

WATSON ROBERT L G  
 Form 4  
 October 08, 2009

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
 WATSON ROBERT L G

2. Issuer Name and Ticker or Trading Symbol  
 ABRAXAS PETROLEUM CORP  
 [AXAS]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)  
 18803 MEISNER DRIVE  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 10/05/2009

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 President/CEO

SAN ANTONIO, TX 78258  
 (City) (State) (Zip)

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

**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)
			Code	V	Amount	(A) or (D)	Price
ABRAXAS PETROLEUM COMMON STOCK	10/05/2009		A		204,879	A	$\frac{(1)}{(3)}$
ABRAXAS PETROLEUM COMMON STOCK					26,867	I	401-K

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** SEC 1474 (9-02)

required to respond unless the form displays a currently valid OMB control number.

**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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount Number Shares
Employee Stock Option	\$ 1.75	10/05/2009		A	267,750	10/05/2010 10/05/2019	Abraxas Common Stock 267,750
Employee Stock Option	\$ 0.99					<sup>(4)</sup> 03/17/2019	Abraxas Common Stock 125,000
Employee Stock Option	\$ 3.6					08/28/2011 08/28/2017	Abraxas Common Stock 41,625
Employee Stock Option	\$ 4.59					09/13/2009 09/13/2015	Abraxas Common Stock 100,000
Employee Stock Option	\$ 0.65					11/22/2006 11/22/2012	Abraxas Common Stock 90,000
Employee Stock Option	\$ 2.21					09/17/2005 09/17/2011	Abraxas Common Stock 6,850
Employee Stock Option	\$ 0.66					09/17/2005 09/17/2011	Abraxas Common Stock 6,850
Employee Stock Option	\$ 0.66					03/23/2005 03/23/2011	Abraxas Common Stock 14,250
Employee Stock Option	\$ 4.83					03/23/2005 03/23/2011	Abraxas Common Stock 14,250
Employee Stock Option	\$ 4.83					03/23/2005 03/23/2011	Abraxas Common Stock 15,750

Employee Stock Option	\$ 0.66	03/23/2005	03/23/2011	Abraxas Common Stock	15,714
Employee Stock Option	\$ 0.66	05/26/2004	05/26/2010	Abraxas Common Stock	60,000
Employee Stock Option	\$ 1.38	05/26/2004	05/26/2010	Abraxas Common Stock	60,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WATSON ROBERT L G 18803 MEISNER DRIVE SAN ANTONIO, TX 78258			President/CEO	

## Signatures

Robert L.G.  
Watson

10/08/2009

\*\*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) Received in exchange for 34,714 common units and 6,000 phantom units of Abraxas Energy Partners L.P. in connection with the merger of Abraxas Energy Partners L.P into Abraxas Merger Sub LLC, wholly owned subsidiary of Abraxas Petroleum Corporation (the "Merger"). On the effective date of the Merger, the closing price of Abraxas Petroleum Corporation's common stock was \$1.75 per share.
  - (2) Received in the Merger in exchange for and employee unito option for 63,000 units of Abraxas Energy Partners, L.P.
  - (3) These securities and options vest over various time periods.
  - (4) Option vest at 25% per year beginning one year after grant.

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