

CALLON FRED L  
Form 4  
November 21, 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

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 \*  
CALLON FRED L

2. Issuer Name and Ticker or Trading Symbol  
CALLON PETROLEUM CO [CPE]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
200 NORTH CANAL STREET  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
11/19/2008

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Chairman, President, CEO

NATCHEZ, MS 391203212

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**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                    | 11/19/2008                           | 11/19/2008                                         | S                              | V                                                                 | 136,000 <sup>(1)</sup>                                                                        | D                                                        | \$ 4.45 <sup>(2)</sup>                                |
| Common Stock                    |                                      |                                                    |                                |                                                                   |                                                                                               | I                                                        | 12,096 <sup>(3)</sup>                                 |
| Common Stock                    |                                      |                                                    |                                |                                                                   |                                                                                               | I                                                        | 92,170                                                |
| Common Stock                    |                                      |                                                    |                                |                                                                   |                                                                                               | I                                                        | 24,904                                                |

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

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SEC 1474  
(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 Number Shares |
| 2004 Performance Shares                    | \$ 13.82                                               |                                      |                                                    |                                |                                                                                         | 05/05/2005 <sup>(4)</sup>                                | 07/14/2014                                                    | Common Stock | 8,600                |
| 2006 Performance Shares                    | \$ 15.83                                               |                                      |                                                    |                                |                                                                                         | 08/21/2006                                               | 08/21/2010                                                    | Common Stock | 20,000               |
| 2008 Performance Stock Award               | \$ 0 <sup>(5)</sup>                                    |                                      |                                                    |                                |                                                                                         | <sup>(5)</sup>                                           | <sup>(5)</sup>                                                | Common Stock | 23,000               |
| Stock Option (Right to Buy)                | \$ 10.5                                                |                                      |                                                    |                                |                                                                                         | 09/23/2000                                               | 03/23/2010                                                    | Common Stock | 110,000              |
| Stock Option (Right to Buy)                | \$ 4.5                                                 |                                      |                                                    |                                |                                                                                         | 01/13/2003                                               | 07/12/2012                                                    | Common Stock | 18,750               |
| Stock Option (Right to Buy)                | \$ 3.7                                                 |                                      |                                                    |                                |                                                                                         | 02/24/2003                                               | 08/23/2012                                                    | Common Stock | 12,625               |

## Reporting Owners

| Reporting Owner Name / Address          | Relationships |           |                         |       |
|-----------------------------------------|---------------|-----------|-------------------------|-------|
|                                         | Director      | 10% Owner | Officer                 | Other |
| CALLON FRED L<br>200 NORTH CANAL STREET | X             |           | Chairman,<br>President, |       |

NATCHEZ, MS 391203212

CEO

## Signatures

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

11/21/2008

\_\_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) Involuntary sale as a result of a margin call by the reporting person's broker.

This transaction was executed in multiple trades at prices ranging from \$4.20 to \$5.25. The price reported above reflects the weighted average sale price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer full information regarding the number of shares and prices at which the transaction was effected.

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.

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