

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**

**74-2584033**

(State or other jurisdiction of incorporation) (Commission File Number)

(I.R.S. Employer Identification Number)

500 N. Loop 1604 East, Suite 100

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