

ABRAXAS PETROLEUM CORP
 Form 4
 November 18, 2009

FORM 4

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

OMB APPROVAL

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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 *
WALLACE WILLIAM H

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)
11/13/2009

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
VP - Operations

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 | 11/13/2009 | | M | | 30,000 A \$ 0.66 | 116,369 | D |
| ABRAXAS PETROLEUM COMMON STOCK | 11/13/2009 | | F | | 11,250 D \$ 1.76 | 105,119 | D |
| ABRAXAS COMMON STOCK | | | | | | 34,448 | I 401-K |

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

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(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 (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 or Number of Shares |
| Employee Stock Option | \$ 0.66 | 11/16/2009 | | M | 30,000 | 11/18/2003 11/18/2009 | Abraxas Petroleum Common Stock 30,000 |
| Employee Stock Option | \$ 1.75 | | | | | ⁽¹⁾ 10/05/2019 | Abraxas Petroleum Common Stock 66,930 |
| Employee Stock Option | \$ 0.99 | | | | | ⁽²⁾ 03/17/2019 | Abraxas Petroleum Common Stock 50,000 |
| Employee Stock Option | \$ 3.6 | | | | | 08/28/2011 08/28/2017 | Abraxas Petroleum Common Stock 18,920 |
| Employee Stock Option | \$ 4.59 | | | | | 09/13/2009 09/15/2015 | Abraxas Petroleum Common Stock 50,000 |
| Employee Stock Option | \$ 0.68 | | | | | 04/24/2007 04/24/2013 | Abraxas Petroleum Common Stock 15,000 |
| Employee Stock Option | \$ 0.65 | | | | | 11/22/2006 11/22/2012 | Abraxas Petroleum Common Stock 22,000 |

Employee
 Stock \$ 0.66
 Option

03/23/2005 03/23/2011

Abraxas
 Petroleum
 Common
 Stock 15,00

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------------|-------|
| | Director | 10% Owner | Officer | Other |
| WALLACE WILLIAM H 18803 MEISNER DRIVE SAN ANTONIO, TX 78258 | | | VP - Operations | |

Signatures

William H.
 Wallace 11/18/2009

__Signature of Date
 Reporting Person

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) These options vest over various time periods.
- (2) Options 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.