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ABRAXAS PETROLEUM CORP
Form 8-K
April 20, 2004

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 20, 2004

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 20, 2004, the Company's President, Robert L.G. Watson, will speak at IPAA's 10h 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 20, 2004

EXHIBIT 99.1

Slide 1: Abraxas Petroleum Corporation
IPAA's 2004 Oil and Gas Investment Symposium, April 20, 2004

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
- o Basic shares outstanding - 36.3 million
- o Average trading volume 2004 - 706,000 shares per day

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- o Operations in Western Canada, Texas and Wyoming

Natural gas

- o Approximately 80%

Quality assets

- o High ownership interests
- o Operations
- o High producing rates per well
- o Large acreage positions
- o Substantial upside

Slide 3: Results 2003

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

- o Increased production 26%
- o Substantial incremental reserves indicated by drillbit successes

Picture: Caroline, Alberta, Canada

Slide 4: Goals 2004

Continue to:

Improve balance sheet

- o Eliminate restrictive debt covenants

Develop upside

Maximize shareholder value

Picture: Henson Gas Unit #2H, South Texas

Slide 5: Continue Proving Upside

Map of Canada showing following areas:

Ladyfern, British Columbia

Widewater, Alberta

Peace River Arch, Alberta

Caroline, Alberta

Slide 6: Ladyfern, British Columbia, Canada

Well Location Map Shown

Offsets largest gas discovery in North America in many years

23,262 acres (5,952 net acres)

2003 activity

- o 4 new wells drilled (75% success) (marked on map)
- o 1 horizontal re-entry of a 2002 well
- o Added compression to reduce line pressures and increase production

2004 activity

- o 2 horizontal wells on production, 10 MMcfpd (marked on map)

Slide 7: Widewater, Alberta, Canada

Well Location Map Shown

2003 activity

- o Tied in 2 wells originally drilled in 1999 (marked on map)

2004 activity

- o Wells currently plant limited at 3.5 MMcfpd
- o 7 additional wells can be tied in (marked on map)
- o 29,600 acres for further development, 100% WI

Slide 8: Peace River Arch, Alberta, Canada

2 Well Location Maps Shown

30,880 acres 64% WI

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2003 activity

- o 1 farmout well
- o 5 100% Grey Wolf wells (marked on map)

2004 activity

- o 2 100% Grey Wolf wells (marked on map)
- o Install waterflood

Slide 9: Caroline, Alberta, Canada

Well Location Map Shown

19,520 acres, 85% WI

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

2003 activity

- o Drilled 6 wells farmout wells (marked on map)

2004 planned activity

- o Continue farmout
- o 3 successful wells drilled year-to-date (marked on map)

Slide 10: Continue Proving Upside

Map of the United States showing following areas:

Brooks Draw, Wyoming

West Texas

South Texas

Slide 11: Brooks Draw, Wyoming

Well Location Map Shown

5 producing horizontal wells (marked on map)

53,500 acres, long-term leases

100% working interest

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

One well drilled in 2004 on long-term production test

Slide 12: West Texas

Area Map Shown

Focus going forward - continued development of deep Devonian/Montoya gas and oil in Clearfork Slope

Proved reserves as of 12/31/03 - 71.1 Bcfe (59% of total)

Working interest average of 74% in 158 wells

80 identified drilling locations (36 PUD's)

2003 activity

- o 3 Devonian /Montoya horizontal wells on production
- o 17,000' vertical well on production
- o Devonian horizontal well on production at SW Oates
- o Clearfork Slope discovery, 2 wells on production

Slide 13: South Texas

Area Map Shown

Focus going forward - continued development of horizontal Edwards gas

Proved reserves as of 12/31/03 - 28.6 Bcfe (24% of total)

Working interest average of 93% in 43 wells

13 identified drilling locations (11 PUD's)

Slide 14: Maximize Shareholder Value

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

- o Eliminate restrictive debt covenants

Maintain financial flexibility and liquidity

Prioritize large opportunity set (173 identified drilling locations) to high-grade those with highest return and lowest risk profile

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|---|-------|
| Slide 15: Maximize Shareholder Value, Net Asset Value | |
| December 31, 2003 | MM |
| Proved Reserves (1) | \$217 |
| Incremental Reserves (128 Bcfe) (2) | 132 |
| Acreage (3) | 15 |
| Working Capital(4) | |