

BILLINGSLEY LEE T
 Form 4
 October 27, 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 *
BILLINGSLEY LEE T

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)
10/25/2010

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

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 Common Stock | 10/25/2010 | | M | | 15,000 | A | \$ 0.66 |
| Abraxas Common Stock | 10/25/2010 | | F | | 3,311 | D | \$ 2.99 |
| Abraxas Common Stock | | | | | 2,500 | I | |
| Abraxas Common Stock | | | | | 26,686 | I | |
| | | | | | | | Retirement account |
| | | | | | | | 401-K |

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Stock

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 | 10/25/2010 | | M | 15,000 | 03/23/2005 | 03/23/2011 | Abraxas Petroleum Common Stock | 15,000 |
| Employee Stock Option | \$ 2.09 | | | | | 03/16/2011 | 03/16/2020 | Abraxas Common Stock | 60,000 |
| Employee Stock Option | \$ 1.75 | | | | | 10/05/2010 | 02/05/2019 | 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 | 16,540 |
| Employee Stock Option | \$ 4.59 | | | | | 09/13/2009 | 09/13/2015 | Abraxas Petroleum Common Stock | 50,000 |
| Employee Stock | \$ 0.68 | | | | | 04/24/2007 | 04/24/2013 | Abraxas Petroleum | 15,000 |

Option

Common
Stock

Employee
Stock \$ 0.65
Option

11/22/2006 11/22/2012

Abraxas
Petroleum
Common
Stock 22,000

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|------------------|-------|
| | Director | 10% Owner | Officer | Other |
| BILLINGSLEY LEE T 18803 MEISNER DRIVE SAN ANTONIO, TX 78258 | | | VP - Exploration | |

Signatures

Lee T.
Billingsley 10/27/2010

__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).

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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