

WEATHERLY B F
Form 4
August 23, 2006

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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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 *
WEATHERLY B F

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

CALLON PETROLEUM CO [CPE]

(Check all applicable)

(Last) (First) (Middle)

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

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

200 NORTH CANAL STREET

08/22/2006

(Street)

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

NATCHEZ, MS 391203212

(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 or Disposed of (A) or (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 | 08/22/2006 | 08/22/2006 | M | V 5,000 A \$ 12 | 21,802 | I | Jt. Ten. with Spouse |
| Common Stock | 08/22/2006 | 08/22/2006 | F | V 3,778 (1) D \$ 15.89 | 18,024 | I | Jt. Ten. with Spouse |
| Common Stock | | | | | 2,288 | I | IRA Account |

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

SEC 1474 (9-02)

displays a currently valid OMB control number.

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) | Am or Nur of S | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------|-----|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | |
| Stock Option (Right to Buy) | \$ 12 | 08/22/2006 | 08/22/2006 | M | V 5,000 | 02/23/1997 | 08/23/2006 | Common Stock | 5, |
| 2004 Performance Shares | \$ 13.71 | | | | | 05/05/2005 ⁽²⁾ | 07/14/2014 | Common Stock | 15. |
| Stock Option (Right to Buy) | \$ 15.31 | | | | | 12/20/1997 | 06/20/2007 | Common Stock | 5, |
| Stock Option (Right to Buy) | \$ 9.47 | | | | | 11/29/1998 | 05/29/2008 | Common Stock | 5, |
| Stock Option (Right to Buy) | \$ 10.97 | | | | | 10/30/1999 | 04/23/2009 | Common Stock | 5, |
| Stock Option (Right to Buy) | \$ 13.56 | | | | | 11/10/2000 | 05/10/2010 | Common Stock | 5, |
| Stock Option (Right to Buy) | \$ 10.5 | | | | | 01/25/2001 | 07/25/2010 | Common Stock | 20. |
| Stock Option (Right to Buy) | \$ 11.61 | | | | | 11/05/2001 | 05/04/2011 | Common Stock | 5, |
| Stock Option (Right to Buy) | \$ 6.05 | | | | | 11/09/2002 | 05/08/2012 | Common Stock | 5, |
| Stock Option (Right to Buy) | \$ 12.4 | | | | | 11/08/2004 | 05/06/2014 | Common Stock | 5, |

Buy)

Stock Option
(Right to Buy)
Buy)

\$ 13.71

11/05/2005 05/05/2015

Common Stock 5,

Stock Options
(Right to Buy)
Buy)

\$ 5.12

11/03/2003 05/02/2013

Common Stock 5,

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| WEATHERLY B F 200 NORTH CANAL STREET NATCHEZ, MS 391203212 | | | X | |

Signatures

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

08/22/2006

__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) Represents shares withheld by the issuer to pay the stock option exercise price.
 - (2) 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. 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.