

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended June 30, 1997

Commission File Number 0-25192

CALLON PETROLEUM COMPANY

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

64-0844345
(I.R.S. Employer
Identification No.)

200 North Canal Street
Natchez, Mississippi 39120
(Address of principal executive offices)(Zip code)

(601) 442-1601
(Registrant's telephone number,
including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No
---- ----

As of August 5, 1997, there were 5,996,171 shares of the Registrant's Common Stock, par value \$.01 per share, outstanding.

CALLON PETROLEUM COMPANY

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<TABLE>
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CALLON PETROLEUM COMPANY
CONSOLIDATED BALANCE SHEETS
(\$ in thousands, except share data)

	June 30, 1997 (Unaudited)	December 31, 1996	
	<C>	<C>	
<S> ASSETS			
Current assets:			
Cash and cash equivalents	\$ 8,940	\$ 7,669	
Accounts receivable	9,641	12,661	
Other current assets	712	516	
	-----	-----	
Total current assets	19,293	20,846	
Oil & gas properties, full cost accounting method:			-----
Evaluated properties	351,633	322,970	
Less accumulated depreciation, depletion and amortization		(274,143)	(266,716)
	-----	-----	
	77,490	56,254	
Unevaluated properties excluded from amortization		30,763	26,235
	-----	-----	
	108,253	82,489	
	-----	-----	
Pipeline and other facilities, net	6,463	6,618	
Other property and equipment, net	1,883	1,594	

Deferred tax asset	3,101	5,412	
Long-term gas balancing receivable		496	660
Other assets, net	852	901	
	-----	-----	
Total assets	\$ 140,341	\$ 118,520	
	=====	=====	
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 8,060	\$ 8,273	
Undistributed oil and gas revenues	2,827	2,260	
Accrued net profits interest payable	3,929	5,435	
	-----	-----	
Total current liabilities	14,816	15,968	
	-----	-----	
Long-term debt	42,750	24,250	
Other long-term liabilities	170	48	
Long-term gas balancing payable		551	390
	-----	-----	
Total liabilities	58,287	40,656	
	-----	-----	
Stockholders' equity:			
Preferred stock, \$0.01 par value, 2,500,000 shares authorized:			
1,315,500 shares of Convertible Exchangeable Preferred Stock,			
Series A, issued and outstanding with a liquidation preference			
of \$32,887,500	13	13	
Common stock, \$0.01 par value; 20,000,000 shares authorized;			
5,996,171 at June 30, 1997 and 5,758,667 outstanding at			
December 31, 1996	60	58	
Unearned compensation - restricted stock	(2,181)	--	
Capital in excess of par value	76,903	74,027	
Retained earnings	7,259	3,766	
	-----	-----	
Total stockholders' equity	82,054	77,864	
	-----	-----	
Total liabilities and stockholders' equity	\$ 140,341	\$ 118,520	
	=====	=====	

The accompanying notes are an integral part of these financial statements.

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CALLON PETROLEUM COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(\$ in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 30, 1997	June 30, 1996	June 30, 1997	June 30, 1996
	<C>	<C>	<C>	<C>
<S>				
Revenues:				
Oil and gas sales	\$ 8,370	\$ 5,874	\$ 20,844	\$ 12,249
Interest and other	388	173	695	278
	-----	-----	-----	-----
Total revenues	8,758	6,047	21,539	12,527
	-----	-----	-----	-----
Costs and expenses:				
Lease operating expenses	1,756	1,894	4,164	3,686
Depreciation, depletion and amortization		3,765	2,459	7,581
General and administrative	1,351	800	2,382	1,707
Interest	99	23	210	48
	-----	-----	-----	-----
Total costs and expenses	6,971	5,176	14,337	10,285
	-----	-----	-----	-----
Income from operations	1,787	871	7,202	2,242
Income tax expense	578	--	2,311	--
	-----	-----	-----	-----
Net income	1,209	871	4,891	2,242
Preferred stock dividend	699	699	1,398	1,398
	-----	-----	-----	-----
Net income available to common shares	\$ 510	\$ 172	\$ 3,493	\$ 844
	=====	=====	=====	=====

Net income per common share:

Primary	\$ 0.08	\$ 0.03	\$ 0.55	\$ 0.15
Assuming full dilution	\$ 0.08	\$ 0.03	\$ 0.52	\$ 0.15

Shares used in computing net income per common share:

Primary	6,268	5,755	6,307	5,755
Assuming full dilution	6,331	5,755	9,318	5,755

The accompanying notes are an integral part of these financial statements.

<CAPTION>

CALLON PETROLEUM COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(\$ in thousands)

	Six Months Ended	
	June 30, 1997	June 30, 1996
<S>	<C>	<C>
Cash flows from operating activities:		
Net income	\$ 4,891	\$ 2,242
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	7,791	4,982
Amortization of deferred costs	188	--
Deferred income tax expense	2,311	65
	15,181	7,289
Changes in current assets & liabilities:		
Accounts receivable	3,020	330
Other current assets	(196)	123
Current liabilities	(1,152)	3,029
Change in gas balancing receivable	164	84
Change in gas balancing payable	161	(37)
Change in other long-term liabilities	122	(22)
Change in other assets, net	(138)	(45)
	-----	-----
Cash provided by operating activities	17,162	10,751
Cash flows from investing activities:		
Capital expenditures	(36,214)	(9,166)
Cash proceeds from sale of mineral interests	2,524	299
	-----	-----
Cash used in investing activities	(33,690)	(8,867)
Cash flows from financing activities:		
Increase in debt	18,500	--
Common stock issued pursuant to employee benefit plan		148
Unearned restricted stock compensation	519	--
Equity issued by conversion of stock options	30	--
Increase in accrued preferred stock dividends payable		443
Dividends on preferred stock	(1,398)	(1,398)
	-----	-----

Cash provided by (used in) financing activity	17,799	(955)
Net increase in cash and cash equivalents	1,271	929
Cash and cash equivalents:		
Balance, beginning of period	7,669	4,265
Balance, end of period	\$ 8,940	\$ 5,194

The accompanying notes are an integral part of these financial statements.

</TABLE>

CALLON PETROLEUM COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 1997

1. Basis of Presentation

The financial information presented as of any date other than December 31, has been prepared from the books and records without audit. Financial information as of December 31, has been derived from the audited financial statements of the Company, but does not include all disclosures required by generally accepted accounting principles. In the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary for the fair presentation of the financial information for the period indicated, have been included. For further information regarding the Company's accounting policies, refer to the Consolidated Financial Statements and related notes for the year ended December 31, 1996 included in the Company's Annual Report on Form 10-K dated March 24, 1997.

2. Earnings Per Share

Fully diluted earnings per share for the six months ended June 30, 1997 was calculated assuming the conversion of the Company's preferred stock into common stock. The preferred stock was not included in current quarter to date and prior year calculations due to their antidilutive effect on fully diluted earnings per share.

In February 1997, the Financial Accounting Standards Board issued Statement No. 128 ("FAS 128"), "Earnings Per Share", which simplifies the computation of earnings per share. FAS 128 is effective for financial statements issued for periods ending after December 15, 1997 and requires restatement for all prior period earnings per share data presented. Accordingly, basic earnings per share and diluted earnings per share calculated in accordance with FAS 128 were as follows:

	Three Months Ended		Six Months Ended	
	June 30,	June 30,	June 30,	June 30,
	1997	1996	1997	1996
Per Share Data:				
Basic earnings per share	\$ 0.08	\$ 0.03	\$ 0.58	\$ 0.15
Diluted earnings per share	\$ 0.08	\$ 0.03	\$ 0.52	\$ 0.15

3. Acquisitions

In June of 1997, the Company acquired an 18.8% working interest in Mobile Area Blocks 863 and 907, and a 35% working interest in Mobile Area Block 908 from ELF Exploration, Inc. The net purchase price was \$11.8 million and was funded by the Company's Credit Facility.

4. Senior Subordinated Notes

On July 31, 1997 the Company issued \$36,000,000 of 10.125% Senior Subordinated Notes due 2002. Interest is payable quarterly beginning September 15, 1997. The Senior Subordinated Notes were offered pursuant to a Rule 144A transaction or an applicable exemption from registration requirements.

The net proceeds to the Company, after costs of the transaction, were used to repay the outstanding balance on Callon's Credit Facility and will fund a portion of the remaining 1997 capital expenditure budget.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

The Company's revenues, profitability and future growth and the carrying value of its oil and gas properties are substantially dependent on prevailing prices of oil and gas. The Company's ability to maintain or increase its borrowing capacity and to obtain additional capital on attractive terms is also substantially dependent upon oil and gas prices. Prices for oil and gas are subject to large fluctuation in response to relatively minor changes in the supply of and demand for oil and gas, market uncertainty and a variety of additional factors beyond the control of the Company. Any substantial and extended decline in the price of oil or gas would have an adverse effect on the Company's carrying value of its proved reserves, borrowing capacity, revenues, profitability and cash flows from operations.

The following discussion is intended to assist in an understanding of the Company's historical financial position and results of operations for the three and six-month periods ended June 30, 1997 and 1996. The Company's historical financial statements and notes thereto included elsewhere in this quarterly report contain detailed information that should be referred to in conjunction with the following discussion.

LIQUIDITY AND CAPITAL RESOURCES

The Company's primary sources of capital are its cash flow from operations, borrowings from financial institutions and the sale of debt and equity securities. Net cash provided by operating activities for the six months ending June 30, 1997 totaled \$17.2 million. Other sources of cash during the first six months were \$18.5 million advanced under the Company's credit facility and \$2.5 million from the sale of mineral interests. During the first half of 1997, capital expenditures were \$36.2 million and \$1.4 million was paid as dividends to the preferred stockholders. The balance of available funds were retained for future operating expenses and potential drilling and acquisition opportunities.

At June 30, 1997, the Company had working capital of \$4.5 million and a current ratio of 1.3 to 1.

The Company has budgeted up to \$60 million in capital expenditures for 1997. During the first six months of 1997, the Company has expended approximately \$12 million on drilling and exploration activities and \$22 million in acquisitions of additional producing properties, undeveloped mineral interests and seismic information attributable to future drilling sites. For the balance of the year, the Company will continue evaluating producing property acquisitions and drilling opportunities. The major portion of the remaining capital expenditure budget will be used for exploratory and development activities. The capital budget will be financed with the sale of debt securities, projected cash flow from operations and unused borrowings under the Company's Credit Facility.

On July 31, 1997 the Company issued \$36,000,000 of 10.125% Senior Subordinated Notes due 2002. Interest is payable quarterly beginning September 15, 1997. The Senior Subordinated Notes were offered pursuant to a Rule 144A transaction or an applicable exemption from registration requirements. The net proceeds to the Company, after costs of the transaction, were used to repay the outstanding balance on Callon's Credit Facility and will fund a portion of the remaining 1997 capital expenditure budget.

RESULTS OF OPERATIONS

The following table sets forth certain operating information with respect to the oil and gas operations of the Company.

	Three Months Ended		Six Months Ended	
	June 30, 1997	June 30, 1996	June 30, 1997	June 30, 1996
Production:				
Oil (MBbls)	108	159	237	302
Gas (MMcf)	3,057	1,444	6,448	2,912
Total production (MMcfe)	3,707	2,400	7,869	4,725
Average sales price:				
Oil (per Bbl)	\$ 17.30	\$ 17.89	\$ 19.36	\$ 18.12
Gas (per Mcf)	2.13	2.09	2.52	2.33
Total production (per Mcfe)	2.26	2.45	2.65	2.59
Average costs (per Mcfe):				
Lease operating (excluding severance taxes)	\$ 0.39	\$ 0.59	\$ 0.43	\$ 0.58
Severance taxes	0.08	0.20	0.09	0.20
Depreciation, depletion and amortization	1.02	1.02	0.96	1.03
General and administrative (net of management fees)	0.36	0.33	0.30	0.36

Comparison of Results of Operations for the Three Months Ended June 30, 1997 and the Three Months Ended June 30, 1996.

Oil and Gas Production and Revenues

Total oil and gas revenues increased 42% from \$5.9 million in 1996 to \$8.4 million in 1997. This increase is largely the result of increased gas production.

Oil production during the second quarter of 1997 totaled 108,000 barrels and generated \$1.9 million in revenues compared to 159,000 barrels and \$2.9 million in revenues for the same period in 1996. Second quarter average daily production decreased from 1,750 barrels per day in 1996 to 1,190 barrels per day in 1997. Average oil prices received in the second quarter of 1997 were \$17.30 compared to \$17.89 in 1996. Production decreases in the second quarter of 1997 are largely attributable to properties that were sold.

Gas production during the second quarter of 1997 totaled 3.1 billion cubic feet and generated \$6.5 million in revenues compared to 1.4 billion cubic feet and \$3.0 million in revenues during the same period in 1996. The average sales price for the second quarter of 1997 averaged \$2.13 per thousand cubic feet compared to \$2.09 per thousand cubic feet at this time last year. Although the North Dauphin Island Field production was lower than last year, production from the newly acquired properties more than offset this decline.

The following table summarizes oil and gas production from the Company's major producing properties for the comparable periods.

	Oil Production (Barrels)		Gas Production (Mcf)	
	Three Months Ended June 30,		Three Months Ended June 30,	
	1997	1996	1997	1996
Chandeleur Block 40	--	--	1,078,000	419,000
Main Pass 163	--	--	1,206,000	33,000
Main Pass 164/165	--	--	139,000	--
North Dauphin Island Field	--	--	368,000	675,000
Black Bay Complex	46,000	52,000	--	--
Big Escambia Creek	26,000	27,000	51,000	54,000
Other properties	36,000	80,000	215,000	263,000
	-----	-----	-----	-----
Total	108,000	159,000	3,057,000	1,444,000
	=====	=====	=====	=====

Lease Operating Expenses

Lease operating expenses, including severance taxes, for the three-month period ending June 30, 1997 were \$1.8 million, substantially unchanged from \$1.9 million for the same period in 1996.

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization for the three months ending June 30, 1997 and 1996 was \$3.8 million and \$2.5 million, respectively, reflecting the overall increase in production. For the three-month periods ending June 30, 1996 and 1997, the per Mcf equivalent amount was \$1.02.

General and Administrative

General and administrative expense for the three months ended June 30, 1997 was \$1.4 million compared to \$0.8 million for the three months ended June 30, 1996. This expense increase is generally attributable to increased executive compensation, increased travel and transportation expenses and the loss of management fees as a result of property sales.

Interest Expense

Interest expense increased from \$23,000 during the three months ended June 30, 1996 to \$99,000 during the three months ended June 30, 1997 reflecting the increase in the Company's long-term debt.

Comparison of Results of Operations for the Six Months Ended June 30, 1997 and the Six Months Ended June 30, 1996.

Oil and Gas Production and Revenues

For the six months ended June 30, 1997, total oil and gas revenues increased by \$8.6 million, or 70%, to \$20.8 million when compared to \$12.2 million for the same period in 1996.

For the six months ending June 30, 1997, oil production and oil revenues decreased to 237,000 barrels and \$4.6 million, respectively. For the comparable period in 1996, oil production was 302,000 barrels while revenues totaled \$5.5 million. Oil prices during the first six months of 1997 averaged \$19.36, compared to \$18.12 for the same period in 1996. Although prices were higher, the loss of production from the properties which were sold and the decline in other non-core properties caused the overall decline in oil revenues.

Natural gas production and revenue for the six-month period ending June 30, 1997 were 6.4 billion cubic feet and \$16.3 million, respectively, increasing from 2.9 billion cubic feet and gas revenues of \$6.8 million in the first six months of 1996. The average sales price for natural gas in the first six months in 1997 was \$2.52 per Mcf, a \$0.19 per Mcf increase over the same period in 1996. The combination of increased prices and production volumes generated the 140% increase in total gas revenues.

The following table summarizes oil and gas production from the Company's major producing properties for the comparable periods.

	Oil Production (Barrels)		Gas Production (Mcf)	
	Six Months Ended June 30,		Six Months Ended June 30,	
	1997	1996	1997	1996
Chandeleur Block 40	--	--	2,251,000	757,000
Main Pass 163	--	--	2,477,000	33,000
Main Pass 164/165	--	--	270,000	--
North Dauphin Island Field	--	--	826,000	1,475,000
Black Bay Complex	93,000	101,000	--	--
Big Escambia Creek	56,000	49,000	98,000	84,000
Other properties	88,000	152,000	526,000	563,000
	-----	-----	-----	-----
Total	237,000	302,000	6,448,000	2,912,000
	=====	=====	=====	=====

Lease Operating Expenses

Lease operating expenses, excluding severance taxes, for the first half of 1997 increased by 26% to \$3.4 million from \$2.7 million for the 1996 comparable period. This increase is primarily the result of first quarter expenses associated with the new producing properties. Severance taxes decreased by 22% to \$0.7 million during the first six months of 1997 from \$0.9 million for the same period in 1996 as a result of production declines in the Company's onshore properties and the sale of properties.

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization for the first six months of 1997 was \$7.6 million, or \$0.96 per Mcf equivalent. For the same period in 1996, the total was \$4.8 million and \$1.03 per Mcf equivalent.

General and Administrative

During the first six months of 1997, general and administrative expenses increased by 40% to \$2.4 million compared \$1.7 million for the same six-month period in 1996. Increased executive compensation, travel and transportation expenses and the loss of management fees, as a result of property sales, combined to produce this overall increase.

Interest Expense

Interest expense during the first half of 1997 was \$210,000 compared to \$48,000 for the first half of 1996 as a result of the increase in the Company's long-term debt.

CALLON PETROLEUM COMPANY

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders.

The Company's annual meeting was held on June 19, 1997, at which two Class III directors were elected and the appointment of Arthur Andersen LLP as the Company's independent public accountants for the year ending December 31, 1997 was ratified. In addition, the Callon Petroleum Company 1996 Stock Incentive Plan and the Callon Petroleum Company 1997 Employee Stock Purchase Plan were both adopted.

The nominees for director were Messrs. Fred L. Callon and Dennis W. Christian. Mr. Callon received 4,761,844 votes for, 38,171 votes against or withheld and no votes abstained. Mr. Christian received 4,768,090 votes for, 31,925 votes

against or withheld and no votes abstained.

The ratification of Arthur Andersen LLP received 4,783,769 votes for, 5,258 votes against or withheld and 10,988 votes abstained.

The adoption of the Callon Petroleum Company 1996 Stock Incentive Plan received 4,153,510 votes for, 177,498 votes against or withheld and 469,007 votes abstained.

The adoption of the Callon Petroleum Company Employee Stock Purchase Plan received 4,257,925 votes for, 121,272 votes against or withheld and 420,818 votes abstained.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits.

2. Plan of acquisition, reorganization, arrangement, liquidation or succession*
3. Articles of Incorporation and By-Laws
 - 3.1 Certificate of Incorporation of the Company, as amended (incorporated by reference from Exhibit 3.1 of the Company's Registration Statement on Form S-4, Reg. No. 33-82408)
 - 3.2 Certificate of Merger of Callon Consolidated Partners, L.P. with and into the Company dated September 16, 1994 (incorporated by reference from Exhibit 3.2 of the Company's Report on Form 10-K for the period ended December 31, 1994)
 - 3.3 Bylaws of the Company (incorporated by reference from Exhibit 3.2 of the Company's Registration Statement on Form S-4, Reg. No. 33-82408)
4. Instruments defining the rights of security holders, including indentures
 - 4.1 Specimen stock certificate (incorporated by reference from Exhibit 4.1 of the Company's Registration Statement on Form S-4, Reg. No. 33-82408)
 - 4.2 Specimen Preferred Stock Certificate (incorporated by reference from Exhibit 4.2 of the Company's Registration Statement on Form S-1, Reg. No. 33-96700)
 - 4.3 Designation for Convertible Exchangeable Preferred Stock, Series A (incorporated by reference from Exhibit 4.3 of the Company's Report on Form 10-K for the period ended December 31, 1995)
 - 4.4 Indenture for Convertible Debentures (incorporated by reference from Exhibit 4.4 of the Company's Report on Form 10-K for the period ended December 31, 1995)
 - 4.5 Certificate of Correction on Designation of Series A Preferred Stock (incorporated by reference from Exhibit 4.4 of the Company's Registration Statement on Form S-1/A filed November 22, 1996, Reg. No. 333-15501)
 - 4.6 Form of Note Indenture (incorporated by reference from Exhibit 4.6 of the Company's Registration Statement on Form S-1/A filed November 22, 1996, Reg. No. 333-15501)
9. Voting trust agreement*
10. Material contracts
 - 10.1 Contingent Share Agreement dated September 16, 1996 between the Company and the Callon Stockholders (incorporated by reference from Exhibit 10.1 of the Company's Registration Statement on Form 8-B filed October 3, 1994)

- 10.2 Registration Rights Agreement dated September 16, 1994 between the Company and NOCO Enterprises, L. P. (incorporated by reference from Exhibit 10.2 of the Company's Registration Statement on Form 8-B filed October 3, 1994)
- 10.3 Registration Rights Agreement dated September 16, 1994 between the Company and Callon Stockholders (incorporated by reference from Exhibit 10.3 of the Company's Registration Statement on Form 8-B filed October 3, 1994)
- 10.4 Employment Agreement dated September 16, 1994 between the Company and Fred L. Callon (incorporated by reference from Exhibit 10.4 of the Company's Registration Statement on Form 8-B filed October 3, 1994)
- 10.5 Callon Petroleum Company 1994 Stock Incentive Plan (incorporated by reference from Exhibit 10.5 of the Company's Registration Statement on Form 8-B filed October 3, 1994)
- 10.6 Employment Agreement effective January 1, 1995, between the Company and Dennis W. Christian (incorporated by reference from Exhibit 10.6 of the Company's Form 10-K for the period ended December 31, 1995)
- 10.7 Credit Agreement dated October 14, 1994 by and between the Company, Callon Petroleum Operating Company and Internationale Nederlanden (U.S.) Capital Corporation (incorporated by reference from Exhibit 99.1 of the Company's Report on Form 10-Q for the quarter ended September 30, 1994)
- 10.8 Employment Agreement effective January 1, 1995, between the Company and John S. Weatherly (incorporated by reference from Exhibit 10.8 of the Company's Registration Statement on Form S-1, Reg. No. 33-96700)
- 10.9 Third Amendment dated February 22, 1996, to Credit Agreement by and among Callon Petroleum Operating Company, Callon Petroleum Company and Internationale Nederlanden (U.S.) Capital Corporation (incorporated by reference from Exhibit 10.9 of the Company's report on Form 10-K for the period ended December 31, 1995)
- 10.10 Consulting Agreement between the Company and John S. Callon dated June 19, 1996 (incorporated by reference from Exhibit 10.10 of the Company's Registration Statement on Form S-1, filed November 5, 1996, Reg. No. 333-15501)
- 10.11 Callon Petroleum Company 1996 Stock Incentive Plan (incorporated by reference from Exhibit 10.6 of the Company's Registration Statement on Form S-1/A, filed November 14, 1996, Reg. No. 333-15501)
- 10.12 Employment Agreement effective September 1, 1996, between the Company and Fred L. Callon (incorporated by reference from Exhibit 10.4 of the Company's Registration Statement on Form S-1/A, filed November 14, 1996, Reg. No. 333-15501)
- 10.13 Employment Agreement effective September 1, 1996, between the Company and Dennis W. Christian (incorporated by reference from Exhibit 10.7 of the Company's Registration Statement on Form S-1/A, filed November 14, 1996, Reg. No. 333-15501)
- 10.14 Employment Agreement effective September 1, 1996, between the Company and John S. Weatherly (incorporated by reference from Exhibit 10.8 of the Company's Registration Statement on Form S-1/A, filed November 14, 1996, Reg. No. 333-15501)

- 10.15 Callon Petroleum Company 1996 Stock Incentive Plan (incorporated by reference from Exhibit 4.2 of the Company's Registration Statement on Form S-8, Reg. No. 333-29537)
- 10.16 Callon Petroleum Company 1997 Employee Stock Purchase Plan (incorporated by reference from Exhibit 4.2 of the Company's Registration Statement on Form S-8, Reg. No. 333-29529)

- 11. Statement re computation of per share earnings*
- 15. Letter re unaudited interim financial information*
- 18. Letter re change in accounting principles*
- 19. Report furnished to security holders*
- 22. Published report regarding matters submitted to vote of security holders*
- 23. Consents of experts and counsel*
- 24. Power of attorney*
- 27. Financial Data Schedule*
- 99. Additional exhibits*

(b) Reports on Form 8-K and 8-K/A.

On July 11, 1997, the Company filed a report on Form 8-K in connection with the Company's purchase of certain oil and gas mineral interests from Elf Exploration, Inc. (the "Elf Acquisition") for \$11.8 million. The Company purchased an 18.8% working interest in the Mobile Area Block 864 Unit. The purchase included a 17.5% working interest in Mobile Area Blocks 863 and 907 and a 35% working interest in Mobile Area Block 908. At the time this report was filed, it was impracticable to provide the required financial statements and pro forma information. On August 8, 1997, the Company filed a report on Form 8-K/A which included the required audited financial statements of the property acquired and the unaudited pro forma financial information.

On August 8, 1997, the Company filed a report on Form 8-K reporting the completion on July 31, 1997 of the sale of \$36 million of Senior Subordinated Notes due 2002 with a coupon of 10.125%. The Company agree to file by October 1, 1997, and to use its best efforts to cause to become effective by November 15, 1997, a registration statement relating to an exchange offer for the Notes.

* Inapplicable to this filing

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CALLON PETROLEUM COMPANY

Date August 13, 1997

By /s/ John S. Weatherly
John S. Weatherly, Senior Vice
President, Chief Financial
Officer and Treasurer

<TABLE> <S> <C>

<ARTICLE> 5

<LEGEND>

THIS FINANCIAL DATA SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF CALLON PETROLEUM COMPANY FOR THE PERIOD ENDING June 30, 1997 WHICH ARE PRESENTED IN ITS QUARTERLY REPORT ON FORM 10-Q AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

</LEGEND>

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