

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

Date of Report (Date of Earliest Event Reported): **May 9, 2019**

**COMSTOCK RESOURCES, INC.**

(Exact Name of Registrant as Specified in Charter)

**STATE OF NEVADA**

**001-03262**

**94-1667468**

(State or other  
jurisdiction incorporation)

(Commission File Number)

(I.R.S. Employer  
Identification Number)

**5300 Town and Country Boulevard  
Suite 500  
Frisco, Texas 75034**

(Address of principal executive offices)

**(972) 668-8800**

(Registrant's Telephone No.)

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:

- 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.50 (per share)	CRK	New York Stock Exchange

## **Item 2.02 Results of Operations and Financial Condition**

On May 9, 2019, Comstock Resources, Inc. ("Comstock" or the "Company") announced financial results for the three months ended March 31, 2019. A copy of the press release announcing Comstock's earnings and operating results and other matters is attached hereto as Exhibit 99.1.

The earnings press release contains financial measures that are not in accordance with generally accepted accounting principles in the United States ("GAAP"). Comstock has provided reconciliations within the earnings release of the non-GAAP financial measures to the most directly comparable GAAP financial measures. Operating cash flow is presented in the earnings release because management believes it to be useful to investors as a common alternative measure of cash flows. EBITDAX is presented in the earnings release because management believes that EBITDAX, which represents Comstock's results from operations before interest, income taxes, and certain non-cash items, including depreciation, depletion and amortization and exploration expense, is a common alternative measure of operating performance used by certain investors and financial analysts. The non-GAAP financial measures described above should be considered in addition to, but not as a substitute for, measures of financial performance prepared in accordance with GAAP that are presented in the earnings release.

The information in this Form 8-K and the Exhibit attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liability of that section, and shall not be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

## **Item 9.01 Financial Statements and Exhibits**

Exhibit 99.1 [Press Release dated May 9, 2019](#)

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

COMSTOCK RESOURCES, INC.

Dated: May 9, 2019

By: /s/ ROLAND O. BURNS  
Roland O. Burns  
President and Chief Financial Officer



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Director of Planning and Investor Relations  
Web Site: [www.comstockresources.com](http://www.comstockresources.com)

## NEWS RELEASE

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*For Immediate Release*

### COMSTOCK RESOURCES, INC. REPORTS FIRST QUARTER 2019 FINANCIAL AND OPERATING RESULTS

**FRISCO, TEXAS, May 9, 2019** – Comstock Resources, Inc. ("Comstock" or the "Company") (NYSE: CRK) today reported financial and operating results for the first quarter of 2019. On August 14, 2018, the Company completed transactions in which entities controlled by Dallas businessman Jerry Jones and his children contributed their Bakken Shale properties to the Company in exchange for approximately 88.6 million shares of Comstock common stock (the "Jones Contribution") and the Company refinanced its long-term debt. Results for the three months ended March 31, 2019 reflect the effect of the Jones Contribution, while results for the three months ended March 31, 2018 (the "Predecessor") reflect the historical results of Comstock for that period. The Company's consolidated financial results are being presented with a blackline division which delineates the lack of comparability between amounts presented for these periods.

#### *Financial Results for the Three Months Ended March 31, 2019*

In the first quarter of 2019, Comstock reported net income of \$13.6 million or \$0.13 per diluted share as compared to a net loss of \$41.9 million or \$2.78 per share for the Predecessor first quarter of 2018. The first quarter 2019 results included an unrealized loss from derivative financial instruments held to manage oil and gas price risks of \$13.0 million. Excluding the unrealized loss, the net income for the first quarter of 2019 would have been \$23.5 million or \$0.22 per share.

Comstock produced 33.1 billion cubic feet of natural gas and 810,470 barrels of oil or 38.0 billion cubic feet of natural gas equivalent ("Bcfe") in the first quarter of 2019. The Company's natural gas production averaged 368 million cubic feet ("MMcf") per day, an increase of 53% over natural gas production in the Predecessor first quarter of 2018 and 10% higher than the fourth quarter of 2018. The growth in natural gas production was primarily attributable to the continuing successful results from Comstock's Haynesville shale drilling program. Oil production in the first quarter of 2019, which averaged 9,005 barrels of oil per day, increased from the 2,110 barrels per day produced in the Predecessor first quarter of 2018 due to production from the Bakken Shale properties. Oil production in the first quarter of 2018 was primarily attributable to the Company's Eagle Ford shale properties which were sold effective April 1, 2018.

Comstock's average realized natural gas price, including hedging gains, increased 2% to \$2.87 per Mcf in the first quarter of 2019 as compared to \$2.82 per Mcf realized in the Predecessor first quarter of 2018. The Company's average realized oil price, including hedging gains, decreased by 33% to \$45.78 per barrel in the first quarter of 2019 as compared to \$68.71 per barrel in the Predecessor first quarter of 2018. Oil and gas sales were \$132.3 million (including realized hedging gains and losses) in the first quarter of 2019 as compared to the Predecessor 2018 first quarter sales of \$74.0 million. EBITDAX, or

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earnings before interest, taxes, depreciation, depletion, amortization, exploration expense and other noncash expenses, of \$96.9 million in the first quarter of 2019 increased by 81% over EBITDAX of \$53.7 million for the Predecessor first quarter of 2018. The Company's operating cash flow generated in the first quarter of 2019 (before working capital changes) of \$70.8 million increased 98% over operating cash flow of \$35.7 million in the Predecessor first quarter of 2018.

### ***Drilling Results***

Comstock reported the results to date of its 2019 Haynesville/Bossier shale drilling program. During the first three months of 2019, Comstock spent \$92.5 million on its development activities. Comstock spent \$82.6 million on drilling and completing Haynesville shale wells. Comstock also spent \$5.6 million drilling two (1.1 net) Eagle Ford shale oil wells and an additional \$4.3 million primarily on leases and other development activity. Comstock drilled 11 (8.4 net) horizontal Haynesville/Bossier shale wells during the first three months of 2019, which had an average lateral length of approximately 7,600 feet. Comstock also completed 17 (5.2 net) wells that were drilled in 2018. Two (1.6 net) of the wells drilled in the first three months of 2019 were also completed. Comstock expects to connect 12 (7.8 net) Haynesville wells to sales in the second quarter.

Since the last operational update, Comstock reported on six new Haynesville shale wells. The average initial production rate of these wells was 26 MMcf per day. The wells had completed lateral lengths ranging from 9,646 feet to 9,913 feet, with an average completed lateral length of 9,799 feet. Each well was tested at initial production rates of 21 to 30 MMcf per day. Comstock currently has eight (7.0 net) operated Haynesville shale wells that are in the process of being completed.

With lower drilling and completion contracted rates from its major service providers beginning in April, Comstock announced that it is reducing its 2019 drilling and completion budget to \$318 million for its Haynesville/Bossier shale drilling program. Activity planned for 2019 includes completing 19 (5.2 net) wells drilled in 2018 and drilling 52 (34.6 net) wells in 2019. Comstock will also spend \$27 million in 2019 on its oil properties.

### ***Other***

Comstock has planned a conference call for 10:00 a.m. Central Time on May 9, 2019, to discuss the first quarter of 2019 operational and financial results. Investors wishing to participate should visit the Company's website at [www.comstockresources.com](http://www.comstockresources.com) for a live web cast or dial 844-776-7840 (international dial-in use 661-378-9538) and provide access code 9766835 when prompted. If you are unable to participate in the original conference call, a web replay will be available approximately 24 hours following the completion of the call on Comstock's website at [www.comstockresources.com](http://www.comstockresources.com). The web replay will be available for approximately one week. A replay of the conference call will be available beginning at 1:00 p.m. CT May 9, 2019 and will continue until 1:00 p.m. May 16, 2019. To hear the replay, call 855-859-2056 (404-537-3406 if calling from outside the US). The conference call access code is 9766835.

***This press release may contain "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. Such statements are based on management's current expectations and are subject to a number of factors and uncertainties which could cause actual results to differ materially from those described herein. Although the Company believes the expectations in such statements to be reasonable, there can be no assurance that such expectations will prove to be correct.***

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*Comstock Resources, Inc. is an independent energy company based in Frisco, Texas engaged in oil and gas acquisitions, exploration and development, and its assets are primarily located in Texas, Louisiana and North Dakota. The Company's stock is traded on the New York Stock Exchange under the symbol CRK.*

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**COMSTOCK RESOURCES, INC.****OPERATING RESULTS***(In thousands, except per share amounts)*

	<u>Predecessor</u>	
	<u>Three Months Ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
Revenues:		
Natural gas sales	\$ 90,132	\$ 59,543
Oil sales	36,749	13,050
Total oil and gas sales	<u>126,881</u>	<u>72,593</u>
Operating expenses:		
Production taxes	5,939	1,840
Gathering and transportation	7,430	4,334
Lease operating	14,885	9,773
Depreciation, depletion and amortization	37,590	27,152
General and administrative	7,814	6,016
(Gain) loss on sale of oil and gas properties	<u>(1)</u>	<u>28,600</u>
Total operating expenses	<u>73,657</u>	<u>77,715</u>
Operating income (loss)	53,224	(5,122)
Other income (expenses):		
Gain (loss) from derivative financial instruments	(7,657)	2,602
Other income	93	66
Interest expense	<u>(27,851)</u>	<u>(38,850)</u>
Total other income (expenses)	<u>(35,415)</u>	<u>(36,182)</u>
Income (loss) before income taxes	17,809	(41,304)
Provision for income taxes	<u>(4,234)</u>	<u>(582)</u>
Net income (loss)	<u>\$ 13,575</u>	<u>\$ (41,886)</u>
Net income (loss) per share – basic and diluted	<u>\$ 0.13</u>	<u>\$ (2.78)</u>
Weighted average shares outstanding – basic and diluted	<u>105,457</u>	<u>15,084</u>

**COMSTOCK RESOURCES, INC.**  
**OPERATING RESULTS**  
*(In thousands)*

	<b>Predecessor</b>	
	<b>Three Months Ended March 31,</b>	
	<b>2019</b>	<b>2018</b>
<b>OPERATING CASH FLOW:</b>		
Net income (loss)	\$ 13,575	\$ (41,886)
Reconciling items:		
Deferred income taxes	4,352	572
Depreciation, depletion and amortization	37,590	27,152
Unrealized (gain) loss from derivative financial instruments	13,045	(1,198)
Amortization of debt discount and issuance costs	1,574	11,056
Interest paid in-kind	—	9,845
Stock-based compensation	648	1,601
(Gain) loss on sale of oil and gas properties	(1)	28,600
Operating cash flow	70,783	35,742
Decrease in accounts receivable	10,783	1,455
Decrease in other current assets	1,577	472
Decrease in accounts payable and accrued expenses	(8,428)	(16,113)
Net cash provided by operating activities	\$ 74,715	\$ 21,556
<b>EBITDAX:</b>		
Net income (loss)	\$ 13,575	\$ (41,886)
Interest expense	27,851	38,850
Income taxes	4,234	582
Depreciation, depletion and amortization	37,590	27,152
Unrealized (gain) loss from derivative financial instruments	13,045	(1,198)
Stock-based compensation	648	1,601
(Gain) loss on sale of oil and gas properties	(1)	28,600
Total EBITDAX	\$ 96,942	\$ 53,701
	<b>As of March 31, 2019</b>	<b>As of December 31, 2018</b>
<b>BALANCE SHEET DATA:</b>		
Cash and cash equivalents	\$ 29,324	\$ 23,193
Derivative financial instruments	2,356	15,401
Other current assets	102,443	120,833
Property and equipment, net	1,722,558	1,667,979
Other	365,207	360,434
Total assets	\$ 2,221,888	\$ 2,187,840
Current liabilities	\$ 198,086	\$ 206,853
Long-term debt	1,265,847	1,244,363
Deferred income taxes	166,152	161,917
Other non-current liabilities	2,766	—
Asset retirement obligation	5,243	5,136
Stockholders' equity	583,794	569,571
Total liabilities and stockholders' equity	\$ 2,221,888	\$ 2,187,840

**COMSTOCK RESOURCES, INC.**  
**REGIONAL OPERATING RESULTS**

*(In thousands, except per unit amounts)*

**For the Three Months Ended March 31, 2019**

	<b>Haynesville/ Bossier</b>	<b>Cotton Valley</b>	<b>Bakken</b>	<b>Eagle Ford</b>	<b>Other</b>	<b>Total</b>
Gas production (MMcf)	31,364	903	768	—	114	33,149
Oil production (Mbbls)	—	7	799	—	4	810
Total production (MMcfe)	31,364	947	5,562	—	139	38,012
Natural gas sales	\$ 85,738	\$ 2,571	\$ 1,500	\$ —	\$ 323	\$ 90,132
Natural gas hedging settlements <sup>(1)</sup>	—	—	—	—	—	5,033
Total natural gas including hedging	85,738	2,571	1,500	—	323	95,165
Oil sales	4	363	36,147	—	235	36,749
Oil hedging settlements <sup>(1)</sup>	—	—	—	—	—	355
Total oil including hedging	4	363	36,147	—	235	37,104
Total oil and gas sales including hedging	<u>\$ 85,742</u>	<u>\$ 2,934</u>	<u>\$ 37,647</u>	<u>\$ —</u>	<u>\$ 558</u>	<u>\$ 132,269</u>
Average gas price (per Mcf)	\$ 2.73	\$ 2.85	\$ 1.95	\$ —	\$ 2.83	\$ 2.72
Average gas price including hedging (per Mcf)						\$ 2.87
Average oil price (per barrel)	\$ 49.47	\$ 49.47	\$ 45.24	\$ —	\$ 58.34	\$ 45.34
Average oil price including hedging (per barrel)						\$ 45.78
Average price (per Mcfe)	\$ 2.73	\$ 3.10	\$ 6.77	\$ —	\$ 4.04	\$ 3.34
Average price including hedging (per Mcfe)						\$ 3.48
Production taxes	\$ 1,732	\$ 95	\$ 4,073	\$ —	\$ 39	\$ 5,939
Gathering and transportation	\$ 7,273	\$ 63	\$ —	\$ —	\$ 94	\$ 7,430
Lease operating	\$ 4,933	\$ 3,235	\$ 6,519	\$ —	\$ 198	\$ 14,885
Production taxes (per Mcfe)	\$ 0.06	\$ 0.10	\$ 0.73	\$ —	\$ 0.28	\$ 0.16
Gathering and transportation (per Mcfe)	\$ 0.23	\$ 0.07	\$ —	\$ —	\$ 0.67	\$ 0.20
Lease operating (per Mcfe)	\$ 0.15	\$ 3.41	\$ 1.17	\$ —	\$ 1.43	\$ 0.38
Oil and Gas Capital Expenditures:						
Development leasehold <sup>(2)</sup>	\$ 1,857	\$ —	\$ —	\$ —	\$ —	\$ 1,857
Development drilling and completion	82,638	—	(953)	5,648	—	87,333
Other development	3,279	—	—	—	—	3,279
Total	<u>\$ 87,774</u>	<u>\$ —</u>	<u>\$ (953)</u>	<u>\$ 5,648</u>	<u>\$ —</u>	<u>\$ 92,469</u>

(1) Included in gain (loss) from derivative financial instruments in operating results

(2) Net of acreage reimbursements

**COMSTOCK RESOURCES, INC.**  
**REGIONAL OPERATING RESULTS**

*(In thousands, except per unit amounts)*

	Predecessor					
	For the Three Months ended March 31, 2018					
	Haynesville/ Bossier	Cotton Valley	Bakken	Eagle Ford	Other	Total
Gas production (MMcf)	19,997	1,062	—	282	305	21,646
Oil production (Mbbls)	—	11	—	173	6	190
Total production (MMcfe)	19,997	1,126	—	1,323	340	22,786
Natural gas sales	\$ 54,564	\$ 2,913	\$ —	\$ 1,191	\$ 875	\$ 59,543
Natural gas hedging settlements <sup>(1)</sup>	—	—	—	—	—	1,404
Total natural gas including hedging	54,564	2,913	—	1,191	875	60,947
Oil sales	—	646	—	12,021	383	13,050
Total oil and gas sales including hedging	\$ 54,564	\$ 3,559	\$ —	\$ 13,212	\$ 1,258	\$ 73,997
Average gas price (per Mcf)	\$ 2.73	\$ 2.74	\$ —	\$ 4.22	\$ 2.86	\$ 2.75
Average gas price including hedging (per Mcf)						\$ 2.82
Average oil price (per barrel)	\$ —	\$ 60.80	\$ —	\$ 69.30	\$ 65.64	\$ 68.71
Average price (per Mcfe)	\$ 2.73	\$ 3.16	\$ —	\$ 9.99	\$ 3.69	\$ 3.19
Average price including hedging (per Mcfe)						\$ 3.25
Production taxes	\$ 1,068	\$ 60	\$ —	\$ 630	\$ 82	\$ 1,840
Gathering and transportation	\$ 3,706	\$ 209	\$ —	\$ 344	\$ 75	\$ 4,334
Lease operating	\$ 2,895	\$ 3,198	\$ —	\$ 3,417	\$ 263	\$ 9,773
Production taxes (per Mcfe)	\$ 0.05	\$ 0.05	\$ —	\$ 0.48	\$ 0.24	\$ 0.08
Gathering and transportation (per Mcfe)	\$ 0.19	\$ 0.19	\$ —	\$ 0.26	\$ 0.22	\$ 0.19
Lease operating (per Mcfe)	\$ 0.14	\$ 2.84	\$ —	\$ 2.58	\$ 0.78	\$ 0.43
Oil and Gas Capital Expenditures:						
Development leasehold	\$ 1,153	\$ —	\$ —	\$ —	\$ —	\$ 1,153
Development drilling and completion	38,539	—	—	—	—	38,539
Other development	6,327	—	—	240	253	6,820
Total	\$ 46,019	\$ —	\$ —	\$ 240	\$ 253	\$ 46,512

(1)

Included in gain (loss) from derivative financial instruments in operating results