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ABRAXAS PETROLEUM CORP  
Form 8-K  
March 27, 2002

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  
March 27, 2002

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 5. OTHER EVENTS

See attached Press Release

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The following exhibits are filed as part of this report:

NUMBER	DOCUMENT
99.1	Press release dated March 22, 2002

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:

\_\_\_\_\_  
Chris Williford  
Executive Vice President, Chief Financial  
Officer and Treasurer

Dated: March 27, 2002

EXHIBIT 99.1

NEWS RELEASE

ABRAXAS ANNOUNCES 2001 FINANCIAL RESULTS AND YEAR-END RESERVES

Year 2001 Results Include Increased Revenue and Operating Income and Reduced LOE and G&A Expenses Versus 2000 - Reserve Replacement was 146% with Drillbit Finding Cost of \$1.24/Mcfe

SAN ANTONIO, TX (March 27, 2002) - Abraxas Petroleum Corporation (AMEX:ABP) today reported revenue and operating income for the year-ended December 31, 2001 of \$77.2 million and \$19.2 million, respectively, compared to \$76.6 million and \$11.9 million in 2000. LOE and G&A expense were \$18.6 million and \$6.4 million respectively compared to \$18.8 million and \$6.5 million in 2000. For 2001, net income was a loss of \$19.7 million after proved property impairment of \$2.6 million or a loss of \$.76 per share, compared to a gain of \$8.4 million for 2000, which included a non-recurring cash gain of \$34.0 million, or \$0.37 per

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share based on primary shares outstanding. EBITDA for the year was \$53.2 million compared to \$82.0 million in 2000, with the lower 2001 amount primarily due to lower average commodity prices and asset sales. Cash flow before working capital changes for 2001 was \$19.3 million, or \$.74 per share, as compared to \$55.6 million, or \$2.43 per share, for 2000, which included the cash gain.

Revenues in the fourth quarter of 2001 were \$12.1 million compared to \$27.2 million in 2000. Net earnings for the fourth quarter of 2001 were a loss of \$12.8 million, which included the previously disclosed impairment charge, compared to \$292,000 in 2000. EBITDA in the quarter was \$4.8 million, compared to \$18.9 million in 2000 primarily due to lower commodity prices and asset sales. Cash flow before working capital changes in year 2001 fourth quarter was (\$2.1) million compared to \$13.1 million posted in the same quarter of 2000.

Capital expenditures for 2001 were \$57 million of which \$17 million was for land, seismic, and facilities. The Company drilled 20 wells (16 net) with a 95% success rate primarily in our core areas of Peace River Arch and Caroline in Canada and Texas. Total reserve additions were 32 Bcfe, net of revisions, resulting in a drillbit finding cost of \$1.24. Total production for the year was approximately 22 Bcfe.

The Company's estimated proved reserves at year-end 2001 were 230 Bcfe with an estimated future net cash flow, discounted at 10%, or PV10, of \$210 million. Year-end realized prices utilized in this estimation included oil at \$18.30 per barrel and natural gas at \$2.31 per Mcf. If the Company had utilized this PV10 in determining any impairment to its oil and gas properties at year-end, a write down in its oil and gas property carrying value would have been recorded in the amount of \$71.3 million. The Company elected to utilize prices being received on March 22, 2002 for determining its ultimate impairment and recorded a write down of \$2.6 million, all related to its Canadian assets. These realized prices on March 22 were \$24.21 per barrel of oil and \$3.02 per Mcf of natural gas. The estimated PV10 of the Company's proven oil and gas properties, utilizing these higher prices was approximately \$287 million.

Key annual results are summarized below.

	(YTD Amounts) (In Thousands)	
	2001	2000
	-----	
Revenues .....	\$ 77,243	\$ 76,600
Operating Income (Loss) .....	\$ 19,125	\$ 11,943
Net Income (Loss) .....	\$ (19,718)	\$ 8,449
Earnings (Loss) Per Share .....	\$ (.76)	\$ .37
Cash Flow (After Interest) .....	\$ 19,323	\$ 55,648
Cash Flow Per Share .....	\$ .74	\$ 2.43
EBITDA .....	\$ 53,195	\$ 81,993
Consolidated PV-10 .....	\$ 209,666	\$1,006,400
Average Oil Price (after hedge) .....	\$ 24.63	\$ 18.69
Average Gas Price (after hedge) .....	\$ 3.20	\$ 2.71
U. S. Reserves .....	134.9 Bcfe	151.4 Bcfe
Canada Reserves .....	94.7 Bcfe	93.0 Bcfe
Total Assets .....	\$ 303,713	\$ 335,560

As a result of final 2001 financial results and current market conditions, Abraxas has updated its operating and financial guidance for year 2002 as follows:

	Full-Year 2001 Actual	Full-Year 2002 Forecast
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Production:		
MBO .....	0.45	0.266
MBNGL .....	0.27	0.319
BCF .....	17.5	20.0
BCFE .....	21.9	23.5
Price Differentials (Pre Hedge):		
\$ Per BO .....	1.97	0.84
\$ Per BNGL .....	5.09	4.59
\$ Per MCF .....	0.49	0.47
Lifting Costs, \$ Per MCFE .....	0.85	0.75
G&A, \$ Per MCFE .....	0.29	0.28
Capital Expenditures (\$ Millions) .....	57.1	37.4

Above guidance assumes no property sales during 2002

Abraxas invites your participation in a conference call on Thursday, March 28th, at 1:30 pm CT to discuss the contents of this release and respond to questions. Please call 1-800-289-0437 between 1:20 and 1:30 pm CT, confirmation code 651785, if you would like to participate in the call. There will be a replay of the conference call available by calling 1-888-203-1112, confirmation code 651785, beginning approximately 3:30 pm CT Thursday, March 28th, through 5:00 pm CT Thursday, April 4th.

Abraxas Petroleum Corporation is a San Antonio-based crude oil and natural gas exploitation and production company that also processes natural gas. The Company operates in Texas, Wyoming and western Canada. For additional information about the Company, please visit our web site, [www.abraxaspetroleum.com](http://www.abraxaspetroleum.com) for the most current and updated information. The web site is updated daily in order to comply with the SEC Regulation FD (Fair Disclosure).

Safe Harbor for forward-looking statement: Statements in this release looking forward in time involve known and unknown risks and uncertainties, which may cause the Company's actual results in future periods to be materially different from any future performance suggested in this release. Such factors may include, but may not be necessarily limited to, changes in the prices received by the Company for crude oil and natural gas. In addition, the Company's future crude oil and natural gas production is highly dependent upon the Company's level of success in acquiring or finding additional reserves. Further, the Company operates in an industry sector where securities values are highly volatile and may be influenced by economic and other factors beyond the Company's control. In the context of forward-looking information provided for in this release, reference is made to the discussion of risk factors detailed in the Company's filing with the Securities and Exchange Commission during the past 12 months.

FOR MORE INFORMATION CONTACT:  
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[www.abraxaspetroleum.com](http://www.abraxaspetroleum.com)

### Abraxas Petroleum Corporation and Subsidiaries Consolidated Statements of Operations

	Three Months Ended	Twelve Months Ended
(In thousands except per share data)	December 31,	December 31,

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	2001	2000	2001	2000
Revenue:				
Oil and gas production revenues	\$11,158	\$26,501	\$73,201	\$73,201
Gas processing revenues	727	643	2,438	2,438
Rig revenues	149	121	756	756
Other	106	(46)	848	848
	12,140	27,219	77,243	77,243
Operating costs and expenses:				
Lease operating and production taxes	4,937	5,276	18,616	18,616
Depreciation, depletion, and amortization	7,334	9,645	32,484	32,484
Rig operations	154	129	702	702
Proved Property impairment	2,638	-	2,638	2,638
Stock - based compensation	-	634	(2,767)	(2,767)
General and administrative	1,179	2,131	6,445	6,445
	16,242	17,815	58,118	58,118
Operating income (loss)	(4,102)	9,404	19,125	19,125
Other (income) expense:				
Interest income	(4)	(48)	(78)	(78)
Amortization of deferred financing fees	953	568	2,268	2,268
Interest expense	7,823	7,769	31,523	31,523
Loss (gain) on sale of equity investment	845	-	845	(33,000)
Other	191	173	207	207
	9,808	8,462	34,765	34,765
Income (loss) from operations before taxes and extraordinary gain	(13,910)	942	(15,640)	(15,640)
Income tax expense (benefit)	(1,060)	(34)	2,402	2,402
Minority interest in income of consolidated foreign subsidiary	-	684	1,676	1,676
Net income (loss) before extraordinary gain	(12,850)	292	(19,718)	(19,718)
Extraordinary gain:				
Debt extinguishment	-	-	-	-
Net income (loss)	(\$12,850)	\$292	(\$19,718)	(\$19,718)
Earnings (loss) per common share:				
Net Income (loss) before extraordinary gain	(\$0.43)	\$0.01	(\$0.76)	(\$0.76)
Extraordinary gain	-	-	-	-
Net income (loss) per common share	(\$0.43)	\$0.01	(\$0.76)	(\$0.76)
Earnings (loss) per common share assuming dilution:				
Net Income (loss) before extraordinary gain	(\$0.43)	\$0.01	(\$0.76)	(\$0.76)
Extraordinary gain	-	-	-	-
Net income (loss) per common share	(\$0.43)	\$0.01	(\$0.76)	(\$0.76)

ABRAXAS PETROLEUM CORPORATION  
YEAR-END RESULTS

Three Months

Twelve Months

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(In thousands except per share data)

	Ended December 31,		Ended December 31,	
	2001	2000	2001	2000
Operations Data:				
Revenues	\$12,140	\$27,219	\$77,243	\$76,243
Cash Flow (Before Working Capital Changes)	(2,141)	13,165	19,323	55,165
Net Income(Loss)	(12,850)	292	(19,718)	8,292
Net Income(Loss) Per Share	(.43)	.01	(.76)	.01
Weighted Ave. Shares Outstanding-Basic	30.0	22.6	25.8	22.6
Production:				
Crude Oil (BPD)	877	1,766	1,244	1,244
NGL (BPD)	820	776	762	762
Natural Gas (MCFPD)	44,297	50,543	47,933	54,933
MMCFEPD	54.5	65.8	60.0	70.0
Prices (net of hedge losses):				
Crude Oil (\$/BBL)	\$18.72	\$25.96	\$24.63	\$24.63
NGL's (\$/BBL)	14.76	25.58	21.51	21.51
Natural Gas (\$/MCF)	2.09	4.40	3.20	3.20
Price per MCFE	2.23	4.38	3.34	3.34
Expenses:				
Lease Operating (\$/MCFE)	\$.99	\$.87	\$.85	\$.85
General & Administrative (\$/MCFE)*	.24	.35	.29	.29
Interest (\$/MCFE)	1.56	1.28	1.44	1.44
D/D/A (\$/MCFE)	1.46	1.59	1.48	1.48

\*Amount does not include stock-based compensation.

Balance Sheet Data (In \$000s)		
	Year End December 31, 2001	Year End December 31, 2000
Cash	\$7,605	\$2,004
Working Capital (Deficit)	(4,994)	(13,829)
Plant/Property/Equipment, Net	281,894	304,784
Total Assets	303,713	335,560
Long-Term Debt	285,184	266,441
Shareholders Equity (Deficit)	(28,490)	(6,503)
Common Shares Outstanding (Millions)	30.0	22.6