

ABRAXAS PETROLEUM CORP
 Form 4
 March 24, 2011

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 *
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)
03/22/2011

____ 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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Abraxas Petroleum Common Stock	03/22/2011		M		15,000	A	\$ 0.66
Abraxas Petroleum Common Stock	03/22/2011		F		2,033	D	\$ 4.87

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

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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	03/22/2011		M		15,000		03/21/2011	03/23/2011	Abraxas Petroleum Common Stock	15,000
Employee Stock Option	\$ 4.72							03/15/2012	03/15/2021	Abraxas Petroleum Common Stock	30,000
Employee Stock Option	\$ 2.09							03/16/2011	03/16/2020	Abraxas Petroleum Common Stock	60,000
Employee Stock Option	\$ 1.75							10/05/2010	10/05/2015	Abraxas Petroleum Common Stock	66,930
Employee Stock Option	\$ 0.99							03/17/2010	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	09/13/2015	Abraxas Petroleum Common Stock	50,000
Employee Stock Option	\$ 0.65							11/22/2006	11/22/2012	Abraxas Petroleum Common	22,000

Employee Stock \$ 0.68 Option	04/24/2007 04/24/2013	Stock Abraxas Petroleum Common Stock	15,00
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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	03/24/2011
**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.
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