UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarter Ended September 30, 2011

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File No. 001-03262

COMSTOCK RESOURCES, INC.
(Exact name of registrant as specified in its charter)

NEVADA	**94-1667468**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

5300 Town and Country Blvd., Suite 500, Frisco, Texas 75034
(Address of principal executive offices)

Telephone No.: **(972) 668-8800**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☑ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☑	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes o No ☑

The number of shares outstanding of the registrant's common stock, par value $.50, as of November 4, 2011 was 47,645,226.

COMSTOCK RESOURCES, INC.

QUARTERLY REPORT

For the Quarter Ended September 30, 2011

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(Unaudited)

	September 30, 2011	December 31, 2010
	(In thousands)	
ASSETS		
Cash and Cash Equivalents	$ 4,544	$ 1,732
Accounts Receivable:		
Oil and gas sales	40,705	28,705
Joint interest operations	8,940	15,982
Marketable Securities	31,707	84,637
Other Current Assets	3,832	4,675
Total current assets	89,728	135,731
Property and Equipment:		
Unevaluated oil and gas properties	199,541	225,884
Oil and gas properties, successful efforts method	3,087,473	2,574,717
Other	18,037	18,156
Accumulated depreciation, depletion and amortization	(1,214,497)	(1,002,509)
Net property and equipment	2,090,554	1,816,248
Other Assets	15,863	12,235
	$ 2,196,145	$ 1,964,214
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts Payable	$ 110,829	$ 123,275
Deferred Income Taxes Payable	1,164	10,339
Accrued Expenses	41,359	21,450
Total current liabilities	153,352	155,064
Long-term Debt	746,774	513,372
Deferred Income Taxes Payable	223,237	217,993
Reserve for Future Abandonment Costs	7,196	6,674
Other Non-Current Liabilities	2,453	2,580
Total liabilities	1,133,012	895,683
Commitments and Contingencies		
Stockholders' Equity:		
Common stock — $0.50 par, 75,000,000 shares authorized, 47,645,226 and 47,706,101 shares outstanding at September 30, 2011 and December 31, 2010, respectively	23,823	23,853
Additional paid-in capital	464,875	454,499
Retained earnings	565,511	557,849
Accumulated other comprehensive income	8,924	32,330
Total stockholders' equity	1,063,133	1,068,531
	$ 2,196,145	$ 1,964,214

The accompanying notes are an integral part of these statements.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
	(In thousands, except per share amounts)			
Revenues:				
Oil and gas sales	$ 119,422	$ 79,720	$ 319,911	$ 276,491
Operating expenses:				
Production taxes	141	3,062	2,230	9,543
Gathering and transportation	8,101	4,101	20,340	12,308
Lease operating	12,527	13,002	36,512	41,150
Exploration	447	1,238	10,066	2,506
Depreciation, depletion and amortization	77,518	46,796	212,532	163,603
Impairment of oil and gas properties	—	26	—	213
(Gain) loss on sale of assets	(26)	—	57	797
General and administrative, net	8,628	9,400	25,973	28,965
Total operating expenses	107,336	77,625	307,710	259,085
Operating income	12,086	2,095	12,201	17,406
Other income (expenses):				
Interest and other income	187	105	580	408
Interest expense	(9,988)	(7,108)	(30,682)	(22,551)
Gain on sale of marketable securities	2,484	—	32,213	5,692
Total other income (expenses)	(7,317)	(7,003)	2,111	(16,451)
Income (loss) before income taxes	4,769	(4,908)	14,312	955
Benefit from (provision for) income taxes	(3,460)	208	(6,650)	68
Net income (loss)	$ 1,309	$ (4,700)	$ 7,662	$ 1,023
Net income (loss) per share:				
Basic	$ 0.03	$ (0.10)	$ 0.16	$ 0.02
Diluted	$ 0.03	$ (0.10)	$ 0.16	$ 0.02
Weighted average shares outstanding:				
Basic	46,011	45,623	45,992	45,537
Diluted	46,011	45,623	45,992	45,589

The accompanying notes are an integral part of these statements.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE LOSS

For the Nine Months Ended September 30, 2011

(Unaudited)

	Common Stock (Shares)	Common Stock-Par Value	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
			(In thousands)			
Balance at January 1, 2011	47,706	$ 23,853	$ 454,499	$ 557,849	$ 32,330	$ 1,068,531
Stock-based compensation	(61)	(30)	10,988	—	—	10,958
Excess income taxes from stock-based compensation	—	—	(612)	—	—	(612)
Net income	—	—	—	7,662	—	7,662
Net change in unrealized gains and losses on marketable securities, net of income taxes	—	—	—	—	(23,406)	(23,406)
Total comprehensive loss						(15,744)
Balance at September 30, 2011	47,645	$ 23,823	$ 464,875	$ 565,511	$ 8,924	$ 1,063,133

The accompanying notes are an integral part of these statements.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
	(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 7,662	$ 1,023
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on sale of assets	(32,156)	(4,895)
Deferred income taxes	6,593	131
Dry hole costs and leasehold impairments	9,819	—
Impairment of oil and gas properties	—	213
Depreciation, depletion and amortization	212,532	163,603
Debt issuance cost and discount amortization	3,351	1,834
Stock-based compensation	10,958	12,930
Excess income taxes from stock-based compensation	612	(1,503)
Decrease (increase) in accounts receivable	(4,958)	8,096
Decrease in other current assets	2,275	49,428
Increase in accounts payable and accrued expenses	861	18,376
Net cash provided by operating activities	217,549	249,236
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(489,625)	(406,778)
Proceeds from asset sales	49,077	11,624
Net cash used for investing activities	(440,548)	(395,154)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings	520,000	60,000
Principal payments on debt	(287,000)	(3,000)
Debt issuance costs	(6,577)	—
Proceeds from issuance of common stock	—	1,293
Excess income taxes from stock-based compensation	(612)	1,503
Net cash provided by financing activities	225,811	59,796
Net increase (decrease) in cash and cash equivalents	2,812	(86,122)
Cash and cash equivalents, beginning of period	1,732	90,472
Cash and cash equivalents, end of period	$ 4,544	$ 4,350

The accompanying notes are an integral part of these statements.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011
(Unaudited)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES —

Basis of Presentation

In management's opinion, the accompanying unaudited consolidated financial statements contain all adjustments (consisting solely of normal recurring adjustments) necessary to present fairly the financial position of Comstock Resources, Inc. and subsidiaries ("Comstock" or the "Company") as of September 30, 2011 and the related results of operations for the three months and nine months ended September 30, 2011 and 2010 and cash flows for the nine months ended September 30, 2011 and 2010.

The accompanying unaudited consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States have been omitted pursuant to those rules and regulations, although Comstock believes that the disclosures made are adequate to make the information presented not misleading. These unaudited consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in Comstock's Annual Report on Form 10-K for the year ended December 31, 2010.

The results of operations for the three months and nine months ended September 30, 2011 are not necessarily an indication of the results expected for the full year.

These unaudited consolidated financial statements include the accounts of Comstock and its wholly owned and controlled subsidiaries. Intercompany balances and transactions have been eliminated in consolidation.

Reclassifications

Certain reclassifications have been made to prior periods' financial statements to conform to the current presentation.

Marketable Securities

As of September 30, 2011 the Company held 1,956,000 shares of Stone Energy Corporation common stock which were reflected in the consolidated balance sheets as marketable securities. As of September 30, 2011, the cost basis of the marketable securities was $18.0 million and the estimated fair value was $31.7 million, after recognizing an unrealized gain after income taxes of $8.9 million. The Company does not exert influence over the operating and financial policies of Stone Energy Corporation, and has classified its investment in these shares as an available-for-sale security in the consolidated balance sheets. Available-for-sale securities are accounted for at fair value, with any unrealized gains and unrealized losses not determined to be other than temporary reported in the consolidated balance sheet within accumulated other comprehensive income as a separate component of stockholders' equity. The Company utilizes the specific identification method to determine the cost of any securities sold. During the three months and nine months ended September 30, 2011 the Company sold 100,000 and 1,841,000 shares, respectively, of Stone Energy Corporation for $3.4 million and $49.1 million, respectively. Comstock realized a gain before income taxes on these sales of $2.5 million and $32.2 million for the three months and nine months ended September 30, 2011, respectively. During the nine months ended September 30, 2010, the Company sold 520,000 shares of Stone Energy Corporation for $10.5 million and realized gains before income taxes of $5.7 million on these sales.

Property and Equipment

The Company follows the successful efforts method of accounting for its oil and natural gas properties. Costs incurred to acquire oil and gas leasehold are capitalized. Unproved oil and gas properties are periodically assessed and any impairment in value is charged to exploration expense. The costs of unproved properties which are determined to be productive are transferred to oil and gas properties and amortized on an equivalent unit-of-production basis. An impairment charge of $9.8 million related to certain leases that were expected to expire prior to the Company conducting drilling operations was recognized in exploration expense in the nine months ended September 30, 2011.

The Company also assesses the need for an impairment of the costs capitalized for its oil and gas properties on a property or cost center basis. The Company recognized impairment charges related to its oil and gas properties of $0.2 million during the nine months ended September 30, 2010. There were no impairment charges related to oil and gas properties recognized during the three months and nine months ended September 30, 2011.

Reserve for Future Abandonment Costs

Comstock's asset retirement obligations relate to future plugging and abandonment expenses on its oil and gas properties and related facilities disposal. The following table summarizes the changes in Comstock's total estimated liability during the nine months ended September 30, 2011 and 2010:

	Nine Months Ended September 30,	
	2011	2010
	(In thousands)	
Beginning future abandonment costs	$ 6,674	$ 6,561
Accretion expense	282	290
New wells placed on production and changes in estimates	289	190
Liabilities settled	(49)	(66)
Future abandonment costs — end of period	$ 7,196	$ 6,975

Revenue Recognition and Gas Balancing

Comstock utilizes the sales method of accounting for oil and natural gas revenues whereby revenues are recognized at the time of delivery based on the amount of oil or natural gas sold to purchasers. Revenue is typically recorded in the month of production based on an estimate of the Company's share of volumes produced and prices realized. Revisions to such estimates are recorded as actual results are known. The amount of oil or natural gas sold may differ from the amount to which the Company is entitled based on its revenue interests in the properties. The Company did not have any significant imbalance positions at September 30, 2011 or December 31, 2010.

Derivative Financial Instruments

The Company did not have any derivative financial instruments outstanding during the three months and nine months ended September 30, 2011 or September 30, 2010.

Stock-Based Compensation

Comstock accounts for employee stock-based compensation under the fair value method. Compensation cost is measured at the grant date based on the fair value of the award and is recognized over the award vesting period. During the three months ended September 30, 2011 and 2010, the Company recognized $3.9 million and $4.4 million, respectively, of stock-based compensation expense within general and administrative expenses related to awards of restricted stock or stock options to its employees and directors. During the nine months ended September 30, 2011 and 2010, the Company recognized $11.0 million and $12.9 million, respectively, of stock-based compensation expense within general and administrative expenses related to awards of restricted stock or stock options.

As of September 30, 2011, Comstock had 1,634,450 shares of unvested restricted stock outstanding at a weighted average grant date fair value of $35.18 per share. Total unrecognized compensation cost related to unvested restricted stock grants of $23.9 million as of September 30, 2011 is expected to be recognized over a period of 2.2 years. During the nine months ended September 30, 2011 the Company awarded a total of 26,000 shares of restricted stock to its independent directors which will vest three years from the date of the grant. The grant date fair value was $26.52 per share for the 2011 awards.

As of September 30, 2011, Comstock had outstanding options to purchase 203,150 shares of common stock at a weighted average exercise price of $36.64 per share. All of the stock options were exercisable and there were no unrecognized costs related to the options as of September 30, 2011. The Company received $1.3 million in cash proceeds from the exercise of stock options during the nine months ended September 30, 2010. No stock options were exercised during the nine months ended September 30, 2011.

Income Taxes

The following is an analysis of consolidated income tax expense:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
		(In thousands)		
Current provision (benefit)	$ (512)	$ (382)	$ 57	$ (199)
Deferred provision	3,972	174	6,593	131
Provision for (benefit from) income taxes	$ 3,460	$ (208)	$ 6,650	$ (68)

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Deferred income taxes are provided to reflect the future tax consequences or benefits of differences between the tax basis of assets and liabilities and their reported amounts in the financial statements using enacted tax rates. The difference between the Company's customary rate of 35% and the effective tax rate on income before income taxes is due to the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Tax at statutory rate	35.0%	35.0%	35.0%	35.0%
Tax effect of:				
Nondeductible stock-based compensation	41.9%	(26.6%)	12.6%	(11.9%)
State income taxes, net of federal benefit	(6.7%)	(3.1%)	(2.1%)	9.0%
Net operating loss carryback adjustments	—%	—%	—%	(38.7%)
Other	2.4%	(1.0%)	1.0%	(0.5%)
Effective tax rate	72.6%	4.3%	46.5%	(7.1%)

The Company's non-deductible stock-based compensation has the effect of increasing the Company's annualized effective tax rate in the case of an income tax provision or decreasing the effective tax rate in the case of an income tax benefit. The effective tax rate for the nine months ended September 30, 2011 reflects the benefit from a decrease in non-deductible compensation which resulted from the early retirement of one of the Company's executives. The 2010 effective tax rate was based on an expected income tax benefit for the full year and reflects a benefit from adjustments related to refund claims resulting from net operating loss carrybacks.

The Company's federal income tax returns for the years subsequent to December 31, 2006 remain subject to examination. The Company's income tax returns in major state income tax jurisdictions remain subject to examination from various periods subsequent to December 31, 2005. State tax returns in two state jurisdictions are currently under review. The Company has evaluated the preliminary findings in these jurisdictions and believes it is more likely than not that the ultimate resolution of these matters will not have a material effect on its financial statements. The Company currently believes that all other significant filing positions are highly certain and that all of its other significant income tax positions and deductions would be sustained under audit or the final resolution would not have a material effect on the consolidated financial statements. Therefore the Company has not established any significant reserves for uncertain tax positions.

Fair Value Measurements

As of September 30, 2011, the Company held certain items that are required to be measured at fair value. These included cash held in bank accounts and marketable securities comprised of shares of Stone Energy Corporation common stock. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The estimated fair value for the items in the Company's financial statement were based on Level 1 inputs where the inputs used to measure fair value are unadjusted quoted prices that are available in active markets for the identical assets or liabilities as of the reporting date.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

The following table summarizes financial assets and liabilities accounted for at fair value, as determined using Level 1 inputs, as of September 30, 2011:

	Carrying Value Measured at Fair Value
	(In thousands)
Items measured at fair value on a recurring basis:	
Cash held in bank accounts	$ 4,544
Marketable securities	31,707
Total assets	$ 36,251

The following table presents the carrying amounts and estimated fair value of the Company's other financial instruments as of September 30, 2011 and December 31, 2010:

	As of September 30, 2011		As of December 31, 2010	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In thousands)			
Long-term debt, including current portion	$746,774	$724,500	$513,372	$518,930

The fair market value of the Company's fixed rate debt was based on their market prices as of September 30, 2011 and December 31, 2010. The fair value of the floating rate debt outstanding at September 30, 2011 and December 31, 2010 approximated its carrying value.

Earnings Per Share

Basic earnings per share is determined without the effect of any outstanding potentially dilutive stock options and diluted earnings per share is determined with the effect of outstanding stock options that are potentially dilutive. Unvested share-based payment awards containing nonforfeitable rights to dividends are considered to be participatory securities and are included in the computation of basic and diluted earnings per share pursuant to the two-class method. Basic and diluted earnings per share for the three months and nine months ended September 30, 2011 and 2010, respectively, were determined as follows:

	Three Months Ended September 30,					
	2011			2010		
	Income	Shares	Per Share	Income (Loss)	Shares	Per Share
	(In thousands, except per share amounts)					
Net Income (Loss)	$ 1,309			$ (4,700)		
Income Allocable to Unvested Stock Grants	(45)			—		
Basic Net Income (Loss) Attributable to Common Stock	$ 1,264	46,011	$ 0.03	$ (4,700)	45,623	$ (0.10)
Effect of Dilutive Securities:						
Stock Options	—	—		—	—	
Diluted Net Income (Loss) Attributable to Common Stock	$ 1,264	46,011	$ 0.03	$ (4,700)	45,623	$ (0.10)

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

	Nine Months Ended September 30,					
	2011			2010		
	Income	Shares	Per Share	Income	Shares	Per Share
	(In thousands, except per share amounts)					
Net Income	$ 7,662			$ 1,023		
Income Allocable to Unvested Stock Grants	(268)			—		
Basic Net Income Attributable to Common Stock	$ 7,394	45,992	$ 0.16	$ 1,023	45,537	$ 0.02
Effect of Dilutive Securities:						
Stock Options	—	—		—	52	
Diluted Net Income Attributable to Common Stock	$ 7,394	45,992	$ 0.16	$ 1,023	45,589	$ 0.02

At September 30, 2011 and December 31, 2010, 1,634,450 and 2,069,275 shares of restricted stock are included in common stock outstanding as such shares have a nonforfeitable right to participate in any dividends that might be declared and have the right to vote. Weighted average shares of unvested restricted stock were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
	(In thousands)			
Unvested restricted stock	1,635	1,695	1,665	1,697

The shares of unvested stock were excluded from the computation of earnings per share as anti-dilutive to earnings for the three month period ended September 30, 2010 due to the net loss in that period.

Options to purchase common stock that were outstanding and that were excluded as anti-dilutive from the determination of diluted earnings per share were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
	(In thousands except per share amounts)			
Weighted average anti-dilutive stock options	203	240	218	210
Weighted average exercise price	$ 36.64	$ 36.01	$ 36.35	$ 36.94

The excluded options that were anti-dilutive were at exercise prices in excess of the average stock price for each of the periods presented. All stock options were excluded as anti-dilutive for the three months ended September 30, 2010 due to the net loss in that period.

Supplementary Information With Respect to the Consolidated Statements of Cash Flows

For the purpose of the consolidated statements of cash flows, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

The following is a summary of cash payments made for interest and income taxes:

	Nine Months Ended September 30, 2011	2010
	(In thousands)	
Cash Payments:		
Interest payments	$ 21,733	$ 26,940
Income tax payments (refunds)	$ (30)	$ (48,844)

The Company capitalizes interest on its unevaluated oil and gas property costs during periods when it is conducting exploration activity on this acreage. For the three months and nine months ended September 30, 2011, the Company capitalized interest of $3.4 million and $10.0 million, respectively, which reduced interest expense and increased the carrying value of its unevaluated oil and gas properties. The Company capitalized interest of $3.5 million and $9.0 million during the three months and nine months ended September 30, 2010, respectively.

Comprehensive Income (Loss)

Comprehensive income (loss) consists of the following:

	Three Months Ended September 30, 2011	2010	Nine Months Ended September 30, 2011	2010
		(In thousands)		
Net income (loss)	$ 1,309	$ (4,700)	$ 7,662	$ 1,023
Other comprehensive income (loss):				
Realized gain on marketable securities reclassified to earnings, net of income tax expense of $869, $—, $11,274 and $1,992	(1,614)	—	(20,938)	(3,700)
Unrealized gain (loss) on marketable securities, net of income tax expense (benefit) of ($9,580), $5,994, ($1,329), and ($5,195)	(17,793)	11,132	(2,468)	(9,646)
Total comprehensive income (loss)	$ (18,098)	$ 6,432	$ (15,744)	$ (12,323)

Accumulated other comprehensive income for the three months and nine months ended September 30, 2011, which is related solely to changes in the fair value of our marketable securities, is comprised of the following:

	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2011
	(In thousands)	
Balance as of beginning of the period	$ 28,331	$ 32,330
Realized gain on sale of marketable securities, net of income taxes, reclassified to earnings	(1,614)	(20,938)
Changes in the value of marketable securities, net of income taxes	(17,793)	(2,468)
Balance as of September 30, 2011	$ 8,924	$ 8,924

Subsequent Events

Subsequent events were evaluated through the issuance date of these consolidated financial statements.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

(2) LONG-TERM DEBT —

At September 30, 2011, long-term debt was comprised of:

	(In thousands)
Bank credit facility	$ 150,000
8⅜% Senior Notes due 2017	296,774
7¾% Senior Notes due 2019	300,000
	$ 746,774

The Company has a $850.0 million bank credit facility with Bank of Montreal, as the administrative agent. The credit facility is a five-year revolving credit commitment that matures on November 30, 2015. Indebtedness under the credit facility is secured by substantially all of Comstock's assets and is guaranteed by all of its wholly owned subsidiaries. The credit facility is subject to borrowing base availability, which is redetermined semiannually based on the banks' estimates of the Company's future net cash flows of oil and natural gas properties. The borrowing base may be affected by the performance of Comstock's properties and changes in oil and natural gas prices. The determination of the borrowing base is at the sole discretion of the administrative agent and the bank group. As of September 30, 2011, the borrowing base was $500.0 million, $350.0 million of which was available. Effective October 31, 2011 the borrowing base was increased to $550.0 million. Borrowings under the credit facility bear interest, based on the utilization of the borrowing base, at Comstock's option at either (1) LIBOR plus 1.75% to 2.75% or (2) the base rate (which is the higher of the administrative agent's prime rate, the federal funds rate plus 0.5% or 30 day LIBOR plus 1.0%) plus 0.75% to 1.75%. A commitment fee of 0.5% is payable annually on the unused borrowing base. The credit facility contains covenants that, among other things, restrict the payment of cash dividends in excess of $50.0 million, limit the amount of consolidated debt that Comstock may incur and limit the Company's ability to make certain loans and investments. The only financial covenants are the maintenance of a ratio of current assets, including availability under the bank credit facility, to current liabilities of at least one-to-one and maintenance of a minimum tangible net worth. The Company was in compliance with these covenants as of September 30, 2011.

On March 14, 2011, Comstock issued $300.0 million of senior notes (the "2019 Notes") pursuant to an underwritten public offering. The 2019 Notes are due on April 1, 2019 and bear interest at 7¾%, which is payable semiannually on each April 1 and October 1. The 2019 Notes are unsecured obligations of Comstock and are guaranteed by all of the Company's material subsidiaries. Comstock also has $300.0 million of 8⅜% senior notes outstanding which mature on October 15, 2017 (the "2017 Notes"). Interest on the 2017 Notes is payable semiannually on each April 15 and October 15. The 2017 Notes are also unsecured obligations of Comstock and are guaranteed by all of Comstock's material subsidiaries. The subsidiary guarantors are 100% owned and all of the guarantees are full and conditional and joint and several. As of September 30, 2011, Comstock had no material assets or operations which are independent of its subsidiaries. There are no restrictions on the ability of Comstock to obtain funds from its subsidiaries through dividends or loans.

On January 1, 2011, Comstock had $172.0 million in principal amount of 6⅞% senior notes outstanding due on March 1, 2012 (the "2012 Notes"). In 2011 Comstock redeemed all of the 2012 Notes for $172.4 million. The early extinguishment of the 2012 Notes resulted in a loss of $1.1 million which is included in interest expense in the consolidated financial statements. This loss is comprised of the premium paid for the redemption of the 2012 Notes, the costs incurred related to the tender offer, and the write-off of unamortized debt issuance costs related to the 2012 Notes.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

(3) COMMITMENTS AND CONTINGENCIES —

From time to time, Comstock is involved in certain litigation that arises in the normal course of its operations. The Company records a loss contingency for these matters when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. The Company does not believe the resolution of these matters will have a material effect on the Company's financial position or results of operations.

In connection with its exploration and development activities, the Company holds contracts for drilling rigs that will expire at various dates through June 2015. As of September 30, 2011, the Company had commitments for contracted drilling services of $56.1 million. The Company has also entered into agreements for well completion services through June 30, 2012 which require minimum future payments totaling $4.5 million.

The Company has entered into natural gas transportation agreements to support its production operations in North Louisiana through July 2019. Maximum commitments under these transportation agreements as of September 30, 2011 totaled $37.5 million.

ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This report contains forward-looking statements that involve risks and uncertainties that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those anticipated in our forward-looking statements due to many factors. The following discussion should be read in conjunction with the consolidated financial statements and notes thereto included in this report and in our annual report filed on Form 10-K for the year ended December 31, 2010.

Results of Operations

	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
	(In thousands, except per unit amounts)			
Net Production Data:				
Natural gas (Mmcf)	25,057	16,154	67,162	52,657
Oil (Mbbls)	195	171	492	557
Natural gas equivalent (Mmcfe)	26,224	17,185	70,113	56,002
Revenues:				
Natural gas sales	$ 102,396	$ 68,557	$ 274,372	$ 239,399
Oil sales	17,026	11,163	45,539	37,092
Total oil and gas sales	$ 119,422	$ 79,720	$ 319,911	$ 276,491
Expenses:				
Production taxes	$ 141	$ 3,062	$ 2,230	$ 9,543
Gathering and transportation	8,101	4,101	20,340	12,308
Lease operating(1)	12,527	13,002	36,512	41,150
Exploration expense	447	1,238	10,066	2,506
Depreciation, depletion and amortization	77,518	46,796	212,532	163,603
Average Sales Price:				
Natural gas (per Mcf)	$ 4.09	$ 4.24	$ 4.09	$ 4.55
Oil (per Bbl)	$ 87.55	$ 64.97	$ 92.59	$ 66.54
Average equivalent (Mcfe)	$ 4.55	$ 4.64	$ 4.56	$ 4.94
Expenses ($ per Mcfe):				
Production taxes	$ 0.01	$ 0.18	$ 0.03	$ 0.17
Gathering and transportation	$ 0.31	$ 0.24	$ 0.29	$ 0.22
Lease operating(1)	$ 0.47	$ 0.75	$ 0.52	$ 0.73
Depreciation, depletion and amortization(2)	$ 2.95	$ 2.71	$ 3.02	$ 2.91

(1) Includes ad valorem taxes.

(2) Represents depreciation, depletion and amortization of oil and gas properties only.

Revenues —

In the third quarter of 2011, our oil and natural gas sales increased $39.7 million (50%) to $119.4 million from $79.7 million for the third quarter of 2010. The increase was related to higher production in the quarter offset in part by lower natural gas prices. Our production of 26.2 Bcfe in the third quarter of 2011 was 53% greater than the 17.2 Bcfe that we produced in the third quarter of 2010. Production in the third quarter of 2011, which averaged 285 MMcfe per day, was 8% higher than our average daily production in the second quarter of 2011 of 263 MMcfe per day. Our average realized natural gas price decreased by 4% and our average realized oil price increased by 35% in the third quarter of 2011 as compared to the third quarter of 2010.

Our oil and natural gas sales increased $43.4 million (16%) to $319.9 million for the nine months ended September 30, 2011 from $276.5 million for the nine months ended September 30, 2010. This increase was also the result of an increase in natural gas production offset in part by weaker natural gas prices. Our production in the first nine months of 2011 of 70.1 Bcfe increased 25% as compared to the 56.0 Bcfe that we produced in the first nine months of 2010. Our average realized natural gas price decreased by 10% while our average realized oil price increased by 39% in the first nine months of 2011 as compared to the first nine months of 2010.

The higher production level in 2011 is mainly attributable to our drilling activity in the Haynesville and Bossier shale program and the resumption of completion activities which were limited during 2010 due to shortages in third party completion services available to us. Production from our Haynesville and Bossier shale properties in East Texas and North Louisiana averaged 200 MMcf per day in the third quarter of 2011, 136% higher than production of 85 MMcf per day in the third quarter of 2010. Production from our Haynesville and Bossier shale properties of 170 MMcf per day for the first nine months of 2011 was 82% higher than production of 93 MMcf per day in the first nine months of 2010. Our Haynesville and Bossier shale wells that were drilled and waiting on completion decreased from 35 (23.4 net to us) at December 31, 2010 to 21 (8.9 net to us) at September 30, 2011.

Costs and Expenses —

Production taxes decreased $3.0 million to $0.1 million for the third quarter of 2011 from $3.1 million in the third quarter of 2010. Production taxes also decreased by $7.3 million to $2.2 million for the first nine months of 2011 from $9.5 million in the first nine months of 2010. Our Haynesville and Bossier shale wells, which comprise a larger percentage of our production, qualify for exemption from certain production taxes. The exempt wells together with the lower natural gas prices for the nine months ended September 30, 2011 account for the decrease.

Gathering and transportation costs for the third quarter of 2011 increased $4.0 million to $8.1 million as compared to $4.1 million in the third quarter of 2010. Gathering and transportation costs for the first nine months of 2011 increased $8.0 million to $20.3 million as compared to $12.3 million in the first nine months of 2010. The increases mainly reflect the transportation costs relating to increased production from our Haynesville and Bossier shale wells.

Our lease operating expenses decreased by $0.5 million to $12.5 million for the third quarter of 2011 as compared to $13.0 million for the third quarter of 2010. As a result of the growth in our production and the lower lease operating expenses, our lease operating expense per Mcfe produced decreased by 37% to $0.47 per Mcfe for the three months ended September 30, 2011 as compared to $0.75 per Mcfe for the three months ended September 30, 2010. Our lease operating expenses for the first nine months of 2011 of $36.5 million decreased from our lease operating expenses of $41.2 million for the first nine months of 2010. Our lease operating expense per Mcfe produced has decreased by 29% to $0.52 per Mcfe for the nine months ended September 30, 2011 as compared to $0.73 per Mcfe for the nine months ended September 30, 2010. The decreases in lease operating expenses are primarily due to the sale of our higher operating cost properties in Mississippi in the fourth quarter of 2010.

Exploration costs of $0.4 million and $10.1 million in the three months and nine months ended September 30, 2011, respectively, primarily relate to impairments on certain of our unevaluated properties where we no longer expect to conduct drilling operations prior to the expiration of the lease term. Exploration costs of $1.2 million and $2.5 million in the three months and nine months ended September 30, 2010, respectively, primarily related to geological and geophysical costs incurred.

Depreciation, depletion and amortization (“DD&A”) increased $30.7 million (66%) to $77.5 million in the third quarter of 2011 from $46.8 million in the third quarter of 2010. The increase was primarily the result of our higher production in 2011 and an increase in our DD&A rate. Our DD&A per equivalent Mcf produced increased $0.24 (9%) to $2.95 for the three months ended September 30, 2011 from $2.71 for the three months ended September 30, 2010. DD&A for the first nine months of 2011 increased $48.9 million (30%) to $212.5 million from $163.6 million for the nine months ended September 30, 2010. Our DD&A rate per Mcfe for the first nine months of 2011 of $3.02 increased $0.11 (4%) from the DD&A rate of $2.91 for the first nine months of 2010. The higher DD&A rates per Mcfe mainly reflect the costs incurred during 2011 to complete the wells that were drilled but not completed during 2010.

General and administrative expense, which is reported net of overhead reimbursements, of $8.6 million for the third quarter of 2011 decreased from general and administrative expenses of $9.4 million for the third quarter of 2010. Included in general and administrative expense is stock-based compensation of $3.9 million and $4.4 million for the three months ended September 30, 2011 and 2010, respectively. For the first nine months of 2011, general and administrative expense decreased to $26.0 million from the $29.0 million for the nine months ended September 30, 2010. Included in general and administrative expense is stock-based compensation of $11.0 million and $12.9 million for the nine months ended September 30, 2011 and 2010, respectively. The decrease in stock-based compensation and general and administrative expenses in 2011 is primarily due to the benefit of forfeited stock awards related to the early retirement of one of our executive officers in the first quarter of 2011 as well as the lower cost of our stock-based compensation in 2011.

Interest expense increased $2.9 million to $10.0 million for the third quarter of 2011 from interest expense of $7.1 million in the third quarter of 2010. The increase was primarily related to the increase in debt outstanding during 2011 including the issuance of $300.0 million in senior notes in March 2011. We had average borrowings of $129.4 million outstanding under our bank credit facility during the third quarter of 2011 as compared to $54.9 million of average borrowings outstanding during the third quarter of 2010. We capitalized interest of $3.4 million and $3.5 million on our unevaluated properties during the three months ended September 30, 2011 and 2010, respectively. Interest expense increased $8.1 million to $30.7 million for the first nine months of 2011 from interest expense of $22.6 million in the first nine months of 2010. We had $87.5 million in average borrowings outstanding under our bank credit facility during the first nine months of 2011 as compared to $8.6 million of average borrowings outstanding in the first nine months of 2010. We capitalized interest of $10.0 million and $9.0 million on our unevaluated properties during the nine months ended September 30, 2011 and 2010, respectively. Interest expense for the nine months ended September 30, 2011 includes $1.1 million for the early retirement of our 6⅞% senior notes which were due in March 2012.

During the three months and nine months ended September 30, 2011 we recognized gains of $2.5 million and $32.2 million, respectively, from sales of 100,000 and 1.8 million shares of common stock in Stone Energy Corporation held as marketable securities. During the nine months ended September 30, 2010 we recognized a gain of $5.7 million from the sale of approximately 0.5 million shares of Stone Energy Corporation common stock.

We had a $3.5 million provision for income taxes in the third quarter of 2011 as compared to a benefit for income taxes of $0.2 million for the three months ended September 30, 2010. Income tax expense for the first nine months of 2011 consisted of a provision of $6.7 million as compared to a benefit for income taxes of $0.1 million for the nine months ended September 30, 2010. Our effective tax rate for the first nine months of 2011 was a provision of 46.5% as compared to our effective tax rate of a benefit of 7.1% for the first nine months of 2010. Income tax expense in 2011 increased from 2010 mainly due to our higher income in 2011.

We reported net income of $1.3 million for the three months ended September 30, 2011 or 3¢ per diluted share, as compared to a net loss of $4.7 million, or 10¢ per share, for the three months ended September 30, 2010. We reported net income of $7.7 million for the nine months ended September 30, 2011 or 16¢ per diluted share as compared to net income of $1.0 million or 2¢ per diluted share for the nine months ended September 30, 2010. The increases in earnings are primarily due to our higher natural gas production combined with the gains we realized from sales of marketable securities in 2011.

Liquidity and Capital Resources

Funding for our activities has historically been provided by our operating cash flow, debt or equity financings or asset dispositions. For the nine months ended September 30, 2011, our primary sources of funds were net cash flow from operations of $217.5 million, $293.4 million of net proceeds from our senior notes offering, net borrowings of $105.0 million under our bank credit facility and proceeds from sales of marketable securities of $49.1 million. Our net cash flow from operating activities decreased $31.7 million (13%) in the first nine months of 2011 to $217.5 million from $249.2 million for the nine months ended September 30, 2010. The decrease in operating cash flow is primarily due to working capital changes between the periods including the receipt of an income tax refund of $48.8 million in 2010.

Our primary needs for capital, in addition to funding our ongoing operations, relate to the acquisition, development and exploration of our oil and gas properties and the repayment of our debt. In the first nine months of 2011, we incurred capital expenditures of $496.1 million primarily for our development and exploration activities. We also spent $172.4 million in 2011 to retire $172.0 million in senior notes. We funded our 2011 capital program with cash flow provided by operating activities, proceeds from sales of marketable securities and borrowings, including the issuance of senior notes in March 2011.

The following table summarizes our capital expenditure activity, on an accrual basis, for the nine months ended September 30, 2011 and 2010:

	Nine Months Ended September 30,	
	2011	2010
	(In thousands)	
Leasehold costs	$ 52,621	$ 130,434
Development drilling	360,217	200,955
Exploratory drilling	77,607	56,237
Other development	5,547	5,326
	495,992	392,952
Other	143	11,475
	$ 496,135	$ 404,427

We expect to spend approximately $575.0 million for developmental and exploratory drilling during 2011 and an additional $125.0 million to acquire additional acreage. We expect to fund our development and exploration activities with operating cash flow, proceeds from asset sales including sales of our marketable securities and borrowings including the issuance of senior notes in March 2011.

The timing of most of our capital expenditures is discretionary because we have no material long-term capital expenditure commitments except for commitments for contract drilling services. Consequently, we have a significant degree of flexibility to adjust the level of our capital expenditures as circumstances warrant. As of September 30, 2011, we have contracted for the services of drilling rigs through June 2015 at an aggregate cost of $56.1 million and minimum future commitments for well completion services of $4.5 million through June 30, 2012. In addition, we have maximum commitments of $37.5 million to transport natural gas through July 2019. We have obligations to incur future payments for dismantlement, abandonment and restoration costs of oil and gas properties. These payments are currently estimated to be incurred primarily after 2016. We record a separate liability for the fair value of these asset retirement obligations which totaled $7.2 million as of September 30, 2011.

We have a $850.0 million bank credit facility with Bank of Montreal, as the administrative agent. The bank credit facility is a five-year revolving credit commitment that matures on November 30, 2015. Indebtedness under the bank credit facility is secured by all of our and our subsidiaries' assets and is guaranteed by all of our wholly owned subsidiaries. The bank credit facility is subject to borrowing base availability, which is redetermined semiannually based on the banks' estimates of the future net cash flows of our oil and natural gas properties. The borrowing base may be affected by the performance of our properties and changes in oil and natural gas prices. The determination of the borrowing base is at the sole discretion of the administrative agent and the bank group. As of September 30, 2011, the borrowing base was $500.0 million, $350.0 million of which was available. Effective October 31, 2011 the borrowing base was increased to $550.0 million. Borrowings under the bank credit facility bear interest, based on the utilization of the borrowing base, at our option at either (1) LIBOR plus 1.75% to 2.75% or (2) the base rate (which is the higher of the administrative agent's prime rate, the federal funds rate plus 0.5% or 30 day LIBOR plus 1.0%) plus 0.75% to 1.75%. A commitment fee of 0.5% is payable on the unused borrowing base. The bank credit facility contains covenants that, among other things, restrict the payment of cash dividends in excess of $50.0 million, limit the amount of consolidated debt that we may incur and limit our ability to make certain loans and investments. The only financial covenants are the maintenance of a ratio of current assets, including the availability under the bank credit facility, to current liabilities of at least one-to-one and maintenance of a minimum tangible net worth. We were in compliance with these covenants as of September 30, 2011.

On March 14, 2011, we issued $300.0 million of senior notes (the "2019 Notes") pursuant to an underwritten public offering. The 2019 Notes are due on April 1, 2019 and bear interest at 7¾%, which is payable semiannually on each April 1 and October 1. We also have $300.0 million of 8⅜% senior notes outstanding which are due on October 15, 2017 (the "2017 Notes"). Interest on the 2017 Notes is payable semiannually on each April 15 and October 15. Our senior notes are unsecured obligations and are guaranteed by all of our material subsidiaries.

On January 1, 2011, we had $172.0 million in principal amount of 6⅞% senior notes outstanding due on March 1, 2012 (the "2012 Notes"). During the first quarter of 2011, we redeemed all of the 2012 Notes for $172.4 million plus accrued interest. The early extinguishment of the 2012 Notes resulted in a loss of $1.1 million which is comprised of the premium paid for the redemption of the 2012 Notes, the costs incurred related to the tender offer, and the write-off of unamortized debt issuance costs related to the 2012 Notes.

We believe that our cash flow from operations, cash on hand and available borrowings under our bank credit facility will be sufficient to fund our operations and future growth as contemplated under our current business plan. However, if our plans or assumptions change or if our assumptions prove to be inaccurate, we may be required to seek additional capital. We cannot provide any assurance that we will be able to obtain such capital, or if such capital is available, that we will be able to obtain it on acceptable terms.

ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Oil and Natural Gas Prices

Our financial condition, results of operations and capital resources are highly dependent upon the prevailing market prices of natural gas and oil. These commodity prices are subject to wide fluctuations and market uncertainties due to a variety of factors, some of which are beyond our control. Factors influencing oil and natural gas prices include the level of global demand for crude oil, the foreign supply of oil and natural gas, the establishment of and compliance with production quotas by oil exporting countries, weather conditions that determine the demand for natural gas, the price and availability of alternative fuels and overall economic conditions. It is impossible to predict future oil and natural gas prices with any degree of certainty. Sustained weakness in natural gas and oil prices may adversely affect our financial condition and results of operations, and may also reduce the amount of oil and natural gas reserves that we can produce economically. Any reduction in our natural gas and oil reserves, including reductions due to price fluctuations, can have an adverse effect on our ability to obtain capital for our exploration and development activities. Similarly, any improvements in natural gas and oil prices can have a favorable impact on our financial condition, results of operations and capital resources. Based on our oil and natural gas production for the nine months ended September 30, 2011, a $1.00 change in the price per Mcf of natural gas would have changed our cash flow by approximately $66.7 million and a $1.00 change in the price per barrel of oil would have resulted in a change in our cash flow for such period by approximately $0.8 million.

Interest Rates

At September 30, 2011, we had total long-term debt of $746.8 million. Of this amount, $296.8 million bears interest at a fixed rate of 8⅜% with an effective interest rate of 8⅝% and $300.0 million bears interest at a fixed rate of 7¾%. We had $150.0 million outstanding under our bank credit facility, which bears interest at a fluctuating rate that is linked to LIBOR or the corporate base rate, at our option. Any increases in these interest rates can have an adverse impact on our results of operations and cash flow. Based on borrowings outstanding at September 30, 2011, a 100 basis point change in interest rates would change our interest expense for the nine months ended September 30, 2011 by approximately $1.1 million.

ITEM 4: CONTROLS AND PROCEDURES

As of September 30, 2011, we carried out an evaluation, under the supervision and with the participation of our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934). Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective as of September 30, 2011 to provide reasonable assurance that information required to be disclosed by us in the reports filed or submitted by us under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and to provide reasonable assurance that information required to be disclosed by us is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. There were no changes in our internal controls over financial reporting (as such term is defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) that occurred during the quarter ended September 30, 2011, that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

PART II — OTHER INFORMATION

ITEM 6: EXHIBITS

Exhibit No.	Description
10.1*	Assignment and First Amendment to Third Amended and Restated Credit Agreement, dated October 31, 2011, among Comstock Resources, Inc., as the borrower, the lenders from time to time party thereto, and Bank of Montreal, as administrative agent.
31.1*	Section 302 Certification of the Chief Executive Officer.
31.2*	Section 302 Certification of the Chief Financial Officer.
32.1†	Certification for the Chief Executive Officer as required by Section 906 of the Sarbanes-Oxley Act of 2002.
32.2†	Certification for the Chief Financial Officer as required by Section 906 of the Sarbanes-Oxley Act of 2002.
101**	The following materials from the Comstock Resources, Inc. Form 10-Q for the quarter ended September 30, 2011, formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statement of Stockholders' Equity and Comprehensive Income, (iv) Consolidated Statements of Cash Flows, and (v) Condensed Notes to Consolidated Financial Statements.

* Filed herewith.

† Furnished herewith.

** Submitted electronically herewith.

In accordance with Rule 406T of Regulation S-T, the XBRL information in Exhibit 101 to this Quarterly Report on Form 10-Q shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (Exchange Act), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed 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.

SIGNATURES

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

COMSTOCK RESOURCES, INC.

Date: November 4, 2011	/s/ M. JAY ALLISON **M. Jay Allison**, Chairman, President and Chief Executive Officer (Principal Executive Officer)
Date: November 4, 2011	/s/ ROLAND O. BURNS **Roland O. Burns**, Senior Vice President, Chief Financial Officer, Secretary, and Treasurer (Principal Financial and Accounting Officer)

ASSIGNMENT AND FIRST AMENDMENT
TO THIRD AMENDED AND RESTATED CREDIT AGREEMENT

This ASSIGNMENT AND FIRST AMENDMENT TO THIRD AMENDED AND RESTATED CREDIT AGREEMENT (this "**Amendment**") dated as of October 31, 2011 (the "**Amendment Effective Date**"), is among COMSTOCK RESOURCES, INC. (the "**Borrower**"), the banks named on the signature pages hereto (together with their respective successors and assigns in such capacity, each as a "**Lender**"), and BANK OF MONTREAL, as administrative agent for the Lenders (in such capacity, together with its successors and assigns, the "**Administrative Agent**").

PRELIMINARY STATEMENT

A. The Borrower, the Administrative Agent, the Lenders and certain other parties have entered into that certain Third Amended and Restated Credit Agreement dated as of November 30, 2010 (as amended, restated, modified or supplemented from time to time until the date hereof, the "**Credit Agreement**").

B. The Borrower has requested that the Administrative Agent and the Lenders increase the Borrowing Base in respect of the Fall 2011 redetermination, as set forth herein.

C. BNP Paribas (the "**Departing Lender**") has informed the Borrower and the Administrative Agent that it wishes to sell and assign all of its respective Commitment, outstanding Loans, outstanding L/C Obligations, and other rights and obligations under the Credit Agreement and the other Loan Documents, such that after giving effect thereto, it will cease to be a Lender.

D. Each of the Lenders listed on Annex I hereto (each, an "**Increasing Lender**") has informed the Borrower and the Administrative Agent that it intends to purchase and assume a portion of the Departing Lender's Commitment, outstanding Loans, outstanding L/C Obligations, and other rights and obligations under the Credit Agreement and the other Loan Documents, such that, after giving effect thereto, each Increasing Lender will have increased its respective Commitment Amount and corresponding Percentage Share of the aggregate outstanding Loans and L/C Obligations under the Credit Agreement to the Commitment Amount and corresponding Percentage Share set forth on Annex II attached hereto.

E. The Borrower has requested that the Credit Agreement be amended and modified to allow BOKF, NA dba Bank of Texas ("**BOKF**"), Branch Banking and Trust Company ("**BB&T**"), IBERIABANK ("**Iberiabank**") and OneWest Bank, FSB ("**OneWest**"; and together with BOKF, BB&T and Iberiabank, collectively, the "**New Lenders**") to become "Lenders" party to the Credit Agreement, as set forth herein.

F. The Borrower has requested that the Credit Agreement be amended and modified to replace the existing Schedule 2.1 to the Credit Agreement with the updated Schedule 2.1 attached hereto as Annex II.

G. Subject to the terms and conditions of this Amendment, the Lenders party to the Credit Agreement immediately prior to the effectiveness of this Amendment, the New Lenders, the Administrative Agent and the Issuing Bank have entered into this Amendment in order to effectuate such amendments and modifications and increase the Borrowing Base, and the Departing Lender, each Increasing Lender and each New Lender have entered into this Amendment to effectuate such assignments and assumptions, and in the case of the New Lenders, to join the Credit Agreement, each as set forth herein.

NOW THEREFORE, in consideration of the foregoing and the mutual agreements set forth herein, the parties agree as follows:

Section 1. ***Definitions***. Unless otherwise defined in this Amendment, each capitalized term used in this Amendment has the meaning assigned to such term in the Credit Agreement.

Section 2. ***Amendment of Credit Agreement***.

(a) Section 1.1 of the Credit Agreement is hereby amended by adding the following new defined terms in their appropriate alphabetical order:

" "2011 Senior Notes" means those certain senior unsecured notes issued by the Borrower in an aggregate principal amount of $300,000,000 on the date of issuance thereof under the 2011 Senior Notes Indenture."

" "2011 Senior Notes Indenture" means that certain Third Supplemental Indenture dated as of March 14, 2011 by and among Borrower, as issuer, and The Bank of New York Mellon Trust Company, N.A., as trustee, and one or more Loan Parties, as guarantors, and all related documentation entered into in connection therewith pursuant to which the 2011 Senior Notes were issued, as the same may be amended, restated, modified or supplemented from time to time."

(b) Section 1.1 of the Credit Agreement is hereby amended by replacing the following defined terms in their entirety with the following:

" "Indenture Debt Documents" means, individually and collectively, (i) the 2009 Senior Notes Indenture, (ii) the 2011 Senior Notes Indenture, (iii) any Permitted Additional Notes Indenture and (iv) any documents related to or delivered in connection with the issuance of any Permitted Refinancing Indebtedness."

" "Permitted Additional Notes" means senior unsecured notes issued by the Borrower from time to time after October 31, 2011; provided that (a) the final maturity date of such senior unsecured notes shall not be earlier than 91 days after the Maturity Date (as in effect on the date of issuance of such senior unsecured notes); (b) such senior unsecured notes and any Permitted Additional Notes Indenture under which such senior unsecured notes are issued contain customary terms and conditions for senior unsecured notes of like tenor and amount and do not contain any covenants, events or default or other provisions (other than interest rate and redemption premiums) that, on the whole, are materially more onerous to the Borrower and its Subsidiaries than those imposed by this Agreement; and (c) at the time of and immediately after giving effect to each incurrence of such Indebtedness, no Event of Default shall have occurred and be continuing."

" "Permitted Refinancing Indebtedness" means Indebtedness (for purposes of this definition, "new Indebtedness") incurred in exchange for, or proceeds of which are used to refinance, all or any portion of the 2009 Senior Notes, the 2011 Senior Notes or any Permitted Additional Notes (the portion refinanced, the "Refinanced Indebtedness"); provided that (a) such new Indebtedness is in an aggregate principal amount not in excess of the sum of (i) the aggregate principal amount of the Refinanced Indebtedness and (ii) an amount necessary to pay any fees and expenses, including premiums, related to such refinancing; (b) such new Indebtedness has a stated maturity and an average life no shorter than the date that is 91 days after the Maturity Date; (c) such new Indebtedness does not contain any covenants, events of default or other terms (other than interest rate and redemption premiums) that, on the whole, are materially more onerous to the Borrower and its Subsidiaries than those imposed by the Refinanced Indebtedness; (d) the stated interest or coupon rate of such new Indebtedness is reasonably acceptable to the Administrative Agent; and (e) no Event of Default shall exist at the time of, or result from, the issuance of such new Indebtedness. For the avoidance of doubt, that portion of any Indebtedness initially issued as Permitted Additional Notes the proceeds of which are used to call, redeem or repurchase 2009 Senior Notes or 2011 Senior Notes and the principal amount of which is ultimately deducted from the Borrowing Base adjustment pursuant to Section 2.8(d)(ii) shall constitute Permitted Refinancing Indebtedness."

(c) Section 1.1 of the Credit Agreement is hereby amended by deleting the following defined terms: "2004 Senior Notes"; and "2004 Senior Notes Indenture".

(d) Section 2.8(d)(ii) is hereby amended by deleting the proviso and replacing it in its entirety with the following:

";provided, however, that if the Borrower delivers written notice to the Administrative Agent concurrently with the issuance of any Permitted Additional Notes that the Borrower intends to use all or a portion of the proceeds of such Permitted Additional Notes to call, redeem or repurchase all or a portion of the 2009 Senior Notes or 2011 Senior Notes within thirty (30) days of the issuance of such Permitted Additional Notes in accordance with Section 7.12(a), then the outstanding principal amount of 2009 Senior Notes or 2011 Senior Notes to be called, redeemed or repurchased (together with any 2009 Senior Notes and 2011 Senior Notes previously called, redeemed or repurchased prior to or after the Closing

Date) shall be deducted from the stated aggregate principal amount of Permitted Additional Notes for purposes of the foregoing automatic Borrowing Base reduction; provided further that the Borrowing Base shall be automatically reduced further by $0.25 for every $1 of the aggregate outstanding principal amount of any 2009 Senior Notes or 2011 Senior Notes, as applicable, that were the subject of such call, redemption or repurchase but that have not been redeemed or repurchased on or before the last day of such thirty (30) day period."

(e) Section 7.3(f) is hereby deleted and replaced in its entirety with the following:

"(f) unsecured Indebtedness of Borrower (and related Guaranty Obligations of the Guarantors) outstanding under (i) the 2009 Senior Notes Indenture , provided that the aggregate principal amount of any Indebtedness outstanding thereunder shall not exceed $300,000,000 at any time, (ii) the 2011 Senior Notes, provided that the aggregate principal amount of any Indebtedness outstanding thereunder shall not exceed $300,000,000 at any time, (iii) any Permitted Additional Notes, provided that the aggregate principal amount of any Indebtedness outstanding thereunder, not including any amount used to call, redeem or repurchase 2009 Senior Notes or 2011 Senior Notes (which shall constitute Permitted Refinancing Indebtedness) shall not exceed $300,000,000 at any time, and (iv) any Permitted Refinancing Indebtedness"

(f) Section 7.12(a) is hereby deleted and replaced in its entirety with the following:

"(a) the Borrower may call, redeem or repurchase 2009 Senior Notes or 2011 Senior Notes at any time, provided that both before and after giving effect to any such call, redemption or repurchase no Default or Event of Default shall have occurred and be continuing and the Outstanding Amount shall not exceed, after giving effect to any Credit Extension the proceeds of which are used (or are intended to be used) to fund any portion of any such call, redemption or repurchase, 66.6% of the Borrowing Base then in effect (provided that, for the avoidance of doubt, the Borrower acknowledges that the Borrowing Base shall not be increased as result of any such call, redemption or repurchase except to the extent (if any) that the principal amount of the 2009 Senior Notes or 2011 Senior Notes redeemed or repurchased with the proceeds of Permitted Additional Notes is netted against the principal amount of such Permitted Additional Notes for purposes of any reduction in the Borrowing Base pursuant to Section 2.8(d)(ii)); and"

(g) The Credit Agreement is hereby amended by deleting the existing Schedule 2.1 to the Credit Agreement and inserting in its place the text contained in Annex II attached to this Amendment as the new Schedule 2.1 to the Credit Agreement.

(h) The Credit Agreement is hereby amended by inserting at the end of the existing Schedule 10.2 to the Credit Agreement the text contained in Annex III attached to this Amendment.

Section 3. ***BOKF, BB&T, Iberiabank and OneWest as Lenders***.

(a) Upon the effectiveness of this Amendment and by its execution and delivery hereof, each of BOKF, BB&T, Iberiabank and OneWest shall be deemed automatically to have become a party to the Credit Agreement, shall have all the rights and obligations, severally and not jointly, of a "Lender" under the Credit Agreement and the other Loan Documents as if each were an original signatory thereto, and shall agree, and does hereby agree, severally and not jointly, to be bound by the terms and conditions set forth in the Credit Agreement and the other Loan Documents to which the Lenders are a party, in each case, as if each were an original signatory thereto.

(b) Each of BOKF, BB&T, Iberiabank and OneWest, severally and not jointly, (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 5.5 thereof and most recently delivered pursuant to Section 6.1 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Amendment and the Credit Agreement; (ii) agrees that is has independently and without reliance upon the assignor or the Administrative Agent and based on such information as it has deemed appropriate, made its own credit analysis and decision to enter into this Amendment and the Credit Agreement (and that it will, independently and without reliance upon the Administrative Agent, the Issuing Bank, the Arranger or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement); (iii) represents and warrants that (1) its name set forth herein is its legal name, (2) it has the full power and authority and the legal right to make, deliver and perform, and has taken all necessary action, to authorize the execution, delivery and performance of this Amendment, and any and all other documents delivered by it in connection herewith and to fulfill its obligations under, and to consummate the transactions contemplated by, this Amendment, the Credit Agreement and the Loan Documents, (3) no consent or authorization of, filing with, or other act by or in respect of any Governmental Authority, is required in connection herewith or therewith, and (4) this Amendment constitutes its legal, valid and binding obligation; (iv) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Loan Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto; (v) appoints and authorizes the Issuing Bank to take such action as letter of credit issuing bank on its behalf and to exercise such powers and discretion under the Loan Documents as are delegated to the Issuing Bank by the terms thereof, together with such powers and discretion as are reasonably incidental thereto; (vi) agrees that it will perform in accordance with their terms all of the obligations that by the terms of the Credit Agreement are required to be performed by it as a Lender; and (vii) represents and warrants that under applicable Laws no tax will be required to be withheld by the Administrative Agent or the Borrower with respect to any payments to be made to such New Lender hereunder or under any Loan Document, and no tax forms described in Section 3.8 of the Credit Agreement are required to be delivered by such New Lender (or if required, such tax forms have been delivered to the Administrative Agent as required under Section 3.8 of the Credit Agreement).

(c) Each of BOKF, BB&T, Iberiabank and OneWest hereby advises each other party hereto that its respective address for notices and its respective Lending Office shall be as set forth below its name on Schedule 10.2 to the Credit Agreement (as amended hereby).

Section 4. ***Redetermination of Borrowing Base***.

(a) The Borrowing Base shall be increased from $500,000,000 to $550,000,000 from and after the Amendment Effective Date until the Borrowing Base shall be otherwise redetermined in accordance with the Credit Agreement.

(b) Both the Borrower, on the one hand, and the Administrative Agent and the Lenders, on the other hand, agree that the redetermination of the Borrowing Base pursuant to clause (a) of this Section 3 constitutes the regularly scheduled Borrowing Base redetermination for Fall 2011 (and shall not constitute a discretionary redetermination of the Borrowing Base pursuant to Section 2.8 of the Credit Agreement).

Section 5. ***Fees***. Promptly following the effectiveness of this Amendment, the Borrower shall pay to the Administrative Agent for the account of each (a) Increasing Lender a fee equal to 0.50% of the positive difference of (i) each such Increasing Lender's Percentage Share of the increased Borrowing Base after giving effect to the increase in such Increasing Lender's Percentage Share pursuant to this Amendment, *minus* (ii) each such Increasing Lender's Percentage Share of the Borrowing Base immediately prior to the effectiveness of this Amendment, and (b) New Lender a fee equal to 0.50% of each New Lender's Percentage Share of the Borrowing Base after giving effect to this Amendment.

Section 6. ***Ratification***. The Borrower hereby ratifies and confirms all of the Obligations under the Credit Agreement (as amended hereby) and the other Loan Documents, and, in particular, affirms that the terms of the Security Documents secure, and will continue to secure, all Obligations, after giving effect to this Amendment.

Section 7. ***Effectiveness***. This Amendment shall become effective on the Amendment Effective Date upon satisfaction of all of the conditions set forth in this Section 7:

(a) The Administrative Agent shall have received duly executed counterparts of this Amendment from the Borrower, the Administrative Agent, each Increasing Lender, the Departing Lender and each New Lender;

(b) The Borrower shall have delivered to the Administrative Agent on behalf of each Increasing Lender that has requested a Note at least two Business Days prior to the date hereof, a promissory note dated the Closing Date and payable to each such Increasing Lender in a maximum principal amount equal to such Increasing Lender's Percentage Share after giving effect to this Amendment (as shown on Annex II hereto) of $750,000,000 (which promissory note shall replace and supersede the existing promissory note issued by the Borrower to such Increasing Lender and the Departing Lender);

(c) The Borrower shall have delivered to the Administrative Agent on behalf of each New Lender that has requested a Note at least two Business Days prior to the date hereof, a promissory note dated the Closing Date and payable to each such New Lender in a maximum principal amount equal to such New Lender's Percentage Share after giving effect to this Amendment (as shown on Annex II hereto) of $750,000,000;

(d) The Borrower shall have confirmed and acknowledged to the Administrative Agent and the Lenders, and by its execution and delivery of this Amendment, the Borrower does hereby confirm and acknowledge to the Administrative Agent and the Lenders, that (i) the execution, delivery and performance of this Amendment has been duly authorized by all requisite corporate action on the part of the Borrower; (ii) the Credit Agreement (as amended hereby) and each other Loan Document constitute valid and legally binding agreements enforceable against the Borrower and each other Loan Party that is a party thereto in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other similar laws relating to or affecting the enforcement of creditors' rights generally and by general principles of equity, (iii) the representations and warranties by the Borrower and the other Loan Parties contained in the Credit Agreement and in the other Loan Documents are true and correct on and as of the date hereof in all material respects as though made as of the date hereof, and (iv) no Default or Event of Default exists under the Credit Agreement or any of the other Loan Documents.

Section 8. ***Renewal and Continuation of Existing Loans***. Upon the effectiveness of this Amendment:

(a) All of the Obligations outstanding under the Credit Agreement as of the date of such effectiveness shall hereby be restructured, rearranged, renewed, extended and continued under the Credit Agreement (as amended hereby) and all of each Departing Lender's Loans and L/C Obligations outstanding under the Credit Agreement as of the date of such effectiveness shall hereby continue as Loans and L/C Obligations of the New Lenders and Increasing Lenders outstanding under the Credit Agreement (as amended hereby).

(b) In connection herewith, each of the Departing Lenders (severally and not jointly) hereby irrevocably sells, assigns, transfers and conveys without recourse to such Departing Lender, and each of the Increasing Lenders and New Lenders (severally and not jointly) hereby irrevocably purchases and assumes without recourse to such Departing Lender, so much of the Aggregate Commitments under, Loans outstanding under, and participations in Letters of Credit issued pursuant to, the Credit Agreement such that the Percentage Share of each Departing Lender and each Increasing Lender and each New Lender shall be as set forth on Schedule 2.1 to the Credit Agreement (as amended hereby). The foregoing assignments, transfers and conveyances are without recourse to the Departing Lenders and without any warranties whatsoever by the Administrative

Agent, the Issuing Bank or any Departing Lender as to title, enforceability, collectibility, documentation or freedom from liens or encumbrances, in whole or in part, other than the warranty of each Departing Lender (which each Departing Lender hereby makes) that it has not previously sold, transferred, conveyed or encumbered such interests.

Section 9. ***Representations of Departing Lenders and Increasing Lenders***. Each Departing Lender (severally and not jointly) represents and warrants to the Administrative Agent, each Increasing Lender, each New Lender and each other Departing Lender that (1) it is the legal and beneficial owner of the Commitments, Loans, L/C Obligations and other rights and obligations assigned hereunder, free and clear of any adverse claim, (2) it has the power and authority and the legal right to make, deliver and perform, and has taken all necessary action, to authorize the execution, delivery and performance of this Amendment and to fulfill its obligations under, and to consummate the transactions contemplated by, this Amendment, and no consent or authorization of, filing with, or other act by or in respect of any Governmental Authority, is required in connection herewith or therewith; and (3) this Amendment constitutes the legal, valid and binding obligation of such Departing Lender. Each Increasing Lender (severally and not jointly) represents and warrants to the Administrative Agent, each other Increasing Lender, each New Lender and each Departing Lender that (1) it has the power and authority and the legal right to make, deliver and perform, and has taken all necessary action, to authorize the execution, delivery and performance of this Amendment and to fulfill its obligations under, and to consummate the transactions contemplated by, this Amendment, and no consent or authorization of, filing with, or other act by or in respect of any Governmental Authority, is required in connection herewith or therewith; and (2) this Amendment constitutes the legal, valid and binding obligation of such Increasing Lender. None of the Administrative Agent or the Issuing Bank makes any representation or warranty to any Lender or assumes any responsibility to any Lender, and no Lender makes any representation or warranty to any other Lender or assumes any responsibility to any other Lender, in each case, with respect to the financial condition of the Borrower or any of its Affiliates or the performance by the Borrower or any of its Affiliates of their respective obligations under the Loan Documents or assumes any responsibility with respect to any statements, warranties or representations made the Borrower or any of its Affiliates under or in connection with any Loan Document or the execution, legality, validity, enforceability, genuineness, sufficiency or value of any Loan Document other than as expressly set forth above.

Section 10. ***Waiver of Assignment Fee***. The Administrative Agent hereby waives any assignment fee that would otherwise be payable to it under the Credit Agreement in connection with the assignments and assumptions contemplated hereunder.

Section 11. ***Governing Law***. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

Section 12. ***Miscellaneous***. (a) On and after the effectiveness of this Amendment, each reference in each Loan Document to "this Amendment", "this Note", "this Mortgage", "hereunder", "hereof" or words of like import, referring to such Loan Document, and each reference in each other Loan Document to "the Credit Agreement", "the Notes", "the Mortgages", "thereunder", "thereof" or words of like import referring to the Credit Agreement, the Notes, or the Mortgage or any of them, shall mean and be a reference to such Loan Document, the Credit Agreement, the Notes, the Mortgage or any of them, as amended or otherwise modified by this Amendment; (b) the execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any default of the Borrower or any right, power or remedy of the Administrative Agent or the Banks under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents and except as otherwise modified by the terms hereof, the Credit Agreement and such other Loan Documents shall remain in full force and effect; (c) this Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement; and (d) delivery of an executed counterpart of a signature page to this Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Amendment.

Section 13. ***Final Agreement***. THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS, INCLUDING THIS AMENDMENT, REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES.

[Signature Pages Follow]

IN WITNESS WHEREOF, each of the parties hereto has caused this Assignment and First Amendment to Third Amended and Restated Credit Agreement to be executed by its officer(s) thereunto duly authorized as of the date first above written.

BORROWER:

COMSTOCK RESOURCES, INC.,
a Nevada corporation

By: /s/ ROLAND O. BURNS
Name: Roland O. Burns
Title: Senior Vice President and
Chief Financial Officer

ADMINISTRATIVE AGENT AND LENDERS:

BANK OF MONTREAL, as Administrative Agent and Issuing Bank and Lender

By: /s/ JAMES V. DUCOTE
Name: James V. Ducote
Title: Director

BANK OF AMERICA, N.A., as Syndication Agent and Lender

By: /s/ CHRISTOPHER T. RENYI
Name: Christopher T. Renyi
Title: Vice President

JPMORGAN CHASE BANK, N.A., as Co-Documentation Agent and Lender

By: /s/ MARK E. OLSON
Name: Mark E. Olson
Title: Authorized Officer

COMERICA BANK, as Co-Documentation Agent and Lender

By: /s/ JOHN S. LESIKAR
Name: John S. Lesikar
Title: Assistant Vice President

UNION BANK, N.A.,
as Co-Documentation Agent and Lender

By: /s/ WHITNEY RANDOLPH
Name: Whitney Randolph
Title: Vice President

REGIONS BANK, as a Lender

By: /s/ WILLIAM A. PHILIPP
Name: William A. Philipp
Title: Senior Vice President

BANK OF SCOTLAND, as a Lender

By: /s/ KAREN WEICH
Name: Karen Weich
Title: Vice President

CAPITAL ONE, N.A.,
as a Lender

By: /s/ NANCY M. MAK
Name: Nancy M. Mak
Title: Vice President

THE BANK OF NOVA SCOTIA, as a Lender

By: /s/ JOHN FRAZELL
Name: John Frazell
Title: Director

COMPASS BANK, as a Lender

By: /s/ DOROTHY MARCHAND

Name: Dorothy Marchand

Title: Senior Vice President

NATIXIS, as a Lender

By: /s/ LIANA TCHERNYSHEVA
Name: Liana Tchernysheva
Title: Managing Director

By: /s/ DONOVAN BROUSSARD
Name: Donovan Broussard
Title: Managing Director

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ DARIA M. MAHONEY
Name: Daria M. Mahoney
Title: Vice President

SUNTRUST BANK, as a Lender

By: /s/ GREGORY C. MAGNUSON
Name: Gregory C. Magnuson
Title: Vice President

BOKF, NA, dba Bank of Texas,
as a Lender

By: /s/ MYNAN C. FELDMAN
Name: Mynan C. Feldman
Title: Senior Vice President

IBERIABANK,
as a Lender

By: /s/ CAMERON D. JONES
Name: Cameron D. Jones
Title: Vice President

BRANCH BANKING AND TRUST COMPANY, as a Lender

By: /s/ RYAN K. MICHAEL

Name: Ryan K. Michael

Title: Senior Vice President

ONEWEST BANK, FSB,
as a Lender

By: /s/ GRANT AHEARN
Name: Grant Ahearn
Title: EVP

BNP PARIBAS,
as a Lender

By: /s/ MATTHEW A. TURNER
Name: Matthew A. Turner
Title: Vice President

By: /s/ RICHARD HAWTHORNE
Name: Richard Hawthorne
Title: Director

ACKNOWLEDGMENT BY GUARANTORS

Each of the undersigned Guarantors hereby (i) consents to the terms and conditions of that certain Assignment and First Amendment to Third Amended and Restated Credit Agreement dated as of October 17, 2011 (the "Amendment"), (ii) acknowledges and agrees that its consent is not required for the effectiveness of the Amendment, (iii) ratifies and acknowledges its respective Obligations under each Loan Document to which it is a party and affirms that the terms of its respective Guaranty guarantees, and will continue to guarantee, the Obligations, after giving effect to the Amendment, and (iv) represents and warrants that (a) no Default or Event of Default has occurred and is continuing, (b) it is in full compliance with all covenants and agreements pertaining to it in the Loan Documents, and (c) it has reviewed a copy of the Amendment.

COMSTOCK OIL & GAS HOLDINGS, INC.
COMSTOCK OIL & GAS — LOUISIANA, LLC
COMSTOCK OFFSHORE, LLC
COMSTOCK OIL & GAS GP, LLC,
By Comstock Resources, Inc., its sole member
COMSTOCK OIL & GAS, LP,

By Comstock Oil & Gas GP, LLC,
its general partner,

By Comstock Resources, Inc., its sole member

By: /s/ ROLAND O. BURNS
Name: Roland O. Burns
Title: Senior Vice President and
Chief Financial Officer

COMSTOCK OIL & GAS INVESTMENTS, LLC

By: /s/ ROLAND O. BURNS
Name: Roland O. Burns
Title: Manager

Annex I

Increasing Lenders

- Bank of Montreal
- Bank of America, N.A.
- JPMorgan Chase Bank, N.A.
- Comerica Bank
- Union Bank, N.A.
- Regions Bank
- Bank of Scotland
- Capital One N.A.
- The Bank of Nova Scotia
- Compass Bank
- Natixis
- U.S. Bank National Association
- SunTrust Bank

Annex II

SCHEDULE 2.1

COMMITMENT AMOUNTS
AND PERCENTAGE SHARES

Lender	Commitment Amount	Percentage Share
Bank of Montreal	$ 61,363,636.00	8.181818182%
Bank of America, N.A.	$ 57,272,727.00	7.636363636%
JPMorgan Chase Bank, N.A.	$ 57,272,727.00	7.636363636%
Comerica Bank	$ 57,272,727.00	7.636363636%
Union Bank, N.A.	$ 57,272,727.00	7.636363636%
Regions Bank	$ 53,181,818.00	7.090909091%
Bank of Scotland	$ 53,181,818.00	7.090909091%
Capital One N.A.	$ 53,181,818.00	7.090909091%
The Bank of Nova Scotia	$ 43,636,364.00	5.818181818%
Compass Bank	$ 43,636,364.00	5.818181818%
Natixis	$ 43,636,364.00	5.818181818%
U.S. Bank National Association	$ 43,636,364.00	5.818181818%
SunTrust Bank	$ 43,636,364.00	5.818181818%
BOKF, NA dba Bank of Texas	$ 20,454,545.00	2.727272727%
Branch Banking and Trust Company	$ 20,454,545.00	2.727272727%
IBERIABANK	$ 20,454,545.00	2.727272727%
OneWest Bank, FSB	$ 20,454,545.00	2.727272727%
Total	**$ 750,000,000.00**	**100.00000000%**

Exhibit 31.1

Section 302 Certification

I, M. Jay Allison, certify that:

1. I have reviewed this September 30, 2011 Form 10-Q of Comstock Resources, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2011

/s/ M. JAY ALLISON
President and Chief Executive Officer

Exhibit 31.2

Section 302 Certification

I, Roland O. Burns, certify that:

1. I have reviewed this September 30, 2011 Form 10-Q of Comstock Resources, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2011

/s/ ROLAND O. BURNS
Sr. Vice President and Chief Financial Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Comstock Resources, Inc. (the "Company") on Form 10-Q for the three months ending September 30, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, M. Jay Allison, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ M. JAY ALLISON
M. Jay Allison
Chief Executive Officer
November 4, 2011

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Comstock Resources, Inc. (the "Company") on Form 10-Q for the three months ending September 30, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Roland O. Burns, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ ROLAND O. BURNS
Roland O. Burns
Chief Financial Officer
November 4, 2011