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DALE H. MORGAN  
COMMISSIONER



ARIZONA CORPORATION COMMISSION

JAMES MATTHEWS  
EXECUTIVE SECRETARY

SECURITIES DIVISION  
(602) 542-4242  
(602) 255-2600  
FAX: (602) 255-2617

June 2, 1992

Mr. Steven A. Elder  
Cox & Smith  
2000 NBC Bank Plaza  
112 East Pecan Street  
San Antonio, Texas 78205

RE: Abraxas Petroleum Corporation  
A.R.S. § 44-1844(A)(6)

Dear Mr. Elder:

On the basis of the facts set forth in your letters of May 11, 1992, and May 14, 1992, and in reliance upon your opinion as counsel, the Securities Division will not recommend enforcement action for violation of the Securities Act of Arizona should the transaction take place as set forth in your letter.

As this position is premised upon the facts set forth in your letter, it should not be relied on for any other set of facts or by any other person. Please also note that this position applies only to the registration requirements of the Act; the anti-fraud provisions of the Act continue to be applicable.

We have attached a photocopy of your letter. By doing this we are able to avoid having to recite or summarize the facts set forth therein.

Very truly yours,

A handwritten signature in dark ink, appearing to read "D. Harris", is written over the typed name.

DEE RIDDELL HARRIS  
Director of Securities

DRH:JB

Attachment

COX & SMITH  
INCORPORATED

ATTORNEYS COUNSELORS

San Antonio  
(512) 554-5500

Dallas  
(214) 368-4700

2000 NBC Bank Plaza  
112 East Pecan Street  
San Antonio, Texas 78205

Telex  
767609

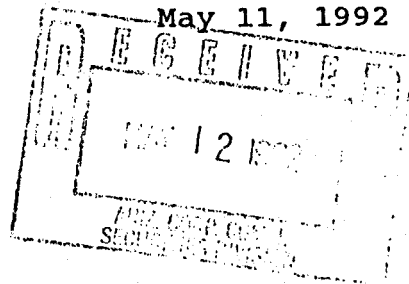
Fax  
(512) 226-8395

Writer's Direct Number

(512) 554-5254

FEDERAL EXPRESS

Mr. Dee R. Harris, Director of Securities  
1200 West Washington Street  
Phoenix, Arizona 85007



Re: Abraxas Petroleum Corporation

Gentlemen:

On behalf of Abraxas Petroleum Corporation, a Nevada corporation (the "Company"), enclosed herewith please find a copy of the Company's Registration Statement on Form S-4 (the "Registration Statement") filed with the Securities and Exchange Commission on April 13, 1992. The Registration Statement covers up to 186,000 shares of common stock, par value \$.01 per share ("Common Stock"), of the Company which will be issued to shareholders of Bennett Petroleum Corporation, a Colorado corporation ("BPC"), upon consummation of the merger (the "Merger") of BPC with and into Garfield Coal Sales, Inc., a Colorado corporation and a wholly-owned subsidiary of the Company ("Sub"). The shareholders of BPC and Sub will have approved the Merger prior to its consummation.

The Company expects the Registration Statement to become effective the week of May 18, 1992, and the Proxy Statement-Prospectus to be mailed to BPC shareholders later that same week. If approved by the BPC shareholders, the Company expects the Merger to be consummated prior to June 30, 1992.

Pursuant to the terms of an Agreement and Plan of Reorganization by and among the Company, BPC, Sub and Richard E. Bennett, dated as of March 23, 1992 (the "Agreement"), BPC shareholders may elect to receive either cash in an amount not to exceed \$900,000 in the aggregate, or shares of Common Stock in an amount not to exceed 186,000 shares in the aggregate. If BPC shareholders elect to receive more than the maximum amounts of either cash or Common Stock, they will receive a pro rata portion of cash and shares of Common Stock.

COX & SMITH  
INCORPORATED  
ATTORNEYS COUNSELORS

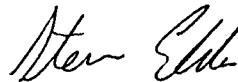
Mr. Dee R. Harris, Director of Securities  
May 11, 1992  
Page 2

Pursuant to Article 4, Section 44-1844A(b) of the Arizona Revised Statutes (the "Arizona Statutes"), we believe the shares of Common Stock to be issued in connection with the Merger are exempt from the registration requirements of the Arizona Statutes. In connection therewith, we hereby request a no-action letter from you confirming that the shares of Common Stock to be issued in the Merger are exempt from such registration.

In connection with our request, we enclose herewith a check in the amount of \$200.00, payable to Arizona Corporation Commission. If you have any questions or need any additional information, please do not hesitate to contact either the undersigned at (512) 554-5254 or Steven R. Jacobs of this Firm at (512) 554-5255. Thank you in advance for your consideration.

Please acknowledge receipt of this letter and the S-4 by notation to that effect on the copy of this letter enclosed herewith and returning that copy to me.

Yours very truly,



Steven A. Elder

SAE/dg/6969m  
Enclosures

COX & SMITH  
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May 14, 1992

FEDERAL EXPRESS

Arizona State Security Board  
c/o Jean Barry  
1200 West Washington Street  
Phoenix, Arizona 85007

Re: Abraxas Petroleum Corporation

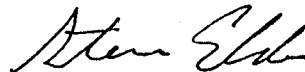
Gentlemen:

Pursuant to our telephone conversation on Thursday, May 14, 1992, I am writing to confirm that the merger of Bennett Petroleum Corporation ("BPC") with and into a wholly-owned subsidiary of Abraxas Petroleum Corporation (the "Company") will be pursuant to a statutory approved merger. Therefore, we are requesting an exemption from securities registration in Arizona pursuant to Section 44-1844A(6) of the Arizona Revised Statutes.

As I mentioned in our telephone conversation, there is some urgency in this matter and I hope to hear from you as soon as possible.

Please call me if you have any further questions or need any additional information.

Yours very truly,

  
Steven A. Elder

SAE/dg/7010m

