

# Abraxas petroleum corporation



Abraxas Petroleum Corporation enjoys independence as it primarily engages in exploitation, acquisition, production of oil and development in both Canada and United States. Ideally, the corporation has grown through subsequent exploitation and development in the production of properties. As a vital oil development company, the Management strategy and practice plays an important role in achieving its desired goals and objectives. The redevelopment of the old oil field by utilizing the new available such as reservoir modeling and modern log techniques has enhanced the management to develop its activities.

The company attained a positive net income in the fiscal year 2010. This has been the trend for the past five years. However, no assurance has been provided on the future performance of the company. In an attempt to continue realizing the positive net income, the company has incorporated the key executives to initiate this strategic development. The key executives that spearhead managerial processes enhanced include the CEO and President of the Company, Robert Watson; Chief Financial Officer and Vice President, Barbara Stucke; and Vice President of Operations, William Wallace. These are the key personalities, with the help of the board members, who initiate the strategic planning of the company.

#### Table 1: Key Executives

In addition, these key executives' management has enhanced the company to effectively plan for its commodity prices and hedging arrangements. Indeed, there have been an increase in the volume of total sales of gas and oils. The management mitigated the level of interest rates that is imposed on

the borrowings, and it analyzed the development and exploration of the activities that Abraxas Petroleum Corporation had undertaken and succeeded in its endeavors. The recent volatility of oil and gas prices had rocked the economy in the recent past. However, this has not been attributed by the lower level of petroleum in the society but the inflation that curbed the entire economy.

The CEO of the Company has played a vital role in ensuring that the short-term goal are integrated effectively with the long-term goals in order to realize the success and high profit outlay. In reality, the strategic goals, embodied by strategic managers aims at realizing the long-term objectives of the organization. In line with the initiative undertaken by the Chief Executive Officer, other key players that enhanced the success for the Abraxas Corporations includes the Vice President of Marketing and Vice President of Finance. Integration of the various departments in Abraxas Corporation is a vital component in realizing the objectives of the company. For instance, the Vice President of Marketing ensured that the products for the company were highly marketed, while the Vice President of Finance ensured that the production of the oil and gas was undertaken without any financial implications.

The organization structure embodied by Abraxas Petroleum Corporation is top-down management. The company is a multinational corporation, which operates in various parts of the continent; even outside the continent. Any organization that aims to achieve success global needs to have its headquarters to oversee the operations of its branches; Abraxas Corporation is no exception. In regard to the internal structure, the CEO of the company <https://assignbuster.com/abraxas-petroleum-corporation/>

is the overall decision maker. The decision made is top-down and the CEO, with the selected key executives of the organization, imposes the key strategies to be achieved. They dedicate responsibilities to the sub-ordinates in an attempt to realize the strategic goals with ease.

Abraxas Corporation is organized into departments. In essence, each department has its short-term goals that are integrated by the key executives in order to achieve the strategic goals of the organization. Some of the departments include the finance department that is chaired by the Chief Financial Officer, who is also the Vice President for the Company. In addition, there is Operations department that is chaired by the Vice President of Operations. Ideally, departmental management have been perceived to be an effective managerial strategy that enhances an organization to realize its objectives in the long run. It is easy to manage an organization when it is sub-divided into departments. This is because the organization can access the reports of all the departments in order to realize where the organization lagged behind.

#### Financial Strategy and Practice

Table 2: Income Statement for AXAS in USD

Table 3: The Net Income Statement for the 4-Quarters since Dec 31 2010 to Sep 30, 2011

The company's current stock price is \$3. 61 as on November 30, 2011. As the economy is unstable, the stock price is expected to increase. The overall

stock trend has been increasing over the last four-Quarters, and if this trend continues, the AXAS stock price will be at \$4 in the next quarter.