

Grady E Joseph  
Form 4  
March 11, 2011

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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

**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 \*  
Grady E Joseph

2. Issuer Name and Ticker or Trading Symbol  
CRIMSON EXPLORATION INC.  
[CXPO]

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

(Last) (First) (Middle)  
C/O CRIMSON EXPLORATION INC., 717 TEXAS AVENUE, SUITE 2900

3. Date of Earliest Transaction (Month/Day/Year)  
02/18/2011

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Senior VP & CFO

(Street)  
HOUSTON, TX 77002

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 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)	Price		
Common Stock	02/26/2011		F <sup>(1)</sup>	5,758	D \$ 4.36	206,652	D
Common Stock	03/09/2011		A <sup>(2)</sup>	58,000	A \$ 0	264,652	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 Security (Instr. 3 and 4)
					V	(A)	(D)	Date Exercisable	Expiration Date	
Employee Stock Option (right to buy)	\$ 9.7	02/18/2011		D		90,000		(3)	04/01/2016	Common Stock
Employee Stock Option (right to buy)	\$ 5	02/18/2011		A		90,000		(4)	02/18/2021	Common Stock
Employee Stock Option (right to buy)	\$ 12.5	02/18/2011		D		135,000		(3)	04/01/2016	Common Stock
Employee Stock Option (right to buy)	\$ 5	02/18/2011		A		135,000		(4)	02/18/2021	Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Grady E Joseph C/O CRIMSON EXPLORATION INC. 717 TEXAS AVENUE, SUITE 2900 HOUSTON, TX 77002			Senior VP & CFO	

## Signatures

/s/ William Austin, Legal Counsel  
03/11/2011

\_\_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) Withholding of stock to satisfy tax withholding obligations.  

The reporting person was awarded 58,000 shares of restricted stock of the Issuer pursuant to a discretionary long-term equity award. Of these shares of restricted stock, 25% will vest on each of March 9, 2012, 2013, 2014 and 2015 should the reporting person remain an employee of the Company on the pertinent vesting date absent earlier vesting pursuant to the terms of restricted stock award agreement.
- (2) The option provided for vesting in four annual installments (15% the first year, 25% the second year, 25% the third year and 35% the fourth year) beginning February 28, 2006.  

On February 18, 2011, the Issuer cancelled, pursuant to the Issuer's option exchange program, vested options for 225,000 shares of Issuer's common stock granted to the reporting person on February 28, 2005. In exchange, the reporting person received an unvested replacement option for 225,000 shares, having an exercise price of \$5.00 per share. The option vests in four equal annual installments beginning February 18, 2012.

### Remarks:

This Form 4 has been signed by William Austin, Legal Counsel of Crimson Exploration Inc., on behalf of Mr. Grady, pursuant

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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