

SMITH RODGER W JR  
Form 4  
August 17, 2009

**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 RODGER W JR

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)  
08/14/2009

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Vice- President, Treasurer

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 Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common Stock	08/14/2009	08/14/2009	F	V 733 <sup>(1)</sup> D \$ 1.63	20,184	D	
Common Stock					20,772 <sup>(2)</sup>	I	401(k) Account

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 Security (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
2009 Restricted Stock Units - cash <sup>(3)</sup>	\$ 1.63	08/14/2009	08/14/2009	A	V 3,150	<u>(3)</u>	<u>(3)</u>	Common Stock	3,150
2009 Restricted Stock Units - shares <sup>(4)</sup>	\$ 1.63	08/14/2009	08/14/2009	A	V 17,850	<u>(4)</u>	<u>(4)</u>	Common Stock	17,850
2006 Performance Shares	\$ 15.83					08/21/2006	08/21/2010	Common Stock	8,800
2008 Performance Stock Award	\$ 0 <sup>(5)</sup>					<u>(5)</u>	<u>(5)</u>	Common Stock	6,000
Stock Option (Right to Buy)	\$ 10.5					09/23/2000	03/23/2010	Common Stock	20,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SMITH RODGER W JR 200 NORTH CANAL STREET NATCHEZ, MS 391203212			Vice-President, Treasurer	

## Signatures

By: Robert A. Mayfield as Attorney-in-fact for 08/17/2009

\*\*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 the Issuer to satisfy federal and state tax liabilities associated with the taxable income recognized on the payment date of certain previously vested restricted stock.  
  
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.  
  
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.
- (4) 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. 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.