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Abraxas Petroleum Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) And your first question comes from the line of Glen Mattson from GTK Capital.

Glen Mattson - GTK Capital

Good afternoon, I see on your press release you have Abraxas Petroleum Corporation stand alone, 12 months December 31, 2007. Wouldn't it be more interesting to know what you did in the last quarter when it was a separate corporation?

Bob Watson

Well the problem with the last quarter is that it is all jumbled up with consolidation issues with the partnership; the St. Mary's acquisition has a significant impact on both entities so it really doesn't give you a good story of what Abraxas is going forward. Those numbers are in our 10-K, it's not like we are trying to hide them, we just don't think that they represent Abraxas going forward.

Glen Mattson - GTK Capital

Okay alright, what can we expect do you think then?

Bob Watson

Pardon me?

Glen Mattson - GTK Capital

Going forward what can we expect in line of production for Abraxas Energy -- Petroleum rather.

Bob Watson

We are not issuing guidance at this time. We've said before that we expect a significant growth in production this year especially in Abraxas petroleum. We also expect Abraxas energy to grow as well. The problem that we have in issuing guidance is that we are starting from a very low base in Abraxas Petroleum and one well can have a very significant impact percentage wise on our production. Therefore any guidance that we would issue would be a very high risk at being correct one way or the other so we've elected to not issue production guidance at this time.

Glen Mattson - GTK Capital

Okay going into your operations then in South Texas, you are testing the well that guides at number Orange County; you think that's a strong well? What about the other well you have done here in Lavaca County that's being -- that's a 17,000 foot drilling operation you are doing there?

Bob Watson

Yes and we are currently drilling we just set protection casing at about 14,300 feet. We should be drilling ahead sometime this evening.

Glen Mattson - GTK Capital

Okay and when do you expect that know the result of these two wheels.

Bob Watson

The Gisler we should know results soon as it cleans up and start flowing which will be this week hopefully, we are having very stormy weather in South Texas right now and we don't whether we can get all the work done today that we need to get done but hopefully we will and the first horizontal well probably sometime late April, May 1 type activity. We should have some news out on that.

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