

Hensman Kevan Byron
 Form 4
 August 03, 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 *
 Hensman Kevan Byron

2. Issuer Name and Ticker or Trading Symbol
 ASPEN EXPLORATION CORP
 [ASPN]

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

(Last) (First) (Middle)
 7905 REINA COURT
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 07/30/2010

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

BAKERSFIELD, CA 93309
 (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) | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|-----|-------|
| | | | | (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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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|

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| (Instr. 3) | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
|-------------------|------------------------------|------------------|------------|--|------|---|--------|-----|------------------|-----------------|--------------|----------------------------|
| Option | \$ 3.7 | | | | | | | | 09/11/2006 | 09/11/2011 | Common Stock | 10,000 |
| Option <u>(1)</u> | \$ 2.14 | | | | | | | | 09/30/2008 | 02/27/2013 | Common Stock | 28,120 |
| Option <u>(2)</u> | \$ 0.4125 | | | | | | | | 07/27/2010 | 02/15/2015 | Common Stock | 75,000 |
| Option <u>(3)</u> | \$ 0.49 | 07/30/2010 | | | A | | 25,000 | | 07/30/2010 | 07/30/2015 | Common Stock | 25,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Hensman Kevan Byron 7905 REINA COURT BAKERSFIELD, CA 93309 | | X | | |

Signatures

/s/ Kevan B.
Hensman
08/02/2010

**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).
- On February 27, 2008, Mr. Hensman was granted an option to purchase 100,000 of common stock pursuant to the 2008 Equity Plan. 1/3 of the shares were to vest on each September 30, of 2008, 2009, and 2010 if certain performance criteria are met. On September 30, 2008,
- (1) 18,210 of the options were deemed earned, and 15,213 were deemed unearned; on September 30, 2009, 33,333 of the options were deemed unearned; and 33,333 remain unvested and will only vest if certain company performance objectives were met during the 2010 fiscal year.
 - (2) Options granted on February 15, 2010 pursuant to the 2008 Equity Plan. These options vested in full on July 27, 2010 when the Board of Directors determined that the vesting criteria were met.
 - (3) Options granted on July 27, 2010 pursuant to the 2010 Stock Incentive Plan although the option exercise price was not established until July 30, 2010. This option vested in full on July 30, 2010. This transaction is except from Section 16(b) of the 1934 Act pursuant to Rule 16-b(3)(d).

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.