

CALLON PETROLEUM CO

Form 4

January 05, 2015

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 *
Gatto Joseph C. Jr.

(Last) (First) (Middle)

200 NORTH CANAL STREET

(Street)

NATCHEZ, MS 39120

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

CALLON PETROLEUM CO [CPE]

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

12/31/2014

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)

Senior VP / CFO / Treasurer

6. Individual or Joint/Group Filing(Check Applicable Line)

__X__ 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)
				(A) or (D)	Amount or Price		
Common Stock	12/31/2014		M		15,750	A	\$ 64,182
Common Stock	12/31/2014		D		15,750	D	\$ 5.45 48,432

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

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SEC 1474 (9-02)

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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 Securities (Instr. 3 and 4)			
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
						Code	V	(A)	(D)	
2012 Phantom Shares ⁽²⁾	<u>(1)</u>	12/31/2014		M	10,500	12/31/2014	12/31/2014	Common Stock	10,500	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Gatto Joseph C. Jr. 200 NORTH CANAL STREET NATCHEZ, MS 39120			Senior VP / CFO / Treasurer	

Signatures

Clay V. Bland as
Attorney-in-fact

01/05/2015

__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 terms of this Phantom Unit award specify payment in cash rather than in stock, and includes a provision providing for a variable percentage payout (ranging from 0% to 200%) based on a performance criteria related to the Total Shareholder Return of the Company compared to a group of peer companies. On the vesting date, the reporting person's Phantom Shares held vested at the 150% level. The amount payable was based on the economic value of one share of Callon Petroleum Company common stock, calculated using the closing price on the vesting date.

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 200% 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.

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