OMB APPROVAL

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FORM 3

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

INITIAL STATEMENT OF 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(f) of the Investment Company Act of 1940

1. Name and Address of Reporting Person
REICHER MICHAEL K.
(Last) (First) (Middle)
2264 CHURCHVIEW DRIVE, No. #10
(Street)
ROCKFORD, ILLINOIS 61107
(City) (State) (Zip)

2. Date of Event Requiring Statement (Month/Day/Year)
2-19-98

3. IRS or Social Security Number of Reporting Person (Voluntary)
###-##-####

4. Issuer Name and Ticker or Trading Symbol
HALSEY DRUG CO, INC. (HDG)

5. Relationship of Reporting Person to Issuer (Check all applicable)
X Director ___ 10% Owner
X Officer X Other
(give title below) (specify below)
Chief Executive Officer & President

6. If Amendment, Date of Original (Month/Day/Year)

7. Individual or Joint/Group Filing (Check Applicable Line)
X Form filed by One Reporting Person
__ Form filed by More than One Reporting Person

TABLE 1 -- NON-DERIVATIVE SECURITIES BENEFICIALLY OWNED

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)

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

(Print or Type Responses)

FORM 3 (CONTINUED)

TABLE II -- DERIVATIVE SECURITIES BENEFICIALLY OWNED
(E.G., PUTS, CALLS, WARRANTS, OPTIONS, CONVERTIBLE SECURITIES)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Stock Option	*	*	Common Stock	1,000,000	$2.38	(D)	

Explanation of Responses:

* Date of grant of stock option February 19, 1998. Term of option is ten (10) years. Option shares to vest quarterly during the term until fully vested.

**Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

/s/ MICHAEL K. REICHER 2/25/1998
**Signature of Reporting Person Date

Note. File three copies of this Form, one of which must be manually signed.
If space provided is insufficient, See Instruction 6 for procedure.