

CALLON PETROLEUM CO

Form 4

July 17, 2006

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
WALLACE JOHN C

(Last) (First) (Middle)

200 NORTH CANAL STREET

(Street)

NATCHEZ, MS 391203212

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol

CALLON PETROLEUM CO [CPE]

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

07/14/2006

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)

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)
Common Stock	07/14/2006	07/14/2006	M	(A) or (D) Amount (1) A	Price \$ 17.61	71,705	D

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
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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)**

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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 Underlying Security (Instr. 3 and 4)				
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Am or Num of S
2004 Performance Shares	\$ 13.71	07/14/2006	07/14/2006	M	V	5,000		05/05/2005 ⁽¹⁾	07/14/2014	Common Stock	5,
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,
Stock Option (Right to Buy)	\$ 13.71							11/05/2005	05/05/2015	Common Stock	5,
Stock Options (Right to Buy)	\$ 5.12							11/03/2003	05/02/2013	Common Stock	5,

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WALLACE JOHN C 200 NORTH CANAL STREET NATCHEZ, MS 391203212			X	

Signatures

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

07/17/2006

__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) 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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