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ABRAXAS PETROLEUM CORP
Form 8-K
April 30, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

F O R M 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report
April 30, 2003

Abraxas Petroleum Corporation
(Exact name of registrant as specified in its charter)

Nevada
(State of other jurisdiction of incorporation)

0-19118
(Commission File Number)

74-2584033
(I.R.S. Employer Identification Number)

500 N. Loop 1604 East, Suite 100
San Antonio, Texas 78232
(Address of principal executive offices)

Registrant's telephone number,
including area code:
210-490-4788

Item 9. REGULATION FD DISCLOSURE

On April 30, 2003, the Company's President, Robert L.G. Watson, will speak at IPAA's 9th Annual Oil and Gas Investment Symposium in New York City. Attached as Exhibit 99.1 are materials that Mr. Watson will present at the Symposium. Exhibit 99.1 is incorporated by reference under this Item 9.

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The information in this Report (including Exhibit 99.1) is furnished pursuant to Item 9 and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in this Report will not be deemed an admission as to the materiality of any information required to be disclosed solely to satisfy the requirements of Regulation FD.

The following exhibits are filed as part of this report:

| NUMBER | DOCUMENT |
|--------|--------------------|
| 99.1 | Slide presentation |

SIGNATURES

Pursuant to the requirement of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ABRAXAS PETROLEUM CORPORATION

By: /s/Chris Williford

Chris Williford
Executive Vice President, Chief Financial
Officer and Treasurer

Dated: April 30, 2003

Exhibit 99.1

Slide 1: Abraxas Petroleum Corporation
IPAA Presentation
April 28-30, 2003

The information presented herein may contain predictions, estimates and other forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Although the Company believes that its expectations are based on reasonable assumptions, it can give no assurance that its goals will be achieved. Important factors that could cause actual results to differ materially from those included in the forward-looking statements include the timing and extent of changes in commodity prices for oil and gas, the need to develop and replace reserves, environmental risks, competition, government regulation and the ability of the Company to meet its stated business goals. Picture: Hudgins, P.T. 34 #1H, Pecos County, Texas

Slide 2: Positioning Statement
Abraxas Petroleum Corporation
o AMEX:ABP

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- o Western Canada, Texas and Wyoming
- Natural gas
 - o Over 80%
- Quality assets
 - o High working interests
 - o Operations
 - o High producing rates per well
 - o Large acreage positions
 - o Substantial upside

Slide 3: Results 2002
Sold 35% proved reserves

- o Retained all undeveloped acreage

Reduced debt 45%
Reduced cash interest 90%
Issued equity at an implied 600% over market
Positioned Company to develop upside
Drilling success - Canada, West Texas
Picture: Caroline, Alberta, Canada

Slide 4: Goals 2003
Continue to:
Improve balance sheet
Develop upside
Maximize shareholder value
Picture: Henson Gas Unit #2H, South Texas

Slide 5: Improve Balance Sheet
Senior Secured 9% - \$47 mm (\$4 mm PIK)
Second Secured 12.5% PIK - \$110 mm

- o Callable at 80 until mid July 2003
- o Trading 35 - 45

PDP monetization
PUD financing
Other options

Slide 6: Continue Proving Upside
Map of Canada showing following areas:
Ladyfern, British Columbia
Peace River Arch, Alberta
Caroline, Alberta

Slide 7: Ladyfern, British Columbia, Canada
Well Location Map Shown
Offsets largest gas discovery in North America in many years
38,800 acres, 38% WI
2002 activity - drilled 6 wells (50% success) (marked on map)
2003 planned activity

- o 4 new wells drilled (75% success) (marked on map)
- o 1 horizontal re-entry of a 2002 well

Slide 8: Peace River Arch, Alberta, Canada
2 Well Location Map Shown
2002 activity - drilled 9 wells (89% success) (marked on map)
Sold green acreage to PrimeWest
Retained yellow acreage

- o 28,500 acres 68% WI
- o 1,400 acres subject to farmout (100% carry for 40% WI)

2003 planned activity (marked on map)

- o 3 farmout wells
- o 5 100% Grey Wolf wells

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Slide 9: Caroline, Alberta, Canada

Well Location Map Shown

2002 activity

- o Drilled 5 wells (100% success) (marked on map)
- o Expanded 100% owned infrastructure
- o Sold green acreage to PrimeWest

Retained yellow acreage (21,000 acres, 89% WI)

All acreage subject to AMI/farmout (100% carry for 40% WI)

2003 planned activity

- o 5 farmout wells (marked on map)

Slide 10: Continue Proving Upside

Map of the United States showing following areas:

Brooks Draw, Wyoming

Delaware Basin, Texas

Slide 11: Brooks Draw, Wyoming

Well Location Map Shown

5 producing horizontal wells (marked on map)

62,000 acres, long-term leases 100%

working interest

2 identified locations to test 3D (marked on map)

Slide 12: Delaware Basin, West Texas

Well Location Map Shown

2002 activity

- o 4 horizontal wells (100% success) (marked on map)

22,800 acres, 83% WI

2003 planned activity

- o 3 Montoya/Devonian horizontal wells (marked on map)
- o 17,000' Ellenburger well (marked on map)

25 identified locations (marked on map)

Accelerate PUD development

Slide 13: Maximize Shareholder Value

Improve balance sheet with target debt/cap of 40% to 60%

Maintain financial flexibility and liquidity

Prioritize large opportunity set to high-grade those with highest return and lowest risk profile

Capitalize on strategic acquisitions and divestitures

Slide 14: Maximize Shareholder Value

| December 31, 2002 ----- | MM -- | 2nds @ Call (80) ----- | 2nd Market ----- |
|--------------------------------|----------|------------------------------|------------------------|
| Proved Reserves PV10 (1) | \$181 | | |
| Incremental Reserves (40 Bcfe) | 56 | | |
| Acreage (2) | 15 | | |
| Working Capital | 1 | | |
| Debt (3) | (156) | (134) | |
| | ----- | | |
| Net Asset Value | \$97 | \$119 | \$1 |
| Shares Outstanding | 35.6 | | |
| NAV/Share | \$2.72 | \$3.34 | \$4. |

(1)113 Bcfe valued at constant NYMEX prices of \$5.50 and \$27.00.

(2)Valued by Seaton-Jordan comparable lease sales

(3)Actual debt

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Slide 15: 2003 Guidance

Production

| | |
|-----------------------|-------|
| Gas Equivalents, Bcfe | 7-8 |
| Exit Rate, MMcfepd | 20-25 |

Price Differentials from NYMEX

| | |
|-------------|-----|
| Gas, \$/Mcf | .51 |
| Oil, \$/Bbl | .64 |

Lifting Cost

| | |
|------------------------------------|------|
| \$/Mcfe, includes production taxes | 1.21 |
|------------------------------------|------|

G&A

| | |
|---------|-----|
| \$/Mcfe | .69 |
|---------|-----|

CAPEX

| | |
|------|------|
| MM\$ | 15.0 |
|------|------|

Slide 16: Summary Highlights

Niche exploitation and production company

High quality assets with substantial upside

2003 primary corporate goal of continuing to improve the balance sheet while increasing shareholder value

Picture: Caroline, Alberta, Canada

Slide 17: Final Slide www.abraxaspetroleum.com

Picture of gas plant