

Gifford Russell M
 Form 4
 December 17, 2009

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 *
 Gifford Russell M

2. Issuer Name and Ticker or Trading Symbol
 BARNWELL INDUSTRIES INC
 [BRN]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 1100 ALAKEA STREET, SUITE
 2900

3. Date of Earliest Transaction
 (Month/Day/Year)
 12/11/2009

Director 10% Owner
 Officer (give title below) Other (specify below)
 EVP, CFO, Treas., Secy

(Street)
 HONOLULU, HI 96813

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 Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) | Code V Amount (D) Price | | |

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

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SEC 1474
 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative | 2. Conversion | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if | 4. Transaction | 5. Number of Derivative | 6. Date Exercisable and Expiration Date | 7. Title and An Underlying Sec |
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|-------------------------|---|--------------------------------|
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|-------------------------|---|--------------------------------|

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| Security (Instr. 3) | or Exercise Price of Derivative Security | any (Month/Day/Year) | Code (Instr. 8) | Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | (Month/Day/Year) | (Instr. 3 and 4) | | | |
|--|---|-------------------------|--------------------|--|--------------------------|------------------|---------------------------|--------------------|-----------------|
| | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title |
| Non-qualified Stock Options/SARs | \$ 4.32 ⁽¹⁾ | 12/11/2009 | A | | 90,000 ⁽²⁾ | | 12/11/2010 ⁽³⁾ | 12/11/2019 | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|------------------------|
| | Director | 10% Owner | Officer | Other |
| Gifford Russell M 1100 ALAKEA STREET, SUITE 2900 HONOLULU, HI 96813 | X | | | EVP, CFO, Treas., Secy |

Signatures

/s/ Russell M.
Gifford

12/17/2009

**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).
- (1) The exercise price is the closing price of the issuer's common stock on the NYSE Amex on December 11, 2009.
On December 11, 2009, the reporting person was granted non-qualified stock options to purchase 90,000 shares of common stock of the issuer in tandem with stock appreciation rights pursuant to the issuer's 2008 Equity Incentive plan (the "2009 Award"). The 2009 Award was granted pursuant to action by the compensation committee of the board of directors of the issuer.
- (2) Exercise of the 2009 Award is subject to vesting over four years from the date of the grant, with 25% becoming exercisable on each anniversary of the date of the grant.

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.