

Smith Howard Clark
 Form 4
 August 17, 2012

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 *
 Smith Howard Clark

(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)
 08/14/2012

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)

Chief Information Officer

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	08/14/2012	08/15/2012	M		11,900	A	\$ 5.19
Common Stock	08/14/2012	08/15/2012	F		3,743	D	\$ 5.19
Common Stock					4,363	I	(1)
Common Stock					34,160	I	

401(k) Account
 Jt. Ten. with Spouse

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 or Number of Shares
2009 Restricted Stock Units - Cash ⁽²⁾	\$ 1.63	08/14/2012	08/15/2012	M	2,100	<u>(2)</u>	<u>(2)</u>	Common Stock	2,100
2009 Restricted Stock Units - Stock ⁽³⁾	\$ 1.63	08/14/2012	08/15/2012	M	11,900	<u>(3)</u>	<u>(3)</u>	Common Stock	11,900
2010 Phantom Shares ⁽⁴⁾	\$ 4.95					11/08/2010	12/31/2012	Common Stock	17,500
2010 Restricted Stock Units - Cash ⁽⁵⁾	\$ 4.95					11/08/2010	05/07/2013	Common Stock	3,000
2010 Restricted Stock Units - Stock ⁽⁶⁾	\$ 4.95					11/08/2010	05/07/2013	Common Stock	17,000
2011 Phantom Shares ⁽⁷⁾	\$ 7.01					05/12/2012	12/31/2013	Common Stock	10,000
2011 Restricted Stock	\$ 7.01					05/12/2012	05/12/2014	Common Stock	2,100

Units -
Cash ⁽⁸⁾

2011
Restricted
Stock \$ 7.01

05/12/2012 05/12/2014 Common Stock 11,900

Units -
Stock ⁽⁹⁾

2012
Phantom Shares ⁽¹⁰⁾ \$ 5.09

12/31/2014 12/31/2014 Common Stock 9,250

2012
Restricted
Stock \$ 5.09
Units -
Cash

05/08/2015 05/08/2015 Common Stock 2,775

2012
Restricted
Stock \$ 5.09
Units -
Stock

05/08/2015 05/01/2015 Common Stock 15,725

Stock
Option
(Right to
Buy) \$ 4.5

01/13/2003 07/12/2012 Common Stock 4,800

Stock
Option
(Right to
Buy) \$ 3.7

02/24/2003 08/23/2012 Common Stock 3,250

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Smith Howard Clark 200 NORTH CANAL STREET NATCHEZ, MS 391203212			Chief Information Officer	

Signatures

By: Clay V. Bland as Attorney-in-fact for 08/17/2012

**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) 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.
- (2) 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.
- (3) 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.
- (4) 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 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.
- (5) 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.
- (6) 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.
- (7) This Phantom Share award is subject to vesting on December 31, 2013 and is payable in cash rather than stock. In addition, the award is 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.
- (8) 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 on the date of vesting.
- (9) 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.
- (10) This Phantom Share award is subject to vesting on December 31, 2014 and is payable in cash rather than stock. In addition, the award is 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.

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.