	08/20/2008	Common Stock	60,
2004 Performance Shares	\$ 13.71						05/05/2005	07/14/2014	Common Stock	17,
2006 Performance Shares	\$ 15.83						08/21/2006	08/21/2010	Common Stock	30,
2008 Performance Stock Award	\$ 0 ⁽²⁾						⁽²⁾	⁽²⁾	Common Stock	23,
Stock Option (Right to Buy)	\$ 10.5						09/23/2000	03/23/2010	Common Stock	110
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

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).

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

(1) 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

(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.

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