

ABRAXAS PETROLEUM CORP
Form 10-Q/A
November 14, 2007
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q/A Number 2

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarter Ended June 30, 2007

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 0-16701

ABRAXAS PETROLEUM CORPORATION

(Exact name of Registrant as specified in its charter)

Nevada
(State or Other Jurisdiction of
Incorporation or Organization)

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

500 N. Loop 1604 East, Suite 100, San Antonio, Texas 78232

(Address of Principal Executive Offices) (Zip Code)

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

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the restraint was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes or No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one)

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Large Accelerated Filer Accelerated Filer Non-Accelerated Filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares of the issuer's common stock, par value \$0.01 per share outstanding as of August 6, 2007 was 48,760,511.

EXPLANATORY NOTE

Abraxas Petroleum Corporation is filing this Amendment Number 2 to its Quarterly Report on Form 10-Q/A Number 1 for the period ended June 30, 2007, initially filed with the SEC on August 9, 2007, in order to correct the accounting for depletion on oil and gas properties. Due to an error in the estimating of proved undeveloped reserves our total proved reserves as of December 31, 2006 were revised downward. As a result of the downward adjustment to our proved reserves our depletion expense was understated by approximately \$246,000 and \$500,000 for the three and six months ended June 30, 2007. Additionally, as a result of the increase in depletion, the gain realized on the transfer of the assets to Abraxas Energy Partners increased by approximately \$837,000. This resulted in a restatement of the Condensed Balance Sheet and the Condensed Statement of Operations for the three and six months ended June 30, 2007. Cash flow from operations was not impacted by this restatement. Pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, the complete text of Form 10-Q as revised is included in this filing.

Forward-Looking Information

We make forward-looking statements throughout this document. Whenever you read a statement that is not simply a statement of historical fact (such as statements including words like “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “could”, “potentially” or similar expression) must remember that these are forward-looking statements and that our expectations may not be correct, even though we believe they are reasonable. The forward-looking information contained in this document is generally located in the material set forth under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations” but may be found in other locations as well. These forward-looking statements generally relate to our plans and objectives for future operations and are based upon our management’s reasonable estimates of future results or trends. The factors that may affect our expectations regarding our operations include, among others, the following:

- our success in development, exploitation and exploration activities;
- our ability to make planned capital expenditures;
- declines in our production of natural gas and crude oil;
- prices for natural gas and crude oil;
- our ability to raise equity capital or incur additional indebtedness;
- economic and business conditions;
- political and economic conditions in oil producing countries, especially those in the Middle East;
- price and availability of alternative fuels;
- our restrictive debt covenants;
- our acquisition and divestiture activities;
- results of our hedging activities; and
- other factors discussed elsewhere in this document.

In addition to these factors, important factors that could cause actual results to differ materially from our expectations (“Cautionary Statements”) are disclosed under “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2006, which are incorporated by reference herein. All subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the Cautionary Statements.

ABRAXAS PETROLEUM CORPORATION

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Abraxas Petroleum Corporation

Condensed Consolidated Balance Sheets

(in thousands)

	June 30, 2007 (Unaudited)	December 31, 2006
Assets:		
Current assets:		
Cash	\$ 11,488	\$ 43
Accounts receivable, net		
Joint owners	281	556
Oil and gas production	5,858	5,645
Other	447	39
	6,586	6,240
Hedge asset – current	2,399	—
Other current assets	257	470
Total current assets	20,730	6,753
Property and equipment:		
Oil and gas properties, full cost method of accounting:		
Proved	247,032	347,245
Other property and equipment	3,554	3,519
Total	250,586	350,764
Less accumulated depreciation, depletion, and amortization	144,656	246,353
Total property and equipment – net	105,930	104,411
Deferred financing fees, net	863	4,446
Hedge asset – long-term	1,403	—
Other assets	1,145	1,330
Total assets	\$ 130,071	\$ 116,940

See accompanying notes to condensed consolidated financial statements (unaudited)

Abraxas Petroleum Corporation**Condensed Consolidated Balance Sheets (continued)****(in thousands)**

	June 30, 2007 (Unaudited)	December 31, 2006
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	\$ 3,287	\$ 5,268
Joint interest oil and gas production payable	2,715	2,621
Accrued interest	222	1,427
Other accrued expenses	2,088	1,156
Hedge liability – current	457	—
Total current liabilities	8,769	10,472
Long-term debt	35,000	127,614
Hedge liability – long-term	1,416	—
Future site restoration	1,074	1,019
Total liabilities	46,259	139,105
Minority interest in partnership	28,036	—
Commitments and contingencies		
Stockholders' equity (deficit):		
Common Stock, par value \$.01 per share-		
Authorized 200,000 shares, issued 48,759 and 42,762	488	428
Additional paid-in capital	187,080	164,210
Accumulated deficit	(132,876)	(187,483)
Treasury stock, at cost, -0- and 35,552 shares	—	(285)
Accumulated other comprehensive income	1,084	975
Total stockholders' equity (deficit)	55,776	(22,165)

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Total liabilities and stockholders' equity	\$ 130,071	\$ 116,940
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See accompanying notes to condensed consolidated financial statements (unaudited)

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Abraxas Petroleum Corporation

Condensed Consolidated Statements of Operations

(Unaudited)

(in thousands except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenue:				
Oil and gas production revenues	\$ 12,660	\$ 12,385	\$ 24,192	\$ 25,149
Realized hedge income (loss)	—	430	(126)	283
Unrealized hedge income	1,900	54	1,816	363
Rig revenues	311	429	639	805
Other	2	6	3	9
	14,873	13,304	26,524	26,609
Operating costs and expenses:				
Lease operating and production taxes	3,063	2,716	6,025	5,538
Depreciation, depletion, and amortization	3,601	3,737	7,256	7,136
Rig operations	202	219	373	430
General and administrative (including stock based compensation of \$372, \$199, \$544, and \$370)	1,267	1,136	2,583	2,422
	8,133	7,808	16,237	15,526
Operating income	6,740	5,496	10,287	11,083
Other (income) expense:				
Interest income	(53)	—	(67)	(1)
Interest expense	2,784	4,115	6,935	8,086
Amortization of deferred financing fee	149	398	547	795
Loss on debt extinguishment	6,455	—	6,455	—
Gain on sale of assets	(59,335)	—	(59,335)	—
	(50,000)	4,513	(45,465)	8,880
Income before income tax and minority interest	56,740	983	55,752	2,203
Income tax expense	715	—	715	—
Income before minority interest	56,025	983	55,037	2,203
Minority interest in loss of partnership	1,460	—	1,460	—
Net income	\$ 57,485	\$ 983	\$ 56,497	\$ 2,203
Net income per common share – basic	\$ 1.28	\$ 0.02	\$ 1.29	\$ 0.05
Net income per common share – diluted	\$ 1.26	\$ 0.02	\$ 1.27	\$ 0.05

See accompanying notes to condensed consolidated financial statements (unaudited)

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Abraxas Petroleum Corporation

Condensed Consolidated Statements of Cash Flows

(Unaudited)

(in thousands)

	Six Months Ended	
	June 30,	
	2007	2006
Operating Activities		
Net income	\$ 56,497	\$ 2,203
Adjustments to reconcile net income to net cash provided by operating activities:		
Minority interest in partnership loss	(1,460)	—
Gain of sale of assets	(59,335)	—
Depreciation, depletion, and amortization	7,256	7,136
Amortization of deferred financing fees	547	795
Accretion of future sit restoration	55	49
Stock-based compensation	544	370
Other non-cash expenses	149	—
Changes in operating assets and liabilities:		
Accounts receivable	(346)	1,165
Other	(1,422)	(526)
Accounts payable and accrued expenses	(2,160)	(305)
Net cash provided by operating activities	325	10,887
Investing Activities		
Capital expenditures, including purchases and development of properties	(8,775)	(18,549)
Net cash used in investing activities	(8,775)	(18,549)
Financing Activities		
Proceeds from long-term borrowings	35,790	12,906
Payments on long-term borrowings	(128,404)	(5,800)
Issuance of stock for compensation	—	116
Deferred financing fees	(880)	—
Exercise of stock options	1	450
Net proceeds from issuance of common stock	20,641	—
Net proceeds from sale of assets	92,747	—
Net cash provided by financing activities	19,895	7,672
Increase in cash	11,445	10
Cash, at beginning of period	43	42

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Cash, at end of period	\$ 11,488	\$ 52
Supplemental disclosure of cash flow information:		
Interest paid	\$ 8,085	\$ 7,977
Non-cash items:		
Future site restoration	\$ —	\$ 20

See accompanying notes to condensed consolidated financial statements (unaudited)

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Abraxas Petroleum Corporation**Notes to Condensed Consolidated Financial Statements****(Unaudited)**

(tabular amounts in thousands, except per share data)

Note 1. Basis of Presentation

The accounting policies followed by Abraxas Petroleum Corporation and its subsidiaries (the "Company" or "Abraxas") are set forth in the notes to the Company's audited consolidated financial statements in the Annual Report on Form 10-K filed for the year ended December 31, 2006. Such policies have been continued without change. Also, refer to the notes to those financial statements for additional details of the Company's financial condition, results of operations, and cash flows. All the material items included in those notes have not changed except as a result of normal transactions in the interim, or as disclosed within this report. The accompanying condensed interim consolidated financial statements have not been audited by independent accountants, but in the opinion of management, reflect all adjustments necessary for a fair presentation of the Company's financial position and results of operations. Any and all adjustments are of a normal and recurring nature. The results of operations for the three and six months ended June 30, 2007 are not necessarily indicative of results to be expected for the full year.

The terms "Abraxas" or "Abraxas Petroleum" refer to Abraxas Petroleum Corporation and its subsidiaries other than Abraxas Energy Partners, L.P., which we refer to as "Abraxas Energy Partners" or the "Partnership", and the terms "we", "us", "our" or the "Company" refer to Abraxas Petroleum Corporation and all of its consolidated subsidiaries including Abraxas Energy Partners effective May 25, 2007. The operations of Abraxas Petroleum and the Partnership are consolidated for financial reporting purposes with the interest of the 52.8% minority owners of the Partnership presented as minority interest. Abraxas owns the remaining 47.2% of the partnership interests. The Company has determined that based on its management control, this 47.2% owned entity is properly consolidated for financial reporting purposes.

Stock-based Compensation

The Company currently utilizes a standard option-pricing model (i.e., Black-Scholes) to measure the fair value of stock options granted to employees. The Company uses the Black-Scholes model for option valuation as of the current time.

The following table summarizes the stock option activities for the six months ended June 30, 2007.

		Weighted Average Option Exercise Price Per Share	Weighted Average Grant Date Fair Value Per Share	Aggregate Intrinsic Value
Outstanding December 31, 2006	2,457	\$ 2.29	\$ 1.63	\$ 3,250
Granted	80	\$ 4.32	\$ 2.52	202
Exercised	(166)	\$ 1.08	\$ 0.77	(127)
Expired or canceled	(3)	\$ 6.05	\$ 3.35	(10)
Outstanding June 30, 2007	2,368	\$ 2.44	\$ 1.40	\$ 3,315

The following table shows the weighted average assumptions used in the Black Scholes valuation of the fair value of option grants during 2007.

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Expected dividend yield	0	%
Volatility	0.642	
Risk free interest rate	4.99	%
Expected life	5.00	
Fair value of options granted	\$ 202	
Weighted average grant date fair value of options granted	\$ 2.52	

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Additional information related to options at June 30, 2007 and December 31, 2006 is as follows:

	June 30, 2007	December 31, 2006
Options exercisable	1,838	1,884

As of June 30, 2007 there was approximately \$991,000 of unamortized compensation expense related to outstanding options that will be recognized through the period ended March 2010.

Note 2. Income taxes

The Company records income taxes using the liability method. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

For the period ended June 30, 2007, income tax expense and Texas margin tax expense has been recognized due to the gain on the sale of assets during the period. For the period ended June 30, 2006, there is no current or deferred income tax expense or benefit due to losses and/or loss carryforwards and valuation allowance, which has been recorded against such benefits.

In June 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"). FIN 48 is an interpretation of SFAS 109, "Accounting for Income Taxes", and it seeks to reduce the diversity in practice associated with certain aspects of measurement and accounting for income taxes and requires expanded disclosure with respect to the uncertainty in income taxes. FIN 48 is effective for fiscal years beginning after December 15, 2006. Accordingly, the Company adopted FIN 48 on January 1, 2007 and it had no cumulative effect at that time. The adoption of FIN 48 did not have any effect on the Company's financial position or results of operations for the quarter ended June 30, 2007. The Company recognizes interest and penalties related to uncertain tax positions in income tax expense. As of June 30, 2007, the Company did not have any accrued interest or penalties related to uncertain tax positions. The tax years from 2000 through 2006 remain open to examination by the tax jurisdictions to which the Company is subject.

Note 3. Recent transactions

On May 25, 2007, Abraxas Petroleum Corporation entered into a contribution, conveyance and assumption agreement with Abraxas Energy Partners, L.P., a Delaware limited partnership which we refer to as the Partnership, Abraxas General Partner, LLC, a Delaware limited liability company and wholly-owned subsidiary of Abraxas which we refer to as the GP, Abraxas Energy Investments, LLC, a Texas limited liability company and wholly-owned subsidiary of Abraxas which we refer to as the LP, and Abraxas Operating, LLC, a Texas limited liability company and wholly-owned subsidiary of Abraxas Energy Partners which we refer to as the Operating Company. Among other things, the contribution agreement provided for the contribution by Abraxas to the Operating Company of certain assets located in South and West Texas in exchange for all of the equity interests of the Operating Company. The assets contributed to the Partnership had estimated proved reserves of approximately 65 Bcfe as of December 31, 2006 and accounted for approximately 85% of Abraxas' daily production on the date of the contribution.

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In consideration for these assets, the Partnership and the Operating Company, jointly and severally, assumed all of Abraxas' existing indebtedness under its Floating Rate Senior Secured Notes due 2009, which we refer to as the notes, and the obligation to pay certain preformation and transaction expenses and issued General Partner Units and Common Units to the GP and the LP in exchange for their ownership interests in the Operating Company. On May 25, 2007, Abraxas Energy Partners sold 6,002,408 Common Units, representing an approximate 52.8% interest in Abraxas Energy Partners, for \$16.66 per Common Unit, or approximately \$100 million, pursuant to a purchase agreement dated May 25, 2007, to a group of institutional investors. After consummation of the transactions described under "Partnership Purchase Agreement" below, the General Partner Units and the Common Units owned by the GP and the LP constituted a 47.2% ownership interest in the Partnership.

On May 25, 2007, Abraxas entered into a Securities Purchase Agreement with certain accredited investors pursuant to which Abraxas agreed to issue 5,874,678 shares of its common stock, par value \$0.01 per share, and warrants to purchase 1,174,938 shares of Common Stock, to the investors at a price of \$3.83 per share, or an aggregate of \$22.5 million in cash before transaction expenses. The Warrants expire on May 25, 2012 and are

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exercisable at a price of \$3.83 per share, subject to certain adjustments. The Company paid a cash commission of \$1.575 million out of the proceeds to A.G. Edwards & Sons, Inc. which acted as the Company's placement agent.

As a result of these transactions and the Partnership's borrowing \$35.0 million under its new credit facility (which is described below in Note 4 under "Partnership Credit Facility") on May 25, 2007, we refinanced and terminated the loan agreement dated as of October 28, 2004 with Wells Fargo Foothill, Inc., and we refinanced and redeemed the notes and terminated the Indenture dated October 28, 2004 governing the notes. The total pay-off amount under the loan agreement was \$904,376 and each of the notes was redeemed at 104% of the principal amount plus accrued and unpaid interest to the date of redemption June 24, 2007 for a total of \$131.03 million or \$1,048.23 per \$1,000 of principal amount of the notes. As a result of the redemption of the notes, we incurred a loss on debt extinguishment of approximately \$6.5 million.

As a result of these transactions, the Company recognized a gain of \$59.3 million. The Company determined that recognition of a gain was appropriate under generally accepted accounting principles. The gain was calculated in accordance with the requirements of Staff Accounting Bulletin 51, (Topic 5H) based on the fact that the Company elected gain treatment as a policy and the transaction met the following criteria: (1) there were no additional broad corporate reorganizations contemplated; (2) there was not a reason to believe that the gain would not be realized, since there is no additional capital raising transaction anticipated nor was there a significant concern about the new entity's ability to continue in existence; (3) the share price of capital raised in the private placement was objectively determined; (4) no repurchases of the new subsidiary's units are planned; and (5) the Company acknowledges that it will consistently apply the policy, and any future transactions that might result in a loss must be recorded as a loss in the income statement.

Note 4. Long-Term Debt

Long-term debt consisted of the following:

	June 30, 2007	December 31, 2006
Floating rate senior secured notes due 2009	\$ —	\$ 125,000
Senior secured revolving credit facility	—	2,614
Partnership credit facility	35,000	—
New senior secured credit facility	—	—
	35,000	127,614
Less current maturities	—	—
	\$ 35,000	\$ 127,614

Floating Rate Senior Secured Notes due 2009. In October 2004, Abraxas issued \$125 million in principal aggregate amount of Floating Rate Senior Secured Notes due 2009. The notes were refinanced and redeemed with the proceeds from the sale of common units in Abraxas Energy Partners and the issuance of Abraxas Petroleum common stock discussed in Note 3 – Recent Transactions.

Senior Secured Revolving Credit Facility. In October 2004, Abraxas entered into an agreement for a revolving credit facility having a maximum commitment of \$15 million, which includes a \$2.5 million sub facility for letters of credit. This facility was refinanced and terminated as a result of the transactions discussed in Note 3 – Recent Transactions.

New Abraxas Senior Secured Credit Facility. On June 27, 2007, Abraxas entered into a new senior secured revolving credit facility with Société Générale, which we refer to as the Credit Facility. The Credit Facility has a maximum commitment of \$50 million. Availability under the Credit Facility is subject to a borrowing base consistent with normal and customary natural gas and crude oil lending transactions. The initial

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borrowing base is \$6.5 million, none of which is outstanding at June 30, 2007. Outstanding amounts under the Credit Facility will bear interest at (a) the greater of reference rate announced from time to time by Société Générale, and (b) the Federal Funds Rate plus $\frac{1}{2}$ of 1%, plus in each case, (c) 0.5% - 1.5% depending on utilization of the borrowing base, or, if Abraxas elects, at the London Interbank Offered Rate plus 1.5% - 2.5%, depending on the utilization of the borrowing base. Subject to earlier termination rights and events of default, the Credit Facility's stated maturity date will be June 27, 2011. Interest will be payable quarterly on reference rate advances and not less than quarterly on Eurodollar advances.

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Abraxas is permitted to terminate the Credit Facility, and may, from time to time, permanently reduce the lenders' aggregate commitment under the Credit Facility in compliance with certain notice and dollar increment requirements.

Each of Abraxas' subsidiaries other than Abraxas Energy Partners, L.P., Abraxas General Partner, LLC and Abraxas Energy Investments, LLC has guaranteed Abraxas' obligations under the Credit Facility on a senior secured basis. Obligations under the Credit Facility are secured by a first priority perfected security interest, subject to certain permitted encumbrances, in all of the Abraxas' and the subsidiary guarantors' material property and assets.

Under the Credit Facility, Abraxas is subject to customary covenants, including certain financial covenants and reporting requirements. The Credit Facility requires Abraxas to maintain a minimum current ratio and a net cash interest coverage ratio.

In addition to the foregoing and other customary covenants, the Credit Facility contains a number of covenants that, among other things, will restrict Abraxas' ability to:

- incur or guarantee additional indebtedness;
- transfer or sell assets;
- create liens on assets;
- engage in transactions with affiliates other than an "arms-length" basis;
- make any change in the principal nature of its business; and

- permit a change of control.

The Credit Facility also contains customary events of default, including nonpayment of principal or interest, violations of covenants, cross default and cross acceleration to certain other indebtedness, bankruptcy and material judgments and liabilities.

Partnership Credit Facility. On May 25, 2007, the Partnership entered into a new senior secured revolving credit facility with Société Générale, as administrative agent and issuing lender, which we refer to as the Partnership Credit Facility. The Partnership Credit Facility has a maximum commitment of \$150 million. Availability under the Partnership Credit Facility is subject to a borrowing base consistent with normal and customary natural gas and crude oil lending transactions. The initial borrowing base is \$65 million, of which \$35 million is outstanding at June 30, 2007. Outstanding amounts under the Partnership Credit Facility bear interest at the reference rate announced from time to time by Société Générale or, if the Partnership elects, at the London Interbank Offered Rate plus 1.25% - 2.25%, depending on the utilization of the borrowing base. Subject to earlier termination rights and events of default, the Partnership Credit Facility's stated maturity date is May 25, 2011. Interest is payable quarterly on reference rate advances and not less than quarterly on Eurodollar advances. The Partnership is permitted to terminate the Partnership Credit Facility, and under certain circumstances, may be required, from time to time, to permanently reduce the lenders' aggregate commitment under the Partnership Credit Facility.

Each of the GP and the Operating Company has guaranteed the Partnership's obligations under the Partnership Credit Facility on a senior secured basis. Obligations under the Partnership Credit Facility are secured by a first priority perfected security interest, subject to certain permitted encumbrances, in all of the GP's, the Partnership's and the Operating Company's material property and assets, other than the GP's General Partner Units.

Under the Partnership Credit Facility, the Partnership is subject to customary covenants, including certain financial covenants and reporting requirements. The Partnership Credit Facility requires the Partnership to maintain a minimum current ratio and a net cash interest coverage ratio and also required the Partnership to enter into hedging agreements for not less than 75% (no more than 90%) of the Partnership's projected

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natural gas and crude oil production. On May 25, 2007, the Partnership entered into fixed price commodity swaps at then current market prices on approximately 75% of the Partnership's projected proved developed producing reserves for the period beginning June 2007 through December 2010.

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In addition to the foregoing and other customary covenants, the Partnership Credit Facility contains a number of covenants that, among other things, will restrict the Partnership's ability to:

- incur or guarantee additional indebtedness;
- transfer or sell assets;
- create liens on assets;
- engage in transactions with affiliates;
- make any change in the principal nature of its business; and
- permit a change of control.

The Partnership Credit Facility also contains customary events of default, including nonpayment of principal or interest, violations of covenants, cross default and cross acceleration to certain other indebtedness, bankruptcy and material judgments and liabilities.

Note 5. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Numerator:				
Net income available to common stockholders	\$ 57,485	\$ 983	\$ 56,497	\$ 2,203
Denominator:				
Denominator for basic earnings per share - Weighted-average shares	44,945	42,569	43,851	42,524
Effect of dilutive securities:				
Stock options and warrants	794	1,504	737	1,595
Dilutive potential common shares				
Denominator for diluted earnings per share - adjusted weighted-average shares and assumed conversions	45,739	44,073	44,588	44,119