

HINCHMAN STEVEN B

Form 4

October 04, 2010

**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  
Number: 3235-0287  
Expires: January 31,  
2005  
Estimated average  
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(Print or Type Responses)

1. Name and Address of Reporting Person \*  
HINCHMAN STEVEN B

(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)

10/01/2010

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 \_\_\_\_ Other (specify  
below) below)

Exec. VP and COO

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 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	10/01/2010	10/01/2010	J <sup>(1)</sup>	V	100,000	D	\$ 0
Common Stock					4,845	I	
							33,475
							401(k) 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  
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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 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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Am Num Sha
2009 Performance Shares	(2)	10/01/2010	10/01/2010	J(1)	V 100,000	(1) (1)	Common Stock 10
2009 Stock Option (Right to Buy)	\$ 2.75 (3)	10/01/2010	10/01/2010	J(1)	V 333,334	12/01/2009 06/01/2019	Common Stock 33
2010 Phantom Shares (4)	\$ 4.95	10/01/2010	10/01/2010	J(1)	V 50,000	11/08/2010 12/31/2012	Common Stock 50
2010 Restricted Stock Units - cash (5)	\$ 4.95	10/01/2010	10/01/2010	J(1)	V 15,000	11/08/2010 05/07/2013	Common Stock 15
2010 Restricted Stock Units - shares (6)	\$ 4.95	10/01/2010	10/01/2010	J(1)	V 85,000	11/08/2010 05/07/2013	Common Stock 85

## Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
HINCHMAN STEVEN B 200 NORTH CANAL STREET NATCHEZ, MS 391203212	Exec. VP and COO

## Signatures

By: Robert A. Mayfield as  
Attorney-in-fact for  
10/01/2010

\*\*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) Mr. Hinchman resigned from the Company on October 1, 2010. In accordance with the original share award document, all unvested portions of shares awarded shall be cancelled, shall not vest and shall be returned to the issuer.
- (2) Shares will vest 0-150% based on performance as measured against a select peer group of companies during the period June 1, 2009 through June 1, 2012.
- (3) Vesting in three equal increments when the issuer's common stock price closes on the NYSE above \$5.00, \$10.00, and \$15.00 for twenty (20) consecutive trading days, respectively.

This Phantom Share award is subject to vesting on December 31, 2012 and is payable in cash rather than stock. In addition, the award is
- (4) subject to a variable percentage payout based on a performance criteria related to the Total Shareholder Return of the Company compared to a group of peer companies. Therefore this award can range from 0% to as much as 150% of its original value at the vesting date.
- (5) Restricted Stock Units will vest on the third anniversary date following the grant date. Payment will be made in cash based on the average of the opening and closing market price of the underlying common stock of the issuer on the date of vesting.
- (6) Restricted Stock Units will vest on the third anniversary date following the grant date. Payment will be made in shares of common stock of the issuer based on the average of the opening and closing market price of the underlying common stock on the date of vesting.

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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