

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                           |
| Abraxas Petroleum Common Stock  | 05/26/2010                           |  | M                              |   | 60,000  | A  | \$ 1.38                           |
| Abraxas Petroleum Common Stock  | 05/26/2010                           |  | F                              |   | 34,644  | D  | \$ 2.39                           |

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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<br>18803 MEISNER DRIVE<br>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).

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