

WATSON ROBERT L G  
 Form 4  
 May 28, 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)  
**05/26/2010**

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

**SAN ANTONIO, TX 78258**

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 Ownership (Instr. 4)
			Code	V	Amount (A) or (D) Price		
Abraxas Petroleum Common Stock	05/26/2010		M		60,000 A \$ 0.66	1,137,579	D
Abraxas Petroleum Common Stock	05/26/2010		M		60,000 A \$ 1.38	1,197,579	D
Abraxas Petroleum Common Stock	05/26/2010		F		34,644 D \$ 2.39	1,162,935	D

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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 Number Shares
Employee Stock Option	\$ 0.66	05/26/2010		M	60,000	05/26/2004 05/26/2010	Abraxas Petroleum Common Stock 60,000
Employee Stock Option	\$ 1.38	05/26/2010		M	60,000	05/26/2004 05/26/2010	Abraxas Petroleum Common Stock 60,000
Employee Stock Option	\$ 2.09					03/16/2011 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 267,700
Employee Stock Option	\$ 3.6					08/28/2011 08/28/2017	Abraxas Common Stock 41,620
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	\$ 2.21					09/17/2005 09/17/2011	Abraxas Common 6,850

Option					Stock	
Employee					Abraxas	
Stock	\$ 0.66		09/17/2005	09/17/2011	Common	6,85
Option					Stock	
Employee					Abraxas	
Stock	\$ 0.66		03/23/2005	03/23/2011	Common	14,28
Option					Stock	
Employee					Abraxas	
Stock	\$ 4.83		03/23/2005	03/23/2011	Common	14,28
Option					Stock	
Employee					Abraxas	
Stock	\$ 4.83		03/23/2005	03/23/2011	Common	15,71
Option					Stock	
Employee					Abraxas	
Stock	\$ 0.66		03/23/2005	03/23/2011	Common	15,71
Option					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

05/28/2010

\*\*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).

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.