

ASPEN EXPLORATION CORP
 Form 4
 February 23, 2006

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 *
BAILEY ROBERT V

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
02/21/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
Board Chairman & VP

C/O ASPEN EXPLORATION CORP, 2050 S ONEIDA ST SUITE 208

(Street)

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

DENVER, CO 80224-2426

(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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock - \$.005 Par Value | 02/21/2006 | | S | | 19,500 | D | \$ 5.0965 |
| Common Stock - \$.005 Par Value | 02/22/2006 | | S | | 4,100 | D | \$ 5 |
| Common Stock - | | | | | 32,000 | I | By Trust |

\$.005 Par Value

Common Stock - \$.005 Par Value

16,320 I ⁽¹⁾ By Wife

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. Price or Amount of Derivative Security (Instr. 3) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|
| Option | \$ 0.57 | | | | | 08/15/2005 08/15/2006 | Common 50,000 | |
| Option | \$ 2.67 | | | | | 01/01/2006 01/01/2010 | Common 65,000 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------------------|-------|
| | Director | 10% Owner | Officer | Other |
| BAILEY ROBERT V C/O ASPEN EXPLORATION CORP 2050 S ONEIDA ST SUITE 208 DENVER, CO 80224-2426 | X | X | Board Chairman & VP | |

Signatures

/s/ R. V. Bailey 02/23/2006

**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) These shares owned by Mieko Nakamura Bailey (wife).

(2) Transaction is exempt from the 16(a) reporting requirements pursuant to Rule 16b-3(d).

(3) 21,667 shares vest and are exercisable on 1/1/06 and 1/1/07 and 21,666 on 1/1/08.

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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