

CALLON FRED L

Form 4

August 22, 2006

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

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

(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)

08/21/2006

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 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)
Common Stock	08/21/2006	08/21/2006	M	V 10,000	A \$ 0	273,865	D
Common Stock	08/21/2006	08/21/2006	F	V <u>3,145</u> (1)	D \$ 15.83	270,720	D
Common Stock						11,475 (2)	I 401(k) Account
Common Stock						92,170	I By Custodian For Child
Common Stock						24,904	I Spouse

Edgar Filing: CALLON FRED L - Form 4

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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 A Underlying S (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title
2006 Performance Shares	\$ 15.83	08/21/2006	08/21/2006	A	V	50,000 (3)		08/21/2006	08/21/2010	Common Stock
2006 Performance Shares	\$ 15.83	08/21/2006	08/21/2006	M	V		10,000	08/21/2006	08/21/2010	Common Stock
2004 Performance Shares	\$ 13.71							05/05/2005	07/14/2014	Common Stock
Stock Option (Right to Buy)	\$ 9.47							02/20/1999	08/20/2008	Common Stock
Stock Option (Right to Buy)	\$ 10.5							09/23/2000	03/23/2010	Common Stock
Stock Option (Right to Buy)	\$ 4.5							01/13/2003	07/12/2012	Common Stock
Stock Option (Right to Buy)	\$ 3.7							02/24/2003	08/23/2012	Common Stock

Reporting Owners

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

NATCHEZ, MS 391203212

CEO

Signatures

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

08/21/2006

__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 issuer to pay federal and state withholding taxes.

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.

(3) Performance Stock awarded by the Compensation Committee of the Issuer on August 21, 2006. These shares vest 20% on the grant date and 20% of each following anniversary date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.