

WATSON ROBERT L G
 Form 4
 March 26, 2010

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 *
 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)
 03/16/2010

____ 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 Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Code V Amount (D) Price | | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|

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| (Instr. 3) | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount Number Shares |
|-----------------------|------------------------------|------------------|------------|---|------|---|-----|-----|---------------------------|-----------------|----------------------|----------------------|
| Employee Stock Option | \$ 2.09 | 03/16/2010 | A | 90,000 | | | | | 03/16/2011 ⁽¹⁾ | 03/16/2020 | Abraxas Common Stock | 90,000 |
| Employee Stock Option | \$ 0.99 | | | | | | | | 03/17/2010 | 03/17/2019 | Abraxas Common Stock | 125,000 |
| Employee Stock Option | \$ 1.75 | | | | | | | | 10/05/2010 | 10/05/2019 | Abraxas Common Stock | 267,000 |
| Employee Stock Option | \$ 3.6 | | | | | | | | 08/28/2011 | 08/28/2017 | Abraxas Common Stock | 41,600 |
| 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 | 6,800 |
| Employee Stock Option | \$ 0.66 | | | | | | | | 09/17/2005 | 09/17/2011 | Abraxas Common Stock | 6,800 |
| Employee Stock Option | \$ 0.66 | | | | | | | | 03/23/2005 | 03/23/2011 | Abraxas Common Stock | 14,200 |
| Employee Stock Option | \$ 4.83 | | | | | | | | 03/23/2005 | 03/23/2011 | Abraxas Common Stock | 14,200 |
| Employee Stock Option | \$ 4.83 | | | | | | | | 03/23/2005 | 03/23/2011 | Abraxas Common Stock | 15,700 |
| Employee Stock Option | \$ 0.66 | | | | | | | | 03/23/2005 | 03/23/2011 | Abraxas Common Stock | 15,700 |
| | \$ 0.66 | | | | | | | | 05/26/2004 | 05/26/2010 | | 60,000 |

Employee
Stock
Option

Abraxas
Common
Stock

Employee
Stock \$ 1.38
Option

05/26/2004 05/26/2010 Abraxas
Common 60,
Stock

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 03/26/2010

__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) 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.
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