

Smith Howard Clark
 Form 4
 January 03, 2013

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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 Howard Clark

(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)
 12/31/2012

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

Chief Information Officer

6. Individual or Joint/Group Filing(Check Applicable Line)

___X___ 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) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 12/31/2012 | | M | | 26,250 | A | 11 |
| Common Stock | 12/31/2012 | | D | | 26,250 | D | \$ 4.59 |
| Common Stock | | | | | 4,766 | I | (2) |
| Common Stock | | | | | 34,160 | I | |

401(k) Account
 Jt. Ten. with Spouse

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 displays a currently valid OMB control number.

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 Securities (Instr. 3 and 4) | Amount or Number of Shares |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|----------------------------|
| 2010 Phantom Shares | (1) | 12/31/2012 | | M | 17,500 | 12/31/2012 12/31/2012 | Common Stock | 17,500 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|-------------------------------------------------------------------|---------------|-----------|---------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Smith Howard Clark 200 NORTH CANAL STREET NATCHEZ, MS 39120 | | | Chief Information Officer | |

Signatures

Clay V. Bland as Attorney-in-fact 01/03/2013

__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 terms of this Phantom Share award specify payment in cash rather than stock, and included a provision providing for a variable percentage payout (ranging from 0% to 150%) based on a performance criteria related to the Total Shareholder Return of the Company compared to a group of peer companies. On December 31, 2012, the reporting person's 2010 Phantom Shares held vested at the 150% level, or the equivalent of 26,250 shares of common stock of Callon Petroleum Company. The amount payable was based on the economic value of one share of Callon Petroleum Company common stock, calculated as the average of the opening and closing price on the vesting date (or \$4.59 on December 31, 2012).

(2) The number of shares reported are held within the individual's 401(k) account and are invested in the Callon Petroleum Company Employee Savings and Protection Plan. The number of shares reported is calculated by dividing the total market value of the reporting person's 401(k) account balance invested in the Callon Petroleum Company Employee Savings and Protection Plan on the day prior to this Form 4 reporting date by the closing market price-per-share on that date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Edgar Filing: Smith Howard Clark - Form 4

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.