

Gatto Joseph C. Jr.
Form 4
May 14, 2018

FORM 4

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

OMB APPROVAL

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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.

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
1401 ENCLAVE PARKWAY
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
05/10/2018

Director 10% Owner
 Officer (give title below) Other (specify below)
President and CEO

HOUSTON, TX 77077

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|
| Common Stock | | | | (A) or (D) Price | 149,382 | D | |
| Common Stock | | | | (A) or (D) Price | 21,485 | I | 401(k) 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 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 | Amount |
| 2018 RSU - Stock ⁽¹⁾ | <u>(2)</u> | 05/10/2018 | | A | 110,169 | <u>(3)</u> | <u>(3)</u> | Common Stock | 110,169 |
| 2018 Performance Based Units - 50% Stock/50% Cash ⁽⁴⁾ | <u>(5)</u> | 05/10/2018 | | A | 165,254 | 12/31/2020 | 12/31/2020 | Common Stock | 165,254 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|------------------------------------------------------------------|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Gatto Joseph C. Jr. 1401 ENCLAVE PARKWAY HOUSTON, TX 77077 | X | | President and CEO | |

Signatures

Joseph C. Gatto, Jr. by Stacy E. Skelton, as Attorney-in-Fact 05/14/2018

**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) On May 10, 2018, the reporting person was granted 110,169 restricted stock units with one-third vesting each year.
 - (2) Restricted stock units convert into common stock on a one-for-one basis.
 - (3) The award terms specify three-year ratable vesting with one-third vesting each year subsequent to the award year. The first tranche will vest on June 1, 2019. The second tranche will vest on June 1, 2020. The third and final tranche will vest on June 1, 2021.
This Performance-Based Unit 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 as little as 0% to as much as 200%. The award terms also specify that upon vesting 50% of the vested units will be payable in common stock and 50% will be payable in cash.
 - (5) Each unit is the economic equivalent of one share of the company's common stock.

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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