

CALLON PETROLEUM CO  
Form 4  
July 31, 2006

**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 \*  
WEATHERLY B F

(Last) (First) (Middle)  
200 NORTH CANAL STREET  
(Street)  
NATCHEZ, MS 391203212

2. Issuer Name and Ticker or Trading Symbol  
CALLON PETROLEUM CO [CPE]

3. Date of Earliest Transaction (Month/Day/Year)  
07/28/2006

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 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	07/28/2006	07/28/2006	M	V 5,000 A \$ 12	12,193	I	Jt. Ten. with Spouse
Common Stock	07/28/2006	07/28/2006	J	V 3,364 (1) D \$ 17.83	8,829	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.

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SEC 1474 (9-02)

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**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 (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
					V	(A)	(D)	Date Exercisable		
Stock Option (Right to Buy)	\$ 12	07/28/2006	07/28/2006	M	V	5,000	02/23/1997	08/23/2006	Common Stock	5,000
2004 Performance Shares	\$ 13.71						05/05/2005	07/14/2014	Common Stock	15,000
Stock Option (Right to Buy)	\$ 15.31						12/20/1997	06/20/2007	Common Stock	5,000
Stock Option (Right to Buy)	\$ 9.47						11/29/1998	05/29/2008	Common Stock	5,000
Stock Option (Right to Buy)	\$ 10.97						10/30/1999	04/23/2009	Common Stock	5,000
Stock Option (Right to Buy)	\$ 13.56						11/10/2000	05/10/2010	Common Stock	5,000
Stock Option (Right to Buy)	\$ 10.5						01/25/2001	07/25/2010	Common Stock	20,000
Stock Option (Right to Buy)	\$ 11.61						11/05/2001	05/04/2011	Common Stock	5,000
Stock Option (Right to Buy)	\$ 6.05						11/09/2002	05/08/2012	Common Stock	5,000
Stock Option (Right to Buy)	\$ 12.4						11/08/2004	05/06/2014	Common Stock	5,000

Buy)

Stock Option  
(Right to Buy)

\$ 13.71

11/05/2005 05/05/2015

Common  
Stock

5,00

Stock  
Options  
(Right to Buy)

\$ 5.12

11/03/2003 05/02/2013

Common  
Stock

5,00

## 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

07/31/2006

\_\_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.

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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