

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 June 30, 2000

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF
THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

Commission File No. 0-16741

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

NEVADA
(State or other jurisdiction of
incorporation or organization)

94-1667468
(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 filing requirements for the past 90 days.

Yes No

The number of shares outstanding of the registrant's common stock, par value \$.50, as of August 9, 2000 was 25,598,198.

COMSTOCK RESOURCES, INC.

QUARTERLY REPORT

For the Quarter Ended June 30, 2000

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

ASSETS

	June 30, 2000	December 31, 1999
	-----	-----
	(Unaudited)	
	(In thousands)	
Cash and Cash Equivalents	\$ 1,293	\$ 7,648
Accounts Receivable:		
Oil and gas sales	27,090	18,200
Joint interest operations	2,672	5,415
Other Current Assets	1,634	909
	-----	-----
Total current assets	32,689	32,172
Property and Equipment:		
Unevaluated oil and gas properties	5,290	2,231
Oil and gas properties, successful efforts method	623,733	581,247
Other	2,222	2,163
Accumulated depreciation, depletion and amortization	(211,341)	(189,779)
	-----	-----
Net property and equipment	419,904	395,862
Other Assets	6,399	6,939
	-----	-----
	\$ 458,992	\$ 434,973
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Portion of Long-Term Debt	\$ 331	\$ 131
Accounts Payable and Accrued Expenses	32,469	35,587
	-----	-----
Total current liabilities	32,800	35,718
Long-Term Debt, less current portion	260,000	254,000
Deferred Taxes Payable	7,469	261
Reserve for Future Abandonment Costs	7,820	7,820
Stockholders' Equity:		
Preferred stock--\$10.00 par, 5,000,000 shares authorized, 3,000,000 shares outstanding	30,000	30,000
Common stock--\$0.50 par, 50,000,000 shares authorized, 25,598,198 and 25,375,197 shares outstanding at June 30, 2000 and December 31, 1999, respectively ..	12,799	12,688
Additional paid-in capital	116,342	114,855
Retained deficit	(7,584)	(19,603)
Deferred compensation-restricted stock grants	(654)	(766)
	-----	-----
Total stockholders' equity	150,903	137,174
	-----	-----
	\$ 458,992	\$ 434,973
	=====	=====

The accompanying notes are an integral part of these statements.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2000	1999	2000	1999
	-----	-----	-----	-----
Revenues:				
Oil and gas sales	\$ 38,569	\$ 20,783	\$ 71,640	\$ 40,387
Other income	65	1,763	137	1,793
Gain on sale of properties	--	130	--	130
	-----	-----	-----	-----
Total revenues	38,634	22,676	71,777	42,310
	-----	-----	-----	-----
Expenses:				
Oil and gas operating	7,218	5,907	14,604	11,801
Exploration	787	--	787	664
Depreciation, depletion and amortization ...	10,454	11,322	22,166	24,763
General and administrative, net	700	476	1,195	910
Interest	6,218	5,882	12,433	10,980
	-----	-----	-----	-----
Total expenses	25,377	23,587	51,185	49,118
	-----	-----	-----	-----
Income (loss) before income taxes	13,257	(911)	20,592	(6,808)
Income tax benefit (expense)	(4,641)	--	(7,208)	1,778
	-----	-----	-----	-----
Net income (loss)	8,616	(911)	13,384	(5,030)
Preferred stock dividends	(682)	(473)	(1,365)	(473)
	-----	-----	-----	-----
Net income (loss) attributable to common stock .	\$ 7,934	\$ (1,384)	\$ 12,019	\$ (5,503)
	=====	=====	=====	=====
Net income (loss) per share:				
Basic.....	\$ 0.31	\$ (0.06)	\$ 0.47	\$ (0.23)
	=====	=====	=====	=====
Diluted.....	\$ 0.25		\$ 0.40	
	=====		=====	
Weighted average shares outstanding:				
Basic.....	25,459	24,391	25,417	24,371
	=====	=====	=====	=====
Diluted.....	33,967		33,636	
	=====		=====	

The accompanying notes are an integral part of these statements.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

For the Six Months June 30, 2000

(Unaudited)

	Preferred Stock -----	Common Stock -----	Additional Paid-In Capital -----	Retained Earning (Deficit) -----	Deferred Compensation- Restricted Stock Grants -----	Total -----
(In thousands)						
Balance at December 31, 1999 ..	\$ 30,000	\$ 12,688	\$114,855	\$(19,603)	\$ (766)	\$137,174
Restricted stock grants	--	--	--	--	112	112
Value of stock options issued for exploration prospects	--	--	997	--	--	997
Exercise of stock options ...	--	111	490	--	--	601
Net income attributable to common stock	--	--	--	12,019	--	12,019
	-----	-----	-----	-----	-----	-----
Balance at June 30, 2000	\$ 30,000	\$ 12,799	\$116,342	\$ (7,584)	\$ (654)	\$150,903
	=====	=====	=====	=====	=====	=====

The accompanying notes are an integral part of these statements.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Six Months Ended June 30,	
	2000	1999
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 13,384	\$ (5,030)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Compensation paid in common stock	112	3
Exploration	787	664
Depreciation, depletion and amortization	22,166	24,763
Deferred income taxes	7,208	(1,778)
Gain on sale of properties	--	(130)
	-----	-----
Working capital provided by operations	43,657	18,492
Decrease (increase) in accounts receivable	(6,147)	2,032
Increase in other current assets	(725)	(1,448)
Decrease in accounts payable and accrued expenses	(3,118)	(16,142)
	-----	-----
Net cash provided by operating activities	33,667	2,934
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of properties	13	768
Capital expenditures and acquisitions	(45,471)	(10,212)
	-----	-----
Net cash used for operating activities	(45,458)	(9,444)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings	14,408	10,361
Proceeds from senior notes issuance	--	149,221
Debt issuance costs	--	(5,448)
Principal payments on debt	(8,208)	(178,155)
Proceeds from preferred stock issuance	--	30,000
Preferred stock dividends paid	(1,365)	--
Proceeds from common stock issuance	601	150
Stock issuance costs	--	(691)
	-----	-----
Net cash provided by financing activities	5,436	5,438
	-----	-----
Net decrease in cash and cash equivalents	(6,355)	(1,072)
Cash and cash equivalents, beginning of period .	7,648	5,176
	-----	-----
Cash and cash equivalents, end of period	\$ 1,293	\$ 4,104
	=====	=====

The accompanying notes are an integral part of these statements.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2000

(Unaudited)

(1) SIGNIFICANT ACCOUNTING POLICIES -

Basis of Presentation -

In management's opinion, the accompanying 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 (the "Company") as of June 30, 2000 and the related results of operations for the three months and six months ended June 30, 2000 and 1999 and cash flows for the six months ended June 30, 2000 and 1999.

The accompanying unaudited 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 generally accepted accounting principles have been omitted pursuant to those rules and regulations, although the Company believes that the disclosures made are adequate to make the information presented not misleading. These financial statements should be read in conjunction with the Company's financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 1999.

The results of operations for the six months ended June 30, 2000 are not necessarily an indication of the results expected for the full year.

Supplementary Information with Respect to the Statements of Cash Flows -

	For the Six Months Ended June 30,	
	2000	1999
	-----	-----
	(In thousands)	
Cash Payments -		
Interest payments	\$12,491	\$ 8,465
Income tax payments	--	--
Noncash Investing and Financing Activities -		
Common stock issued for preferred stock dividends	\$ --	\$ 473
Value of vested stock options under exploration joint venture	997	498

Income Taxes-

Deferred income taxes are provided to reflect the future tax consequences of differences between the tax basis of assets and liabilities and their reported amounts in the financial statements using enacted tax rates.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(continued)

Earnings Per Share -

Basic earnings per share is determined without the effect of any outstanding potentially dilutive stock options or other convertible securities and diluted earnings per share is determined with the effect of outstanding stock options and other convertible securities that are potentially dilutive. Basic and diluted earnings per share for the six months ended June 30, 2000 and 1999 were determined as follows:

	For the Three Months Ended June 30,					
	2000			1999		
	Income (Loss)	Shares	Per Share	Income (Loss)	Shares	Per Share
	(Amounts in thousands except per share data)					
Basic Earnings Per Share:						
Income (Loss)	\$ 8,616	25,459		\$ (911)	24,391	
Less Preferred Stock Dividends	(682)	--		(473)	--	
Net Income (Loss) Available to Common Stockholders	7,934	25,459	\$ 0.31	\$(1,384)	24,391	\$ (0.06)
			=====	=====	=====	=====
Diluted Earning Per Share:						
Effect of Dilutive Securities:						
Stock Options	--	1,008				
Convertible Preferred Stock	682	7,500				
Net Income Available to Common Stockholders and Assumed Conversions	\$ 8,616	33,967	\$ 0.25			
	=====	=====	=====			

	For the Six Months Ended June 30,					
	2000			1999		
	Income (Loss)	Shares	Per Share	Income (Loss)	Shares	Per Share
	(Amounts in thousands except for per share data)					
Basic Earnings Per Share:						
Income (Loss).....	\$13,384	25,417		\$(5,030)	24,371	
Less Preferred Stock Dividends.....	(1,365)	--		(473)	--	
Net Income (Loss) Available to Common Stockholders.....	12,019	25,417	\$ 0.47	\$(5,503)	24,371	\$ (0.23)
			=====	=====	=====	=====
Diluted Earning Per Share:						
Effect of Dilutive Securities:						
Stock Options.....	--	719				
Convertible Preferred Stock.	1,365	7,500				
Net Income Available to Common Stockholders and Assumed Conversions.....	\$13,384	33,636	\$ 0.40			
	=====	=====	=====			

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(continued)

New Accounting Standard

In September 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133") which has been amended by SFAS 137. The Statement establishes accounting and reporting standards that are effective for fiscal years beginning after June 15, 2000 which require that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. The Statement requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met.

The Company periodically uses derivatives to hedge floating interest rate and oil and gas price risks. Such derivatives are reported at cost, if any, and gains and losses on such derivatives are reported when the hedged transaction occurs. Accordingly, the Company's adoption of SFAS 133 could have an impact on the reported financial position of the Company, and although such impact has not been determined, it is currently not believed to be material. Adoption of SFAS 133 should have no significant impact on reported earnings, but could materially affect comprehensive income.

(2) LONG-TERM DEBT -

As of June 30, 2000 long-term debt is comprised of the following:

(In thousands)

Revolving Bank Credit Facility	\$ 110,000
11 1/4% Senior Notes due 2007	150,000
Other	331

	260,331
Less current portion	(331)

	\$ 260,000
	=====

The Company's bank credit facility consists of a \$250.0 million revolving credit commitment provided by a syndicate of banks for which Bank One, NA serves as administrative agent. Advances under the bank credit facility cannot exceed the borrowing base. The borrowing base under the bank credit facility is \$190.0 million. Such borrowing base may be affected from time to time by the performance of the Company's oil and gas properties and changes in oil and gas prices. The determination of the Company's borrowing base is at the sole discretion of the administrative agent and the bank group. The revolving credit line under the bank credit facility bears interest at the option of the Company, based on the utilization of the borrowing base, at either (i) LIBOR plus 1.25% to 2.0%, or (ii) the "corporate base rate" plus 0.25% to 1.0%. The Company incurs a commitment fee, based on the utilization of the borrowing base, of 0.25% to 0.5% per annum on the unused portion of the borrowing base. The revolving credit line matures on December 9, 2002 or such earlier date as the Company may elect. The Company's bank credit facility is secured by the Company's oil and gas properties.

The Company has \$150.0 million in aggregate principal amount of 11 1/4% Senior Notes due in 2007 (the "Notes") outstanding as of June 30, 2000. Interest on the Notes is payable semiannually on May 1 and November 1. The Notes are unsecured obligations of the Company and are guaranteed by all of the Company's principal operating subsidiaries. The Company can redeem the Notes beginning on May 1, 2004.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors and Stockholders
of Comstock Resources, Inc.:

We have reviewed the accompanying consolidated balance sheet of Comstock Resources, Inc. (a Nevada corporation) as of June 30, 2000, and the related consolidated statements of income for the three month and six month periods ended June 30, 2000 and 1999, and the consolidated statements of cash flows for the six months ended June 30, 2000 and 1999. These financial statements are the responsibility of the company's management.

We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States.

We have previously audited, in accordance with auditing standards generally accepted in the United States, the balance sheet of Comstock Resources, Inc. as of December 31, 1999, and, in our report dated February 18, 2000, we expressed an unqualified opinion on that statement. In our opinion, the information set forth in the accompanying balance sheet as of December 31, 1999, is fairly stated, in all material respects, in relation to the balance sheet from which it has been derived.

ARTHUR ANDERSEN LLP

August 8, 2000
Dallas, Texas

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

Results of Operations

The following table reflects certain summary operating data for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2000	1999	2000	1999
Net Production Data:				
Oil (Mbbbls).....	443	564	937	1,250
Natural gas (Mmcf).....	6,869	5,644	13,679	11,680
Natural gas equivalent (Mmcfe).....	9,527	9,026	19,300	19,180
Average Sales Price:				
Oil (per Bbl).....	\$28.55	\$16.23	\$28.79	\$13.86
Natural gas (per Mcf).....	3.77	2.06	3.27	1.97
Average equivalent price (per Mcfe).....	4.05	2.30	3.71	2.11
Expenses (\$ per Mcfe):				
Oil and gas operating(1).....	\$ 0.76	\$ 0.65	\$ 0.76	\$ 0.62
General and administrative.....	0.07	0.05	0.06	0.05
Depreciation, depletion and amortization(2).....	1.06	1.23	1.11	1.27
Cash Margin (\$ per Mcfe)(3).....	\$ 3.22	\$ 1.60	\$ 2.89	\$ 1.44

(1) Includes lease operating costs and production and ad valorem taxes.

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

(3) Represents average equivalent price per Mcfe less oil and gas operating expenses per Mcfe and general and administrative expenses per Mcfe.

The Company's oil and gas sales increased \$17.8 million (86%) in the second quarter of 2000 to \$38.6 million, the highest level in the Company's history, from \$20.8 million in 1999's second quarter. The substantial growth in sales is due to a significant increases to the Company's realized oil and gas prices combined with a 6% increase in oil and gas production. The Company's average second quarter oil price increased by 76% and its average second quarter gas price increased by 83% in 2000. For the first half of 2000, oil and gas sales increased \$31.3 million (77%) to \$71.6 million from \$40.4 million for the six months ended June 30, 1999. The increase is attributable to 108% higher realized oil prices and 66% higher realized natural gas prices in 2000 as compared to 1999. The Company had hedged a significant amount of its 1999 natural gas production. Without the impact of the hedge, the Company would have realized \$2.28 and \$2.00 per Mcf for its natural gas production for the three months and six months ended June 30, 1999, respectively.

Other income decreased from \$1.8 million from the second quarter of 1999 to \$65,000 in the second quarter of 2000. Other income for the six months ended June 30, 2000 also decreased from \$1.8 million in 1999 to \$137,000. Included in other income in the second quarter of 1999 was a \$1.7 million insurance recovery received by the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL

CONDITION AND RESULTS OF OPERATIONS

(continued)

Costs and Expenses -

Oil and gas operating expenses, including production taxes, increased \$1.3 million (22%) to \$7.2 million in the second quarter of 2000 from \$5.9 million in the second quarter of 1999. Oil and gas operating expenses per equivalent Mcf produced increased \$0.11 to \$0.76 in the second quarter of 2000 from \$0.65 in the second quarter of 1999 as a result of higher production taxes relating to the higher oil and gas prices combined with an increase to the fixed operating costs of the Company's offshore properties.

Oil and gas operating costs for the six months ended June 30, 2000 increased \$2.8 million (24%) to \$14.6 million from \$11.8 million for the six months ended June 30, 1999 due to the higher production taxes and higher fixed operating costs from the Company's offshore properties. Oil and gas operating expenses per equivalent Mcf produced increased \$0.14 to \$0.76 for six months ended June 30, 2000 from \$0.62 for the same period in 1999.

Exploration expense for the three months and six months ended June 30, 2000 was \$787,000 which relates to the write off of a dry hole drilled during the second quarter of 2000.

Depreciation, depletion and amortization ("DD&A") decreased \$0.9 million (8%) to \$10.5 million in the second quarter of 2000 from \$11.3 million in the second quarter of 1999 due to a reduction to the Company's average amortization rate. DD&A per equivalent Mcf produced decreased by \$0.17 to \$1.06 for the three months ended June 30, 2000 from \$1.23 for the quarter ended June 30, 1999 as a result of the Company's higher cost Gulf of Mexico properties comprising a lower percentage of the Company's total production in the second quarter of 2000. For the six months ended June 30, 2000, DD&A decreased \$2.6 million (10%) to \$22.2 million from \$24.8 million for the six months ended June 30, 1999. The decrease is also due to the lower average amortization rate. DD&A per equivalent Mcf decreased by \$0.16 to \$1.11 for the six months ended June 30, 2000 from \$1.27 for the six months ended June 30, 1999.

General and administrative expenses, which are reported net of overhead reimbursements, of \$700,000 for the second quarter of 2000 were 47% higher than general and administrative expenses of \$476,000 for the second quarter of 1999 due primarily to an increase in the Company's personnel costs in 2000. For the first six months of 2000, general and administrative expenses increased to \$1.2 million from \$910,000 for the six months ended June 30, 1999.

Interest expense increased \$336,000 (6%) to \$6.2 million for the second quarter of 2000 from \$5.9 million in the second quarter of 1999. Interest expense for the six months ended June 30, 2000 increased \$1.5 million (13%) to \$12.4 million from \$11.0 million in the six months ended June 30, 1999. The increase is related to a higher average interest rate on the Company's debt. The interest rate on the Company's senior notes issued to refinance \$150.0 million of amounts outstanding under the bank credit facility on April 29, 1999 of 11.25% is higher than the rate charged under the bank credit facility prior to April 29th. The weighted average annual interest rate for the Company's remaining debt under the bank credit facility decreased to 6.7% for the second quarter of 2000 as compared to 7.4% for the same period in 1999. For the six months ended June 30, 2000, the average interest rate under the bank credit facility decreased to 6.6% from 7.3% for the same period in 1999.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL

CONDITION AND RESULTS OF OPERATIONS

(continued)

The Company reported net income of \$7.9 million after preferred stock dividends of \$682,000 for the three months ended June 30, 2000, as compared to a net loss of \$1.4 million after preferred stock dividends of \$473,000 for the three months ended June 30, 1999. Net income per share for the second quarter was \$0.25 on weighted average diluted shares outstanding of 34.0 million as compared to net loss per share of \$0.06 for the second quarter of 1999 on basic weighted average shares outstanding of 24.4 million.

Net income for the six months ended June 30, 2000 was \$12.0 million after preferred stock dividends of \$1.4 million, as compared to a net loss of \$5.5 million after preferred stock dividends of \$473,000 for the six months ended June 30, 1999. Net income per share of the six months ended June 30, 2000 was \$0.40 on diluted weighted average shares outstanding of 33.6 million as compared to a net loss per share of \$0.23 for the six months ended June 30, 1999 on basic weighted average shares outstanding of 24.4 million.

Liquidity and Capital Resources

Funding for the Company's activities has historically been provided by operating cash flow, debt and equity financings and asset dispositions. In the first six months of 2000, the Company's net cash flow provided by operating activities totaled \$43.7 million, before changes to other working capital accounts. In addition to operating cash flow, the Company borrowed \$14.0 million under its revolving bank credit facility. The Company's primary needs for capital, in addition to funding of ongoing operations, relate to the acquisition, development and exploration of oil and gas properties and the repayment of debt. In the first six months of 2000, the Company incurred capital expenditures of \$45.5 million primarily for its acquisition, development and exploration activities and repaid \$8.0 million owed under its bank credit facility.

The following table summarizes the Company's capital expenditure activity for the six months ended June 30, 2000 and 1999:

	Six Months Ended	
	June 30,	
	2000	1999
	-----	-----
	(In thousands)	
Acquisitions	\$ 9,454	\$ --
Other leasehold costs	3,977	2,172
Development drilling	17,036	611
Exploratory drilling	8,590	4,413
Offshore production facilities	480	1,564
Workovers and recompletions ..	5,811	1,251
Other	123	201
	-----	-----
	\$45,471	\$10,212
	=====	=====

The timing of most of the Company's capital expenditures is discretionary with no material long-term capital expenditure commitments. Consequently, the Company has a significant degree of flexibility to adjust the level of such expenditures as circumstances warrant. For the six months ended June 30, 2000 and 1999, the Company spent \$35.9 million and \$10.0 million, respectively, on development and exploration activities. The Company has substantially increased its drilling activity in 2000 from 1999 and expects to spend an additional \$35.0 million on development and exploration projects in the last half of 2000. The Company intends to primarily use internally generated cash flow to fund capital expenditures other than significant acquisitions.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL

CONDITION AND RESULTS OF OPERATIONS

(continued)

The Company spent \$9.5 million on acquisition activities in the first half of 2000. The Company does not have a specific acquisition budget as a result of the unpredictability of the timing and size of potential acquisition activities. The Company intends to use borrowings under its bank credit facility, or other debt or equity financings to the extent available, to finance significant acquisitions. The availability and attractiveness of these sources of financing will depend upon a number of factors, some of which will relate to the financial condition and performance of the Company, and some of which will be beyond the Company's control, such as prevailing interest rates, oil and gas prices and other market conditions.

The Company has a bank credit facility consisting of a \$250.0 million revolving credit commitment provided by a syndicate of banks for which Bank One, NA serves as administrative agent. Indebtedness under the bank credit facility is secured by substantially all of the Company's assets and is subject to borrowing base availability which is generally redetermined semiannually based on the banks' estimates of the future net cash flows of the Company's oil and gas properties. The borrowing base under the bank credit facility is \$190.0 million. Such borrowing base may be affected from time to time by the performance of the Company's oil and gas properties and changes in oil and gas prices. The determination of the Company's borrowing base is at the sole discretion of the administrative agent and the bank group. The revolving credit line under the bank credit facility bears interest at the option of the Company, based on the utilization of the borrowing base, at either (i) LIBOR plus 1.25% to 2.0% or (ii) the "corporate base rate" plus 0.25% to 1.0%. The Company's average rate under the bank credit facility as of June 30, 2000 was 6.7%. The Company incurs a commitment fee, based on the utilization of the borrowing base, of 0.25% to 0.5% per annum on the unused portion of the borrowing base. The revolving credit line matures on December 9, 2002 or such earlier date as the Company may elect.

The Company believes that cash flow from operations and available borrowings under the Company's bank credit facility will be sufficient to fund its operations and future growth as contemplated under its current business plan. However, if the Company's plans or assumptions change or if its assumptions prove to be inaccurate, the Company may be required to seek additional capital. Management cannot be assured that the Company will be able to obtain such capital or, if such capital is available, that the Company will be able to obtain it on acceptable terms.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISKS

The Company's business is impacted by fluctuations in crude oil and natural gas commodity prices and interest rates. The following discussion is intended to identify the nature of these market risks, describe the Company's strategy for managing such risks, and to quantify the potential affect of market volatility on the Company's financial condition and results of operations.

Oil and Natural Gas Prices

The Company's financial condition, results of operations, and capital resources are highly dependent upon the prevailing market prices of, and demand for, oil and natural gas. These commodity prices are subject to wide fluctuations and market uncertainties due to a variety of factors that are beyond the control of the Company. These factors include the level of global demand for petroleum, foreign supply of oil and gas, the establishment of and compliance with production quotas by oil-exporting countries, weather conditions, the price and availability of alternative fuels, and overall economic conditions, both foreign and domestic. It is impossible to predict future oil and gas prices with any degree of certainty. Sustained weakness in oil and gas prices may adversely affect the Company's financial condition and

results of operations, and may also reduce the amount of net oil and gas reserves that the Company can produce economically. Any reduction in oil and gas reserves, including reductions due to price fluctuations, can have an adverse affect on the Company's ability to obtain capital for its exploration and development activities. Similarly, any improvements in oil and gas prices can have a favorable impact on the Company's financial condition, results of operations and capital resources. Based on the Company's volume of oil and gas production in the first six months of 2000, a \$1.00 change in the price per barrel of oil would result in a change in the Company's cash flow for such period of approximately \$900,000 and a \$0.10 change in the price per Mcf of natural gas would result in a change in the Company's cash flow of approximately \$1.2 million.

The Company periodically has utilized hedging transactions with respect to a portion of its oil and gas production to mitigate its exposure to price fluctuations. While the use of these hedging arrangements limits the downside risk of price declines, such use may also limit any benefits which may be derived from price increases. The Company has primarily used price swaps, whereby monthly settlements are based on differences between the prices specified in the instruments and the settlement prices of certain futures contracts quoted on the NYMEX or certain other indices. Generally, when the applicable settlement price is less than the price specified in the contract, the Company receives a settlement from the counterparty based on the difference. Similarly, when the applicable settlement price is higher than the specified price, the Company pays the counterparty based on the difference. The Company did not hedge any of its oil or gas production in the first six months of 2000 and currently has no open positions relating to its oil and natural gas production.

Interest Rates

The Company's outstanding long-term debt under its bank credit facility of \$110.0 million at June 30, 2000 is subject to floating market rates of interest. Borrowings under the credit facility bear interest at a fluctuating rate that is linked to LIBOR. Any increases in these interest rates can have an adverse impact on the Company's results of operations and cash flow. The Company has entered into interest rate swap agreements to hedge the impact of interest rate changes on a substantial portion of its floating rate debt. As of June 30, 2000, the Company has interest rate swaps with a notional amount of \$100.0 million which fixed the LIBOR rate at an average rate of 5.0% through September 2000. As a result of the interest rate swaps in place, the Company realized a gain of \$586,000 for the six months ended June 30, 2000. The fair value of the Company's open interest rate swap contracts as of June 30, 2000 was an asset of \$415,000.

PART II - OTHER INFORMATION

ITEM 4: SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

- (a) The Company's annual meeting of stockholders was held in Frisco, Texas at 10:00 a.m., local time, on May 16, 2000.
- (b) Proxies for the meeting were solicited pursuant to Regulation 14 under the Securities Exchange Act of 1934, as amended. There was no solicitation in opposition to the nominees for election as director as listed in the proxy statement and such nominees were elected.
- (c) Out of a total 32,872,385 shares of the Company's common stock and preferred stock outstanding and entitled to vote, 31,444,035 shares were present at the meeting in person or by proxy, representing approximately 96%. Matters voted upon at the meeting were as follows:
 - (i) The election of two Class C Directors to serve on the Company's board of directors until the 2004 annual meeting of stockholders. The vote tabulation with respect to each nominee was as follows:

Nominee -----	For ---	Against -----
Roland O. Burns	31,130,649	313,386
Richard S. Hickok	31,130,649	313,386

Other Directors of the Company whose term of office as a Director continued after the meeting are as follows:

Class A Directors -----	Class B Directors -----
Franklin B. Leonard Cecil E. Martin, Jr.	M. Jay Allison David W. Sledge

- (ii) The appointment of Arthur Andersen LLP as the Company's certified public accountants for 2000 was approved by a vote of 31,380,297 shares for, 32,792 shares against and 30,946 shares abstaining.

ITEM 6: EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibits

- 10.4*# Employment Agreement dated May 16, 2000 by and between the Company and M. Jay Allison.
- 10.5*# Employment Agreement dated May 16, 2000 by and between the Company and Roland O. Burns.
- 27* Financial Data Schedule for the Six Months ended June 30, 2000.

Compensatory plan document.

* Filed herewith.

b. Reports on Form 8-K

There were no current reports on Form 8-K filed during the second quarter of 2000 and to the date of this 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 August 9, 2000

/s/M. JAY ALLISON

M. Jay Allison, Chairman, President and
Chief Executive Officer (Principal
Executive Officer)

Date August 9, 2000

/s/ROLAND O. BURNS

Roland O. Burns, Senior Vice President,
Chief Financial Officer, Secretary, and
Treasurer (Principal Financial and
Accounting Officer)

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") executed by and between COMSTOCK RESOURCES, INC., a Nevada corporation (the "Company") with principal offices in Frisco, Texas, and M. Jay Allison ("Employee").

1. Employment. The Company hereby agrees to employ Employee, and Employee hereby agrees to render his exclusive service to the Company, in his current capacity of President and Chief Executive Officer of the Company, with such duties as may be assigned to him from time to time by the Board of Directors.

2. Term of Agreement. This Agreement shall be effective commencing on June 1, 2000 (the effective date of this Agreement). This Agreement shall, as of its first anniversary, and on each annual anniversary thereof, be extended automatically, without further action by the Employee or the Company, for an additional one (1) year, so that there shall, as of June 1 of each year, be three (3) years remaining in the term of this Agreement (the "Employment Period"), subject to earlier termination as hereinafter provided.

3. Place of Employment. Unless otherwise agreed by the Company and Employee, throughout the term of this Agreement, Employee's business office shall be located in Frisco, Texas, at such location as may be specified by the Board of Directors of the Company.

4. Base Compensation. Employee shall be compensated by the Company at a minimum base rate of \$22,500.00 per month, payable semimonthly on the fifteenth and final days of each month during the period of Employee's employment under this Agreement, subject to such increases and additional payments as may be determined from time to time by the Board of Directors of the Company in its sole discretion. Employee shall also be entitled to participate in any Company discretionary bonus plan. Such compensation shall be in addition to any group insurance, pension, profit sharing, and other employee benefits, which are extended from time to time to Employee in the discretion of the Board of Directors of the Company and for which Employee is eligible. Subject to such rules and procedures as are from time to time specified by the Company, the Company shall also reimburse Employee for all reasonable expenses incurred by him on behalf of the Company.

5. Performance of Services. Employee shall devote his full working time to the business of the Company; provided, however, Employee shall be excused from performing any services for the Company hereunder during periods of temporary incapacity and during vacations conforming to the Company's standard vacation policy, without thereby in any way affecting the compensation to which he is entitled hereunder.

6. Continuing Obligations. In order to induce the Company to enter into this Agreement, the Employee hereby agrees that all documents, records, techniques, business secrets and other information which have come into his

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possession from time to time during his employment by the Company or which may come into his possession during his employment hereunder, shall be deemed to be confidential and proprietary to the Company and the Employee further agrees to retain in confidence any confidential information known to him concerning the Company and its subsidiaries and their respective businesses so long as such information is not publicly disclosed. In the event of a breach or threatened breach by the Employee of the provisions of this Paragraph 6, the Company shall, in addition to any other available remedies, be entitled to an injunction restraining Employee from disclosing, in whole or in part, any such information or from rendering any services to any person, firm or corporation to whom any of such information may have been disclosed or is threatened to be disclosed.

7. Property of Company. All data, drawings, and other records and written material prepared or compiled by Employee or furnished to Employee while in the employ of the Company shall be the sole and exclusive property of the Company, and none of such data, drawings or other records, or copies thereof, shall be retained by Employee upon termination of his employment. Notwithstanding the foregoing, Employee shall be under no obligation to return public information.

8. Surviving Provisions. The provisions of Paragraphs 6 and 7 of this Agreement shall continue to be binding upon Employee in accordance with their terms, notwithstanding termination of Employee's employment hereunder for any reason.

9. Death or Disability. The Employee's employment shall terminate automatically upon the Employee's death during the Employment Period. If the Company determines in good faith that the Disability of the Employee has

occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Employee written notice of its intention to terminate the Employee's employment. In such event, the Employee's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Employee (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Employee shall not have returned to full-time performance of the Employee's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Employee from the Employee's duties with the Company on a full-time basis for 150 consecutive business days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Employee or the Employee's legal representative.

10. Termination for Good Reason. The Employee's employment may be terminated by the Employee for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

- (a) the assignment to the Employee of any duties inconsistent in any respect with the Employee's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by paragraph 1. of this Agreement;
- (b) any purported termination by the Company of the Employee's employment otherwise than as expressly permitted by this Agreement; or

- (c) any failure by the Company to comply with and satisfy paragraph 18(a) of this Agreement

Any good faith determination of "Good Reason" made by the Employee shall be conclusive.

11. Termination for Cause. It is agreed and understood that the Company cannot terminate the employment of the Employee under this Agreement except for Cause, which shall mean:

- (a) Should Employee for reasons other than illness or injury absent himself from his duties without the consent of the Company (which consent shall not be unreasonably withheld) for more than twenty (20) consecutive days;
- (b) Should Employee be convicted of a felony involving moral turpitude;
- (c) Should Employee during the period of his employment by the Company engage in any activity that would in the opinion of the Board of Directors of the Company constitute a material conflict of interest with the Company; provided that termination for Cause based on this subparagraph (c) shall not be effective unless the Employee shall have received written notice from the Board of Directors of the Company of such activity (which notice shall also include a demand for the Employee to cease the activity giving rise to the conflict of interest) fifteen (15) days prior to his termination and the Employee has failed after receipt of such notice to cease all activities creating the conflict of interest; or
- (d) Should Employee be grossly negligent in the performance of his duties hereunder, or materially in breach of his duties and obligations under this Agreement; provided that termination for Cause based on this subparagraph (d) shall not be effective unless the Employee shall have received written notice from the Board of Directors of the Company (which notice shall include a description of the reasons and circumstances giving rise to such notice) fifteen (15) days prior to his termination and the Employee has failed after receipt of such notice to satisfactorily discharge the performance of his duties hereunder or to comply with the terms of this Agreement, as the case may be.

The Company may terminate Employee's employment for Cause under this Agreement without advance notice, except as otherwise specifically provided for in subparagraphs (c) and (d) above. Termination shall not affect any of the Company's other rights and remedies.

12. Obligations of the Company upon Termination.

- (a) Good Reason or Involuntary Termination Other Than for Cause. If, during the Employment Period, the Company shall terminate the Employee's employment other than for Cause or the Employee shall

terminate employment for Good Reason, the Company shall pay to the Employee in a lump sum in cash within 30 days after the date of termination the aggregate of the following amounts:

- (1) the sum of (A) the Employee's annual base salary through the date of termination to the extent not theretofore paid, (B) the product of the annual bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than twelve full months or during which the Employee was employed for less than twelve full months), for the most recently completed fiscal year during the Employment Period (the "Fiscal Year Bonus"), if any, and a fraction, the numerator of which is the number of days in the current fiscal year through the date of termination, and the denominator of which is 365, and (C) any compensation previously deferred by the Employee (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (A), (B) and (C) shall be hereinafter referred to as the "Accrued Obligations"); and
- (2) an amount equal to 1.5 times the sum of the Employee's annual base salary and the Fiscal Year Bonus; and for eighteen (18) months after the Employee's date of termination, the Company shall continue group medical benefits to the Employee and/or the Employee's family at least equal to those which would have been provided to them in accordance with the plans if the Employee's employment had not been terminated; provided, however, that if the Employee becomes re-employed with another employer and is eligible to receive group medical benefits under another employer-provided plan, the medical benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility.

In addition, the Company shall, at its sole expense as incurred, provide the Employee with outplacement services, the scope and provider of which shall be selected by the Employee in his sole discretion, and the Company shall assign to the Employee ownership of any life insurance policies owned by the Company insuring the Employee's life.

- (b) Death. If the Employee's employment is terminated by reason of the Employee's death during the Employment Period, the Company shall pay to the Employee's legal representatives the sum of (1) the Accrued Obligations, and (2) an amount equal to six months' annualized total compensation. Such amounts shall be paid in a lump sum in cash within 30 days of the date of termination.
- (c) Disability. If the Employee's employment is terminated by reason of the Employee's Disability during the Employment Period, this

Agreement shall terminate without further obligations to the Employee, other than for payment of Accrued Obligations. Accrued Obligations shall be paid to the Employee in a lump sum in cash within 30 days of the date of termination. In addition, the Company shall assign to the Employee ownership of any life insurance policies owned by the Company insuring the Employee's life.

- (d) Cause or Voluntary Termination Other than for Good Reason. If the Employee's employment shall be terminated for Cause during the Employment Period, or if the Employee voluntarily terminates his employment other than for Good Reason, this Agreement shall terminate without further obligations to the Employee other than the obligation to pay to the Employee his annual base salary through the date of termination and the amount of any compensation previously deferred by the Employee. Such amounts shall be paid to the Employee in a lump sum in cash within 30 days of the date of termination.

13. Change in Control. For the purposes of this Agreement, a "Change in Control" shall be deemed to have taken place if, without the approval or recommendation of a majority of the then existing Board of the Company:

- (a) a third person shall cause or bring about (through solicitation of proxies or otherwise) the removal or resignation of a majority of the then existing members of the Board or if a third person causes or brings about (through solicitation of proxies or otherwise) an increase in the size of the Board such that the then existing members of the Board thereafter represent a minority of the total number of persons comprising the entire Board;
- (b) a third person, including a "group" as defined in Paragraph 15(d)(3) of the Securities Exchange Act of 1934, becomes the beneficial owner of shares of any class of the Company's stock having 20% or more of the total number of votes that may be cast for the election of directors of the Company;
- (c) the stockholders of the Company approve a definitive agreement for the merger or other business combination of the Company with or into another corporation pursuant to which the Company will not survive or will survive only as a subsidiary of another corporation, for the sale or other disposition of all or substantially all of the assets of the Company, or any combination of the foregoing.

For purposes hereof, a person will be deemed to be the beneficial owner of any voting securities of the Company which it would be considered to beneficially own under Securities and Exchange Commission Rule 13d-3 (or any similar or superseding statute or rule from time to time in effect).

14. Termination of Employment Following a Change of Control. Following a Change of Control, if the Employee's employment is terminated for any reason

other than Cause, death or Disability, or if the Employee voluntarily terminates his employment within a period of six (6) months following the Change of Control, then the Company shall pay to the Employee the Accrued Obligations and an amount equal to 2.99 times the sum of the Employee's annual base salary and the highest annual bonus paid to the Employee during the Employee's tenure with the Company; and for eighteen (18) months after the Employee's date of termination, the Company shall continue group medical benefits to the Employee and/or the Employee's family at least equal to those which would have been provided to them in accordance with the plans if the Employee's employment had not been terminated; provided, however, that if the Employee becomes re-employed with another employer and is eligible to receive group medical benefits under another employer provided plan, the medical benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. In addition, the Company shall, at its sole expense as incurred, provide the Employee with outplacement services, the scope and provider of which shall be selected by the Employee in his sole discretion, and the Company shall assign to the Employee ownership of any life insurance policies owned by the Company insuring the Employee's life.

15. Certain Additional Payments by the Company.

- (a) Anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Employee (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this paragraph 15) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by the Employee with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Employee shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Employee of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Employee retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.
- (b) Subject to the provisions of paragraph 15(c), all determinations required to be made under this paragraph 15, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Arthur Andersen LLP or such other certified public accounting firm as may be designated by the Employee (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Employee within 15 business days of the receipt of notice from the Employee that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, the Employee

shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this paragraph 15 shall be paid by the Company to the Employee within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company and the Employee. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to paragraph 15(c) and the Employee thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Employee.

(c) The Employee shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Employee is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Employee shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Employee in writing prior to the expiration of such period that it desires to contest such claim, the Employee shall:

- (1) give the Company any information reasonably requested by the Company relating to such claim,
- (2) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,
- (3) cooperate with the Company in good faith in order effectively to contest such claim, and
- (4) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Employee harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation of the foregoing provisions of this paragraph 15(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Employee to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Employee agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Employee to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Employee, on an interest-free basis and shall indemnify and hold the Employee harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Employee with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Employee shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

- (d) If, after the receipt by the Employee of an amount advanced by the Company pursuant to Paragraph 15(c), the Employee becomes entitled to receive any refund with respect to such claim, the Employee shall (subject to the Company's complying with the requirements of Paragraph 15(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Employee of an amount advanced by the Company pursuant to Paragraph 15(c), a determination is made that the Employee shall not be entitled to any refund with respect to such claim and the Company does not notify the Employee in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

16. Payment of Certain Costs of Employee. If a dispute arises regarding the interpretation or enforcement of this Agreement, all legal fees and expenses incurred by the Employee in seeking to obtain or enforce any right or benefit

provided for in this Agreement or in otherwise pursuing his claim will be paid by the Company, to the extent permitted by law. The Company further agrees to pay prejudgment interest on any money judgment obtained by the Employee calculated at the First National Bank of Chicago N.A. prime interest rate in effect from time to time from the date that payment(s) to him should have been made under this Agreement.

17. Mitigation. The Employee is not required to mitigate the amount of any payments to be made by the Company pursuant to this Agreement by seeking other employment or otherwise.

18. Successors.

(a) Except as may otherwise be provided under any other written agreement between the Company and the Employee with respect to the terms of Employee's employment in the event of a Change of Control of the Company, the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to the Employee, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such agreement prior to the effectiveness of any such succession shall be a breach of this Agreement. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined, any successor to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Paragraph 18 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

(b) This Agreement shall inure to the benefit of and be enforceable by the Employee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

19. No Inconsistent Obligations. Employee represents and warrants that he has not previously assumed any obligations inconsistent with those of this Agreement.

20. Modification. This Agreement shall be in addition to all previous agreements, written or oral, relating to Employee's employment by the Company, and shall not be changed orally, but only by a written instrument to which the Company and the Employee are both parties.

21. Binding Effect. This Agreement and the rights and obligations hereunder shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, and shall also bind and inure to the benefit of any successor of the Company by merger or consolidation or any assignee of all or substantially all of its properties.

22. Bankruptcy. Notwithstanding anything in this Agreement to the contrary, the insolvency or adjudication of bankruptcy of the Company, whether voluntary or involuntary, shall terminate this Agreement and the rights and obligations of Company and Employee hereunder shall be of no further force or effect.

23. Law Governing. This Agreement made, accepted and delivered in Collin County, Texas, is performable in Collin County, Texas, and it shall be construed and enforced according to the laws of the State of Texas. Venue shall lie in Collin County, Texas for the purpose of resolving and enforcing any dispute which may arise under this Agreement and the parties agree that they will submit themselves to the jurisdiction of the competent State or Federal Court situated in Collin County, Texas.

24. Invalid Provision. In case any one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be impaired thereby.

25. Notices. For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

IF TO THE EMPLOYEE:

M. Jay Allison
#3 Post-N-Paddock
Frisco, TX 75034

IF TO THE COMPANY:

Comstock Resources, Inc.
5300 Town and Country Blvd., Suite 500
Frisco, TX 75034

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

EXECUTED and effective as to this 1st day of June, 2000.

COMSTOCK RESOURCES, INC.

By:

/s/ROLAND O. BURNS

Name:Roland O. Burns
Title: Senior Vice President

EMPLOYEE:

/s/M. JAY ALLISON

Name:M. Jay Allison

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") executed by and between COMSTOCK RESOURCES, INC., a Nevada corporation (the "Company") with principal offices in Frisco, Texas, and Roland O. Burns ("Employee").

1. Employment. The Company hereby agrees to employ Employee, and Employee hereby agrees to render his exclusive service to the Company, in his current capacity of Senior Vice President and Chief Financial Officer of the Company, with such duties as may be assigned to him from time to time by the Board of Directors.

2. Term of Agreement. This Agreement shall be effective commencing on June 1, 2000 (the effective date of this Agreement). This Agreement shall, as of its first anniversary, and on each annual anniversary thereof, be extended automatically, without further action by the Employee or the Company, for an additional one (1) year, so that there shall, as of June 1 of each year, be three (3) years remaining in the term of this Agreement (the "Employment Period"), subject to earlier termination as hereinafter provided.

3. Place of Employment. Unless otherwise agreed by the Company and Employee, throughout the term of this Agreement, Employee's business office shall be located in Frisco, Texas, at such location as may be specified by the Board of Directors of the Company.

4. Base Compensation. Employee shall be compensated by the Company at a minimum base rate of \$12,916.67 per month, payable semimonthly on the fifteenth and final days of each month during the period of Employee's employment under this Agreement, subject to such increases and additional payments as may be determined from time to time by the Board of Directors of the Company in its sole discretion. Employee shall also be entitled to participate in any Company discretionary bonus plan. Such compensation shall be in addition to any group insurance, pension, profit sharing, and other employee benefits, which are extended from time to time to Employee in the discretion of the Board of Directors of the Company and for which Employee is eligible. Subject to such rules and procedures as are from time to time specified by the Company, the Company shall also reimburse Employee for all reasonable expenses incurred by him on behalf of the Company.

5. Performance of Services. Employee shall devote his full working time to the business of the Company; provided, however, Employee shall be excused from performing any services for the Company hereunder during periods of temporary incapacity and during vacations conforming to the Company's standard vacation policy, without thereby in any way affecting the compensation to which he is entitled hereunder.

6. Continuing Obligations. In order to induce the Company to enter into this Agreement, the Employee hereby agrees that all documents, records, techniques, business secrets and other information which have come into his

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possession from time to time during his employment by the Company or which may come into his possession during his employment hereunder, shall be deemed to be confidential and proprietary to the Company and the Employee further agrees to retain in confidence any confidential information known to him concerning the Company and its subsidiaries and their respective businesses so long as such information is not publicly disclosed. In the event of a breach or threatened breach by the Employee of the provisions of this Paragraph 6, the Company shall, in addition to any other available remedies, be entitled to an injunction restraining Employee from disclosing, in whole or in part, any such information or from rendering any services to any person, firm or corporation to whom any of such information may have been disclosed or is threatened to be disclosed.

7. Property of Company. All data, drawings, and other records and written material prepared or compiled by Employee or furnished to Employee while in the employ of the Company shall be the sole and exclusive property of the Company, and none of such data, drawings or other records, or copies thereof, shall be retained by Employee upon termination of his employment. Notwithstanding the foregoing, Employee shall be under no obligation to return public information.

8. Surviving Provisions. The provisions of Paragraphs 6 and 7 of this Agreement shall continue to be binding upon Employee in accordance with their terms, notwithstanding termination of Employee's employment hereunder for any reason.

9. Death or Disability. The Employee's employment shall terminate automatically upon the Employee's death during the Employment Period. If the

Company determines in good faith that the Disability of the Employee has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Employee written notice of its intention to terminate the Employee's employment. In such event, the Employee's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Employee (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Employee shall not have returned to full-time performance of the Employee's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Employee from the Employee's duties with the Company on a full-time basis for 150 consecutive business days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Employee or the Employee's legal representative.

10. Termination for Good Reason. The Employee's employment may be terminated by the Employee for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

- (a) the assignment to the Employee of any duties inconsistent in any respect with the Employee's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by paragraph 1. of this Agreement;
- (b) any purported termination by the Company of the Employee's employment otherwise than as expressly permitted by this Agreement; or

- (c) any failure by the Company to comply with and satisfy paragraph 18(a) of this Agreement

Any good faith determination of "Good Reason" made by the Employee shall be conclusive.

11. Termination for Cause. It is agreed and understood that the Company cannot terminate the employment of the Employee under this Agreement except for Cause, which shall mean:

- (a) Should Employee for reasons other than illness or injury absent himself from his duties without the consent of the Company (which consent shall not be unreasonably withheld) for more than twenty (20) consecutive days;
- (b) Should Employee be convicted of a felony involving moral turpitude;
- (c) Should Employee during the period of his employment by the Company engage in any activity that would in the opinion of the Board of Directors of the Company constitute a material conflict of interest with the Company; provided that termination for Cause based on this subparagraph (c) shall not be effective unless the Employee shall have received written notice from the Board of Directors of the Company of such activity (which notice shall also include a demand for the Employee to cease the activity giving rise to the conflict of interest) fifteen (15) days prior to his termination and the Employee has failed after receipt of such notice to cease all activities creating the conflict of interest; or
- (d) Should Employee be grossly negligent in the performance of his duties hereunder, or materially in breach of his duties and obligations under this Agreement; provided that termination for Cause based on this subparagraph (d) shall not be effective unless the Employee shall have received written notice from the Board of Directors of the Company (which notice shall include a description of the reasons and circumstances giving rise to such notice) fifteen (15) days prior to his termination and the Employee has failed after receipt of such notice to satisfactorily discharge the performance of his duties hereunder or to comply with the terms of this Agreement, as the case may be.

The Company may terminate Employee's employment for Cause under this Agreement without advance notice, except as otherwise specifically provided for in subparagraphs (c) and (d) above. Termination shall not affect any of the Company's other rights and remedies.

12. Obligations of the Company upon Termination.

- (a) Good Reason or Involuntary Termination Other Than for Cause. If, during the Employment Period, the Company shall terminate the Employee's employment other than for Cause or the Employee shall

terminate employment for Good Reason, the Company shall pay to the Employee in a lump sum in cash within 30 days after the date of termination the aggregate of the following amounts:

- (1) the sum of (A) the Employee's annual base salary through the date of termination to the extent not theretofore paid, (B) the product of the annual bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than twelve full months or during which the Employee was employed for less than twelve full months), for the most recently completed fiscal year during the Employment Period (the "Fiscal Year Bonus"), if any, and a fraction, the numerator of which is the number of days in the current fiscal year through the date of termination, and the denominator of which is 365, and (C) any compensation previously deferred by the Employee (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (A), (B) and (C) shall be hereinafter referred to as the "Accrued Obligations"); and
- (2) an amount equal to 1.5 times the sum of the Employee's annual base salary and the Fiscal Year Bonus; and for eighteen (18) months after the Employee's date of termination, the Company shall continue group medical benefits to the Employee and/or the Employee's family at least equal to those which would have been provided to them in accordance with the plans if the Employee's employment had not been terminated; provided, however, that if the Employee becomes re-employed with another employer and is eligible to receive group medical benefits under another employer-provided plan, the medical benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility.

In addition, the Company shall, at its sole expense as incurred, provide the Employee with outplacement services, the scope and provider of which shall be selected by the Employee in his sole discretion, and the Company shall assign to the Employee ownership of any life insurance policies owned by the Company insuring the Employee's life.

- (b) Death. If the Employee's employment is terminated by reason of the Employee's death during the Employment Period, the Company shall pay to the Employee's legal representatives the sum of (1) the Accrued Obligations, and (2) an amount equal to six months' annualized total compensation. Such amounts shall be paid in a lump sum in cash within 30 days of the date of termination.
- (c) Disability. If the Employee's employment is terminated by reason of the Employee's Disability during the Employment Period, this

Agreement shall terminate without further obligations to the Employee, other than for payment of Accrued Obligations. Accrued Obligations shall be paid to the Employee in a lump sum in cash within 30 days of the date of termination. In addition, the Company shall assign to the Employee ownership of any life insurance policies owned by the Company insuring the Employee's life.

- (d) Cause or Voluntary Termination Other than for Good Reason. If the Employee's employment shall be terminated for Cause during the Employment Period, or if the Employee voluntarily terminates his employment other than for Good Reason, this Agreement shall terminate without further obligations to the Employee other than the obligation to pay to the Employee his annual base salary through the date of termination and the amount of any compensation previously deferred by the Employee. Such amounts shall be paid to the Employee in a lump sum in cash within 30 days of the date of termination.

13. Change in Control. For the purposes of this Agreement, a "Change in Control" shall be deemed to have taken place if, without the approval or recommendation of a majority of the then existing Board of the Company:

- (a) a third person shall cause or bring about (through solicitation of proxies or otherwise) the removal or resignation of a majority of the then existing members of the Board or if a third person causes or brings about (through solicitation of proxies or otherwise) an increase in the size of the Board such that the then existing members of the Board thereafter represent a minority of the total number of persons comprising the entire Board;
- (b) a third person, including a "group" as defined in Paragraph 15(d)(3) of the Securities Exchange Act of 1934, becomes the beneficial owner of shares of any class of the Company's stock having 20% or more of the total number of votes that may be cast for the election of directors of the Company;
- (c) the stockholders of the Company approve a definitive agreement for the merger or other business combination of the Company with or into another corporation pursuant to which the Company will not survive or will survive only as a subsidiary of another corporation, for the sale or other disposition of all or substantially all of the assets of the Company, or any combination of the foregoing.

For purposes hereof, a person will be deemed to be the beneficial owner of any voting securities of the Company which it would be considered to beneficially own under Securities and Exchange Commission Rule 13d-3 (or any similar or superseding statute or rule from time to time in effect).

14. Termination of Employment Following a Change of Control. Following a Change of Control, if the Employee's employment is terminated for any reason

other than Cause, death or Disability, or if the Employee voluntarily terminates his employment within a period of six (6) months following the Change of Control, then the Company shall pay to the Employee the Accrued Obligations and an amount equal to 2.99 times the sum of the Employee's annual base salary and the highest annual bonus paid to the Employee during the Employee's tenure with the Company; and for eighteen (18) months after the Employee's date of termination, the Company shall continue group medical benefits to the Employee and/or the Employee's family at least equal to those which would have been provided to them in accordance with the plans if the Employee's employment had not been terminated; provided, however, that if the Employee becomes re-employed with another employer and is eligible to receive group medical benefits under another employer provided plan, the medical benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. In addition, the Company shall, at its sole expense as incurred, provide the Employee with outplacement services, the scope and provider of which shall be selected by the Employee in his sole discretion, and the Company shall assign to the Employee ownership of any life insurance policies owned by the Company insuring the Employee's life.

15. Certain Additional Payments by the Company.

- (a) Anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Employee (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this paragraph 15) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by the Employee with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Employee shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Employee of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Employee retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.
- (b) Subject to the provisions of paragraph 15(c), all determinations required to be made under this paragraph 15, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Arthur Andersen LLP or such other certified public accounting firm as may be designated by the Employee (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Employee within 15 business days of the receipt of notice from the Employee that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, the Employee

shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this paragraph 15 shall be paid by the Company to the Employee within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company and the Employee. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to paragraph 15(c) and the Employee thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Employee.

(c) The Employee shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Employee is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Employee shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Employee in writing prior to the expiration of such period that it desires to contest such claim, the Employee shall:

- (1) give the Company any information reasonably requested by the Company relating to such claim,
- (2) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,
- (3) cooperate with the Company in good faith in order effectively to contest such claim, and
- (4) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Employee harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation of the foregoing provisions of this paragraph 15(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Employee to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Employee agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Employee to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Employee, on an interest-free basis and shall indemnify and hold the Employee harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Employee with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Employee shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

- (d) If, after the receipt by the Employee of an amount advanced by the Company pursuant to Paragraph 15(c), the Employee becomes entitled to receive any refund with respect to such claim, the Employee shall (subject to the Company's complying with the requirements of Paragraph 15(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Employee of an amount advanced by the Company pursuant to Paragraph 15(c), a determination is made that the Employee shall not be entitled to any refund with respect to such claim and the Company does not notify the Employee in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

16. Payment of Certain Costs of Employee. If a dispute arises regarding the interpretation or enforcement of this Agreement, all legal fees and expenses incurred by the Employee in seeking to obtain or enforce any right or benefit

provided for in this Agreement or in otherwise pursuing his claim will be paid by the Company, to the extent permitted by law. The Company further agrees to pay prejudgment interest on any money judgment obtained by the Employee calculated at the First National Bank of Chicago N.A. prime interest rate in effect from time to time from the date that payment(s) to him should have been made under this Agreement.

17. Mitigation. The Employee is not required to mitigate the amount of any payments to be made by the Company pursuant to this Agreement by seeking other employment or otherwise.

18. Successors.

(a) Except as may otherwise be provided under any other written agreement between the Company and the Employee with respect to the terms of Employee's employment in the event of a Change of Control of the Company, the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to the Employee, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such agreement prior to the effectiveness of any such succession shall be a breach of this Agreement. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined, any successor to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Paragraph 18 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

(b) This Agreement shall inure to the benefit of and be enforceable by the Employee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

19. No Inconsistent Obligations. Employee represents and warrants that he has not previously assumed any obligations inconsistent with those of this Agreement.

20. Modification. This Agreement shall be in addition to all previous agreements, written or oral, relating to Employee's employment by the Company, and shall not be changed orally, but only by a written instrument to which the Company and the Employee are both parties.

21. Binding Effect. This Agreement and the rights and obligations hereunder shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, and shall also bind and inure to the benefit of any successor of the Company by merger or consolidation or any assignee of all or substantially all of its properties.

22. Bankruptcy. Notwithstanding anything in this Agreement to the contrary, the insolvency or adjudication of bankruptcy of the Company, whether voluntary or involuntary, shall terminate this Agreement and the rights and obligations of Company and Employee hereunder shall be of no further force or effect.

23. Law Governing. This Agreement made, accepted and delivered in Collin County, Texas, is performable in Collin County, Texas, and it shall be construed and enforced according to the laws of the State of Texas. Venue shall lie in Collin County, Texas for the purpose of resolving and enforcing any dispute which may arise under this Agreement and the parties agree that they will submit themselves to the jurisdiction of the competent State or Federal Court situated in Collin County, Texas.

24. Invalid Provision. In case any one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be impaired thereby.

25. Notices. For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

IF TO THE EMPLOYEE:

Roland O. Burns
8430 Edgewood Cove
Frisco, TX 75035

IF TO THE COMPANY:

Comstock Resources, Inc.
5300 Town and Country Blvd., Suite 500
Frisco, TX 75034

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

EXECUTED and effective as to this 1st day of June, 2000.

COMSTOCK RESOURCES, INC.

By:

/s/M. JAY ALLISON

Name: M.Jay Allison
Title: President and Chief
Executive Officer

EMPLOYEE:

/s/ROLAND O. BURNS

Name: Roland O.Burns

This schedule contains summary financial data extracted from the Consolidated Financial Statements of Comstock Resources, Inc. and Subsidiaries for the six months ended June 30, 2000 and is qualified in its entirety by reference to such financial statements.

		1,000
		YEAR
DEC-31-2000	JUN-30-2000	
		1,293
		0
	29,762	0
		0
	32,689	631,245
	(211,341)	
	458,992	
32,800		260,000
30,000		0
		12,799
458,992		108,104
		71,640
	71,777	0
		37,557
		1,195
		0
	12,433	
	20,592	
		7,208
13,384		
		0
		0
		0
	13,384	
		0.47
		0.40