

Gatto Joseph C. Jr.
 Form 4
 May 17, 2013

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)
 05/15/2013

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)
 Senior VP - Corporate Finance

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)		
				(A) or (D)	Code	V	Amount	(D)	Price

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

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 (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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)							
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title		Amount or Number of Shares
2013 Restricted Stock Units <u>(1)</u>	<u>(2)</u>	05/15/2013	A		40,095		05/13/2016	05/13/2016	Common Stock		40,000
2013 Phantom Units <u>(1)</u> <u>(3)</u>	<u>(3)</u>	05/15/2013	A		7,075		05/13/2016	05/13/2016	Phantom Stock Units Payable in Cash		7,075
2013 Phantom Units - Performance Based <u>(4)</u>	<u>(4)</u>	05/15/2013	A		67,773		12/31/2015	12/31/2015	Phantom Stock Units Payable in Cash		67,773

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 - Corporate Finance	

Signatures

Clay V. Bland as Attorney-in-fact 05/17/2013
 **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 award terms specify cliff vesting three years from the date of the award.
- (2) The value of each vested unit will be equal to the closing price of the company's common stock on the vesting date.
- (3) The terms of this Phantom Unit award specify payment in cash rather than in common shares. The amount payable for each vested unit will be based on the economic value of one share of Callon Petroleum Company common stock at its closing price on the vesting date.
- (4) The terms of this Phantom Unit award specify payment in cash rather than in common shares. The amount payable for each unit will be based on the economic value of one share of Callon Petroleum Company common stock at its closing price on the vesting date. In addition, the award is subject to a variable number of units vesting based on a performance criteria related to the Total Shareholder Return of the Company compared to a group of peer companies. The number of units subject to vest under this award can range from 0% to as

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much as 200%.

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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