

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

## OMB APPROVAL

OMB Number: 3235-0287

Expires: January 31,  
2008Estimated average burden  
hours per  
response 0.5**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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

1. Name and Address of Reporting Person* <u>Gifford Russell M</u>			2. Issuer Name and Ticker or Trading Symbol <u>BARNWELL INDUSTRIES INC [ BRN ]</u>		5. Relationship of Reporting Person(s) to Issuer (Check all applicable)	
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) <u>01/05/2007</u>		<input checked="" type="checkbox"/> Director	10% Owner
<u>1100 ALAKEA STREET, SUITE 2900</u>			4. If Amendment, Date of Original Filed (Month/Day/Year)		<input checked="" type="checkbox"/> Officer (give title below)	Other (specify below)
(Street)	<u>HONOLULU HI 96813</u>				<u>EVP,CFO,Treasurer</u>	
(City)	(State)	(Zip)			6. Individual or Joint/Group Filing (Check Applicable Line)	
					<input checked="" type="checkbox"/> Form filed by One Reporting Person	
					<input type="checkbox"/> 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			
<u>Common Stock</u>	<u>01/05/2007</u>		<u>M</u>		<u>24,000</u>	<u>A</u>	<u>\$8.8</u>	<u>64,000</u>	<u>D</u>	
<u>Common Stock</u>	<u>01/05/2007</u>		<u>D</u>		<u>24,000</u>	<u>D</u>	<u>\$23.5</u>	<u>40,800</u>	<u>D</u>	

**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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction (s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
--	--	--------------------------------------	--	--------------------------------	--	--	---	--	---	---	--

				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Stock Appreciation Right	\$8.8	01/05/2007		M			24,000	12/03/2006 (1)	12/03/2014	Common Stock	24,000	\$0	36,000	D

**Explanation of Responses:**

1. Fifty percent of the Stock Appreciation Rights became exercisable on 12/03/2005 and the remaining fifty percent became exercisable on 12/03/2006.

/s/ Russell Gifford

01/09/2007

\*\* Signature of Reporting Person

Date

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

\* 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.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.**