

MacLean Malcolm F IV  
Form 4  
June 30, 2006

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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 \*  
Jarvis David R

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)

3. Date of Earliest Transaction  
(Month/Day/Year)  
06/28/2006

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

C/O MERCURY REAL ESTATE ADVISORS LLC, 100 FIELD POINT ROAD

(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  
\_X\_ Form filed by More than One Reporting Person

GREENWICH, CT 06830

(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 <u>(1)</u>	06/28/2006		P	2,000 A \$ 23.5	1,550,300	I	See Footnote <u>(7)</u>
Common Stock <u>(2)</u>	06/28/2006		P	2,000 A \$ 23.5	1,550,300	I	See Footnote <u>(8)</u>
Common Stock <u>(3)</u>	06/28/2006		P	2,000 A \$ 23.5	616,877	D	

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 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. Amount or Number of Shares
Equity Swap (obligation to buy) <sup>(4)</sup>	\$ 23.5	06/28/2006		J/K <sup>(4)</sup>	1	06/28/2006 05/24/2007	Common Stock	4,900
Equity Swap (obligation to buy) <sup>(5)</sup>	\$ 23.5	06/28/2006		J/K <sup>(4)</sup>	1	06/28/2006 05/24/2007	Common Stock	4,900
Equity Swap (obligation to buy) <sup>(6)</sup>	\$ 23.5	06/28/2006		J/K <sup>(4)</sup>	1	06/28/2006 05/24/2007	Common Stock	4,900

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Jarvis David R C/O MERCURY REAL ESTATE ADVISORS LLC 100 FIELD POINT ROAD GREENWICH, CT 06830		X		
MacLean Malcolm F IV C/O MERCURY REAL ESTATE ADVISORS LLC 100 FIELD POINT ROAD GREENWICH, CT 06830		X		

Mercury Special Situations Offshore Fund Ltd  
 C/O MERCURY REAL ESTATE ADVISORS LLC  
 100 FIELD POINT ROAD  
 GREENWICH, CT 06830

X

## Signatures

/s/ David R. Jarvis                      06/29/2006  
 \*\*Signature of Reporting              Date  
 Person

/s/ Malcolm F.  
 MacLean IV                                  06/29/2006  
 \*\*Signature of Reporting              Date  
 Person

## 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 were acquired by Mercury Real Estate Advisors, LLC ("Advisors"), a registered investment adviser, on behalf of Mercury Special Situations Offshore Fund, Ltd. ("MSSOF"), for which Advisors serves as the investment adviser. Mr. David R. Jarvis is a managing member of Advisors. Mr. Jarvis disclaims beneficial ownership of the shares held directly by MSSOF, except to the extent of the pecuniary interest, if any, in such shares as a result of his membership interest in Advisors, which has a contingent right to receive a performance-based advisory fee from MSSOF. That performance-based fee generally qualifies for the exemption set forth in Rule 16a-1(a)(2)(ii)(C).
  - (2) These shares were acquired by Advisors on behalf of MSSOF. Mr. Malcolm F. MacLean IV is a managing member of Advisors. Mr. MacLean disclaims beneficial ownership of the shares held directly by MSSOF, except to the extent of the pecuniary interest, if any, in such shares as a result of his membership interest in Advisors, which has a contingent right to receive a performance-based advisory fee from MSSOF. That performance-based fee generally qualifies for the exemption set forth in Rule 16a-1(a)(2)(ii)(C).
  - (3) These shares are held directly by MSSOF.
 

On June 28, 2006, Advisors entered into a cash settled equity swap agreement with a Broker on behalf of MSSOF. The settlement date of the swap agreement is May 24, 2007. On such date, MSSOF or Broker, as applicable, will be required to make a payment to the other such that the resulting economic effect of the swap arrangement will be as if (i) MSSOF paid Broker \$115,150, representing \$23.50 for each share of BRN common stock subject to this agreement as of June 28, 2006, and (ii) Broker paid to MSSOF the market value of 4,900 shares of BRN common stock as of May 24, 2007. Any dividends received by Broker on account of the common stock subject to this agreement will be paid to MSSOF and MSSOF will pay to Broker a finance charge.
  - (4) This swap arrangement was entered into by Advisors on behalf of MSSOF. Mr. Jarvis disclaims beneficial ownership of the securities held directly by MSSOF except to the extent of the pecuniary interest, if any, in such securities as a result of his membership interest in Advisors, which has a contingent right to receive a performance-based advisory fee from MSSOF. That performance-based fee generally qualifies for the exemption set forth in Rule 16a-1(a)(2)(ii)(C).
  - (5) This swap arrangement was entered into by Advisors on behalf of MSSOF. Mr. MacLean disclaims beneficial ownership of the securities held directly by MSSOF except to the extent of the pecuniary interest, if any, in such securities as a result of his membership interest in Advisors, which has a contingent right to receive a performance-based advisory fee from MSSOF. That performance-based fee generally qualifies for the exemption set forth in Rule 16a-1(a)(2)(ii)(C).
  - (6) The amounts reported in Column 5 of Table I and Column 9 of Table II are held directly by certain private investment funds, including MSSOF (the "Funds"), and certain managed accounts (the "Managed Accounts"), for which Advisors serves as the investment adviser. Mr. Jarvis disclaims beneficial ownership of the securities held directly by the Funds and the Managed Accounts, except to the extent of the pecuniary interest, if any, in such securities as a result of his membership interest in Advisors, which has a contingent right to receive a performance-based advisory fee from each of the Funds and Managed Accounts, or as a result of his membership interest in certain limited liability companies that serve as the general partners of certain of the Funds. That performance-based fee generally qualifies for the exemption set forth in Rule 16a-1(a)(2)(ii)(C).
  - (7) The amounts reported in Column 5 of Table I and Column 9 of Table II are held directly by the Funds and the Managed Accounts, for which Advisors serves as the investment adviser. Mr. MacLean disclaims beneficial ownership of the securities held directly by the Funds and the Managed Accounts, except to the extent of the pecuniary interest, if any, in such securities as a result of his membership interest in Advisors, which has a contingent right to receive a performance-based advisory fee from each of the Funds and Managed Accounts, or

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as a result of his membership interest in certain limited liability companies that serve as the general partners of certain of the Funds. That performance-based fee generally qualifies for the exemption set forth in Rule 16a-1(a)(2)(ii)(C).

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.