

CALLON FRED L
Form 4
December 08, 2005

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 *
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)
12/07/2005

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 or (D) Price			
Common Stock	12/07/2005	12/07/2005	M	V 37,500 (1) A \$ 12	293,820	D	
Common Stock	12/07/2005	12/07/2005	F	V 29,885 D \$ 19.33	263,935	D	
Common Stock	12/08/2005	12/08/2005	S	V 7,615 D \$ 19.37	256,320	D	
Common Stock					11,230 (2)	I	By 401(k)
Common Stock					92,170	I	By Custodian For Child

Common Stock 24,904 I By 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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount
Stock Option (Right to Buy)	\$ 12	12/07/2005	12/07/2005	M	V 37,500 (1)	02/23/1997	08/23/2006	Common Stock	3
2004 Performance Shares	\$ 13.71					05/05/2005 ⁽³⁾	07/14/2014	Common Stock	3
Stock Option (Right to Buy)	\$ 9.47					02/20/1999	08/20/2008	Common Stock	6
Stock Option (Right to Buy)	\$ 10.5					09/23/2000	03/23/2010	Common Stock	1
Stock Option (Right to Buy)	\$ 4.5					01/13/2003	07/12/2012	Common Stock	1
Stock Option (Right to Buy)	\$ 3.7					02/24/2003	08/23/2012	Common Stock	1

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
	X			

CALLON FRED L
200 NORTH CANAL STREET
NATCHEZ, MS 391203212

Chairman,
President,
CEO

Signatures

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

12/08/2005

**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) Represents a partial exercise of options scheduled to expire on August 23, 2006.

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 July 14, 2004. These shares vest in five equal annual installments beginning on July 14, 2005.

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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