

HALLADOR PETROLEUM CO
 Form 4
 October 08, 2008

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 *
 STABIO VICTOR P

2. Issuer Name and Ticker or Trading Symbol
 HALLADOR PETROLEUM CO [HPET]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 379 COOK STREET
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 10/06/2008

Director 10% Owner
 Officer (give title below) Other (specify below)
 President and CEO

DENVER, CO 80206
 (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 | | | | |
| common stock, par value \$.01 | 10/06/2008 | | M | | 450,000 <u>(1)</u> <u>(2)</u> | A | 2.85 <u>(2)</u> | 890,273 <u>(1)</u> | D |
| common stock, par value \$.01 | 10/06/2008 | | F | | 150,000 | D | 2.85 | 740,273 | D |

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) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| restricted stock unit | \$ 0 | 10/06/2008 | | M | 450,000 | (1)(2) (1)(2) | common stock, par value \$.01 | 450,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| STABIO VICTOR P 379 COOK STREET DENVER, CO 80206 | X | | President and CEO | |

Signatures

Victor P. Stabio 10/08/2008
 __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) Vesting for these Restricted Stock Units were accelerated on October 6, 2008 and fully vested on such date. Accordingly, pursuant to the agreement, shares of restricted stock were issued upon vesting.
- (2) Of the 450,000 shares that were vested and issued on October 6, 2008, Mr. Stabio elected to have 150,000 shares withheld to pay for federal and state taxes. Mr. Stabio received 300,000 shares after taxes. Stock price on the day of vesting and issuance was \$2.85 per share.

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.