

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9
6.7%

12 TYPE OF REPORTING PERSON*
HC, CO

*SEE INSTRUCTION BEFORE FILLING OUT!

CUSIP NO. 635570500

13G

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1 NAME OF REPORTING PERSON
S.S OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Merrill Lynch Group, Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* Joint Filing
(a) / /
(b) / /

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

5 SOLE VOTING POWER
None

NUMBER OF
SHARES
BENEFICIALLY

6 SHARED VOTING POWER
411,800

OWNED
BY EACH
REPORTING
PERSON WITH

7 SOLE DISPOSITIVE POWER
None

8 SHARED DISPOSITIVE POWER
411,800

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
411,800

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9
6.7%

12 TYPE OF REPORTING PERSON*
HC, CO

*SEE INSTRUCTION BEFORE FILLING OUT!

CUSIP NO. 635570500

13G

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1 NAME OF REPORTING PERSON
S.S OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Princeton Services, Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* Joint Filing
(a) / /
(b) / /

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

5 SOLE VOTING POWER
None

NUMBER OF
SHARES

6 SHARED VOTING POWER
411,800

BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH 7 SOLE DISPOSITIVE POWER None 8 SHARED DISPOSITIVE POWER 411,800

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 411,800

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9 6.7%

12 TYPE OF REPORTING PERSON* HC, CO

*SEE INSTRUCTION BEFORE FILLING OUT!

CUSIP NO. 635570500 13G Page 5 of 11 Pages

1 NAME OF REPORTING PERSON S.S OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Fund Asset Management, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* Joint Filing (a) / / (b) / /

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

5 SOLE VOTING POWER None

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH 6 SHARED VOTING POWER 411,800

7 SOLE DISPOSITIVE POWER None

8 SHARED DISPOSITIVE POWER 411,800

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 411,800

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9 6.7%

12 TYPE OF REPORTING PERSON* IA, PN

*SEE INSTRUCTION BEFORE FILLING OUT!

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1 NAME OF REPORTING PERSON S.S OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Merrill Lynch Phoenix Fund, Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* Joint Filing (a) / /

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Maryland

5 SOLE VOTING POWER
None

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH 6 SHARED VOTING POWER
411,800

7 SOLE DISPOSITIVE POWER
None

8 SHARED DISPOSITIVE POWER
411,800

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
411,800

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9
6.7%

12 TYPE OF REPORTING PERSON*
IV

*SEE INSTRUCTION BEFORE FILLING OUT!

SCHEDULE 13G

Item 1 (a) Name of Issuer:

National Convenience Stores

Item 1 (b) Address of Issuer's Principal Executive Offices:

100 Waugh Drive
Houston, Texas 77007

Item 2 (a) Names of Persons Filing:

Merrill Lynch & Co., Inc.
Merrill Lynch Group, Inc.
Princeton Services, Inc.
Fund Asset Management, L.P.
Merril Lynch Phoenix Fund, Inc.

Item 2 (b) Address of Principal Business Office, or, if None, Residence:

Merrill Lynch & Co., Inc.
World Financial Center, North Tower
250 Vesey Street
New York, New York 10281

Merrill Lynch Group, Inc.
World Financial Center, North Tower
250 Vesey Street
New York, New York 10281

Princeton Services, Inc.
800 Scudders Mill Road
Plainsboro, New Jersey 08536

Fund Asset Management, L.P.
800 Scudders Mill Road
Plainsboro, New Jersey 08536

Merril Lynch Phoenix Fund, Inc.
800 Scudders Mill Road
Plainsboro, New Jersey 08536

Item 2 (c) Citizenship:

See Item 4 of Cover Pages

Item 2 (d) Title of Class of Securities:

Common Stock

Item 2 (e) CUSIP Number:
635570500

Item 3

Merrill Lynch & Co., Inc. ("ML&Co."), Merrill Lynch Group, Inc. ("ML Group") and Princeton Services, Inc. ("PSI") are parent holding companies, in accordance with (S) 240.13d-1(b)(1)(ii)(G). Fund Asset Management, L.P. ("FAM") is an investment adviser registered under (S) 203 of the Investment Advisers Act of 1940. Merrill Lynch Phoenix Fund, Inc. ("the Fund") is an investment company registered under Section 8 of the Investment Company Act of 1940.

Item 4 Ownership

(a) Amount Beneficially Owned:

See Item 9 of Cover Pages. Pursuant to (S) 240.13d-4, ML&Co., ML Group, PSI, FAM, and the Fund (the "Reporting Persons") disclaim beneficial ownership of the securities of National Convenience Stores, Inc. ("The Company") referred to herein, and the filing of this Schedule 13G shall not be construed as an admission that the Reporting Persons are, for the purposes of Section 13(d) or 13(g) of the Securities Exchange Act of 1934 the beneficial owner of any securities of the Company covered by this statement.

(b) Percent of Class:

See Item 11 of Cover Pages

(c) Number of shares as to which such person has:

(i) sole power to vote or to direct the vote:

See Item 5 of Cover Pages

(ii) shared power to vote or to direct the vote:

See Item 6 of Cover Pages

(iii) sole power to dispose or to direct the disposition of:

See Item 7 of Cover Pages

(iv) shared power to dispose or to direct the disposition of:

Page 8 of 11 Pages

See Item 8 of Cover Pages

Item 5 Ownership of Five Percent or Less of a Class.

Not Applicable

Item 6 Ownership of More than Five Percent on Behalf of Another Person.

MLAM is an investment adviser registered under Section 203 of the Investment Advisers Act of 1940 and acts as an investment adviser to investment companies registered under Section 8 of the Investment Company Act of 1940. With respect to securities held by those investment companies, several persons have the right to receive, or the power to direct the receipt of dividends from, or the proceeds from the sale of, such securities. The Fund, a reporting person on this Schedule 13G for which MLAM serves as investment adviser, has an interest that relates to more than 5% of the class of securities reported herein. No other person has an interest that relates to more than 5% of the class of securities reported herein.

Item 7 Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company.

See Exhibit A

Item 8 Identification and Classification of Members of the Group.

Not Applicable

Item 9 Notice of Dissolution of Group.

Not Applicable

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Item 10 Certification.

By signing below each of the undersigned certifies that, to the best of their knowledge and belief, the securities referred to above were acquired in the ordinary course of business and were not acquired for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities and were not acquired in connection with or as a participant in any transaction having such purposes or effect.

Signature.

After reasonable inquiry and to the best of my knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Date: February 14, 1994

Merrill Lynch & Co., Inc.

/s/ David L. Dick

Name: David L. Dick
Title: Assistant Secretary

Merrill Lynch Group, Inc.

/s/ David L. Dick

Name: David L. Dick
Title: Secretary

Princeton Services, Inc.

/s/ David L. Dick

Name: David L. Dick
Title: Attorney-in-Fact*

Fund Asset Management, L.P.
By: Princeton Services, Inc.
(General Partner)

/s/ David L. Dick

Name: David L. Dick
Title: Attorney-in-Fact**

Merrill Lynch Phoenix Fund, Inc.

/s/ David L. Dick

Name: David L. Dick
Title: Attorney-in-Fact**

* Signed pursuant to a power of attorney, dated February 10, 1994, included as an exhibit to Schedule 13G filed with the Securities and Exchange Commission by Merrill Lynch & Co., Inc., et. al. on February 14, 1994 with respect to Dial REIT Inc.

** Signed pursuant to a power of attorney, dated February 10, 1994, included as an exhibit to Schedule 13G filed with the Securities and Exchange Commission by Merrill Lynch & Co., Inc., et. al. on February 14, 1994 with respect to Matrix Service Company.

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EXHIBIT A TO SCHEDULE 13G

ITEM 7 DISCLOSURE RESPECTING SUBSIDIARIES

Three of the persons filing this report, Merrill Lynch & Co., Inc., a Delaware corporation with its principal place of business at World Financial Center, North Tower, 250 Vesey Street, New York, New York ("ML&Co."), Merrill Lynch Group, Inc., a Delaware corporation with its principal place of business at World Financial Center, North Tower, 250 Vesey Street, New York, New York ("ML Group"), and Princeton Services, Inc., a Delaware corporation with its principal place of business at 800 Scudders Mill Road, Plainsboro, New Jersey ("PSI"), are parent holding companies pursuant to Rule 13d-1(b)(1)(ii)(G). The relevant subsidiaries of ML&Co. are ML Group and PSI, which is the general partner of Fund Asset Management, L.P. ("FAM"). The relevant subsidiary of ML Group is PSI.

ML Group, a wholly-owned direct subsidiary of ML&Co., may be deemed to be the beneficial owner of 6.7% of the common stock of National Convenient Stores (the "Company") by virtue of its control of its wholly-owned subsidiary, PSI.

PSI, a wholly-owned direct subsidiary of ML Group, may be deemed to be the beneficial owner of 6.7% of the common stock of the Company by virtue of its being the general partner of FAM.

FAM, a Delaware limited partnership with its principal place of business at 800 Scudders Mill Road, PLainsboro, New Jersey, is an investment adviser registered under Section 203 of the Investment Advisors Act of 1940. FAM may be deemed to be the beneficial owner of 6.7% of the common stock of the Company as a result of its acting as investment adviser to investment companies registered under Section 8 of the Investment Company Act of 1940.

One registered investment company advised by FAM, Merrill Lynch Phoenix Fund, Inc., is the beneficial owner of 6.7% of the common stock of the Company.

Pursuant to (S) 240.13d-4, ML&Co., ML Group, PSI, FAM and the Fund disclaim beneficial ownership of the securities of the Company, and the filing of this Schedule 13G shall not be construed as an admission that any such entity is, for the purposes of Section 13(d) or 13(g) of the Securities Exchange Act of 1934, the beneficial owner of any securities of the Company.