

☐ 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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person* <u>SKELLY WILLIAM G</u>  (Last) (First) (Middle) <u>C/O ACURA PHARMACEUTICALS, INC.</u> <u>616 N. NORTH COURT, SUITE 120</u>  (Street) <u>PALATINE</u> <u>IL</u> <u>60067</u>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>HALSEY DRUG CO INC/NEW</u> [ <u>HDGC.OB</u> ]  3. Date of Earliest Transaction (Month/Day/Year) <u>08/12/2004</u>  4. If Amendment, Date of Original Filed (Month/Day/Year)	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  <input checked="" type="checkbox"/> Director 10% Owner  Officer (give title below) Other (specify below)  6. Individual or Joint/Group Filing (Check Applicable Line)  <input checked="" type="checkbox"/> Form filed by One Reporting Person  Form filed by More than One Reporting Person
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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			

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				
Director Stock Options	\$0.36	08/12/2004		A		0 <sup>(1)</sup>		08/12/2004	08/12/2014	Common Stock	50,000 <sup>(1)</sup>	\$0	240,000	D	
Director Stock Options	\$0.36	08/12/2004		A		0 <sup>(1)</sup>		(2)	08/12/2014	Common Stock	50,000 <sup>(1)</sup>	\$0	290,000	D	
Director Stock Options	\$0.36	08/12/2004		A		0 <sup>(3)</sup>		08/12/2004	08/12/2014	Common Stock	100,000 <sup>(3)</sup>	\$0	390,000	D	

Explanation of Responses:

1. Option to purchase 50,000 shares of the Issuer's common stock, \$.01 par value per share.  
2. Option vests and is exercisable 25% per quarter commencing on November 12, 2004 until fully vested.  
3. Option to purchase 100,000 shares of the Issuer's common stock \$.01 par value per share.

/s/ William G. Skelly 08/12/2004  
\*\* 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.