

ABRAXAS PETROLEUM CORP
Form 8-K
August 18, 2008
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

August 12, 2008

Date of Report (Date of earliest event reported)

ABRAXAS PETROLEUM CORPORATION

(Exact name of registrant as specified in its charter)

Nevada **0-16071**
(State or other jurisdiction of incorporation) (Commission File Number)
500 N. Loop 1604 East, Suite 100

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

San Antonio, Texas 78232

(210) 490-4788

(Address of principal executive offices and Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

Effective August 12, 2008, Abraxas Energy Partners LP (the Partnership) entered into a fixed rate interest rate swap agreement with The Royal Bank of Scotland plc. (the Swap Transaction). The Swap Transaction was effective on August 12, 2008 and terminates on August 12, 2010. The notional amounts of the Swap Transaction are \$100 million for the first year and \$50 million for the second year. The Partnership will pay interest at a fixed rate of 3.367% and receive interest at a floating rate based on one month LIBOR. Abraxas Petroleum Corporation owns a 47.2% interest in the Partnership.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement of a Registrant.

See Item 1.01 above.

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Pursuant to the requirements 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 E. Williford

Chris E. Williford

Executive Vice President, Chief Financial

Officer and Treasurer

Dated: August 18, 2008