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

FORM 10-K/A
Amendment No.1

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2001

OR

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

Commission File No. 0-16741

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

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

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

(972) 668-8800
(Registrant's telephone number and area code)

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

Common Stock, $.50 Par Value	New York Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange
(Title of class)	(Name of exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ].

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant 's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K. [X]

As of March 25, 2002, there were 28,572,553 shares of common stock outstanding.

As of March 25, 2002, the aggregate market value of the voting stock held by non-affiliates of the registrant was approximately $204,625,000.

DOCUMENTS INCORPORATED BY REFERENCE

Proxy statement for the 2002 annual meeting of stockholders - Part III

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2001 is being filed to amend a footnote to the financial statements of the Registrant included in the Annual Report on Form 10-K. The footnote which have been amended is footnote number 11. In accordance with SEC rules, all of the information required by "Item 8. Financial Statement," including the required financial statements in their entirety, as amended, is being filed with this Form 10-K/A.

ITEM 8. FINANCIAL STATEMENTS.

Our consolidated financial statements are included on pages F-1 to F-26 of this report.

We have prepared these financial statements in conformity with generally accepted accounting principles. We are responsible for the fairness and reliability of the financial statements and other financial data included in this report. In the preparation of the financial statements, it is necessary for us to make informed estimates and judgment based on currently available information on the effects of certain events and transactions.

We maintain accounting and other controls which we believe provide reasonable assurances that our financial records are reliable, our assets are safeguarded, and that transactions are properly recorded in accordance with management's authorizations. However, limitations exist in any system of internal controls based upon the recognition that the cost of the system should not exceed benefits derived.

Our independent public accountants, Arthur Andersen LLP, are engaged to audit our financial statements and to express an opinion thereon. Their audit is conducted in accordance with generally accepted auditing standards to enable them to report whether the financial statements present fairly, in all material respects, our financial position and results of operations in accordance with generally accepted accounting principles.

The audit committee of our board of directors is composed of three directors who are not our employees. This committee meets periodically with our independent public accountants and management. Our independent public accountants have full and free access to the audit committee to meet, with and without management being present, to discuss the results of their audits and the quality of our financial reporting.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.
By:/s/M. JAY ALLISON

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

Date: April 09, 2002

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/M. JAY ALLISON - ----------------- M. Jay Allison	President, Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	April 09, 2002
/s/ROLAND O. BURNS - ------------------ Roland O. Burns	Senior Vice President, Chief Financial Officer, Secretary, Treasurer and Director (Principal Financial and Accounting Officer)	April 09, 2002
/s/DAVID K. LOCKETT - ------------------- David K. Lockett	Director	April 09, 2002
/s/CECIL E. MARTIN, JR. - ---------------------- Cecil E. Martin, Jr.	Director	April 09, 2002
/s/DAVID W. SLEDGE - ------------------ David W. Sledge	Director	April 09, 2002

CONSOLIDATED FINANCIAL STATEMENTS OF

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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

We have audited the accompanying consolidated balance sheets of Comstock Resources, Inc. (a Nevada corporation) and subsidiaries as of December 31, 2000 and 2001, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Comstock Resources, Inc. and subsidiaries as of December 31, 2000 and 2001, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

As explained in Note 1 of the financial statements effective January 1, 2001, the Company changed its method of accounting for derivative instruments.

ARTHUR ANDERSEN LLP

Dallas, Texas,
March 8, 2002

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
As of December 31, 2000 and 2001

ASSETS

	December 31, 2000	December 31, 2001
	(In thousands)	
Cash and Cash Equivalents	$ 7,105	$ 6,122
Accounts Receivable:		
Oil and gas sales	34,637	20,015
Joint interest operations	4,574	4,717
Derivatives	--	1,342
Other Current Assets	2,842	7,418
Total current assets	49,158	39,614
Property and Equipment:		
Unevaluated oil and gas properties	5,206	13,416
Oil and gas properties, successful efforts method	659,505	901,206
Other	2,589	2,633
Accumulated depreciation, depletion and amortization .	(232,387)	(278,679)
Net property and equipment	434,913	638,576
Derivatives	--	254
Other Assets	5,859	4,627

	$ 489,930	$ 683,071

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Portion of Long-Term Debt	$ 101	$ 229
Accounts Payable and Accrued Expenses	45,544	37,389
Derivatives	--	798
Total current liabilities	45,645	38,416
Long-Term Debt, less current portion	234,000	372,235
Deferred Taxes Payable	22,555	47,911
Derivatives	--	1,053
Reserve for Future Abandonment Costs	7,557	7,794
Stockholders' Equity:		
Preferred stock--$10.00 par, 5,000,000 shares authorized, 1,757,310 shares outstanding at December 31, 2000 and 2001	17,573	17,573
Common stock--$0.50 par, 50,000,000 shares authorized, 28,837,755 and 28,552,553 shares outstanding at December 31, 2000 and 2001, respectively	14,419	14,276
Additional paid-in capital	129,896	130,956
Retained earnings	19,329	54,183
Deferred compensation-restricted stock grants	(1,044)	(1,187)
Accumulated other comprehensive loss	--	(139)
Total stockholders' equity	180,173	215,662
	$ 489,930	$ 683,071

The accompanying notes are an integral part of these statements.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
For the Years Ended December 31, 1999, 2000 and 2001

	1999	2000	2001
	(In thousands, except per share amounts)		
Revenues:			
Oil and gas sales	$ 90,103	$ 169,350	$ 167,689
Gain on sales of property	130	33	12
Other income	1,911	319	699
Total revenues	92,144	169,702	168,400
Expenses:			
Oil and gas operating	23,714	29,707	32,417
Exploration	1,832	3,192	4,215
Depreciation, depletion and amortization	45,171	44,958	49,191
General and administrative, net	2,399	3,537	4,351
Interest	23,361	24,611	20,737
Impairment of oil and gas properties	--	--	1,400
Total expenses	96,477	106,005	112,311
Income (loss) before income taxes	(4,333)	63,697	56,089
Income tax benefit (expense)	1,517	(22,294)	(19,631)
Net income (loss)	(2,816)	41,403	36,458
Preferred stock dividends	(1,853)	(2,471)	(1,604)
Net income (loss) attributable to common stock	$ (4,669)	$ 38,932	$ 34,854
Net income (loss) per share:			
Basic	$ (0.19)	$ 1.48	$ 1.20
Diluted		$ 1.21	$ 1.06
Weighted average shares outstanding:			
Basic	24,601	26,290	29,030
Diluted		34,219	34,552

The accompanying notes are an integral part of these statements.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Years Ended December 31, 1999, 2000 and 2001

	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings (Deficit)	Deferred Compensation Restricted Stock Grants	Accumulated Other Comprehensive Loss	Total
				(In thousands)			
Balance at December 31, 1998...	$ --	$ 12,175	$ 112,432	$ (14,934)	$ (10)	$ --	$ 109,663
Issuance of preferred stock..	30,000	--	--	--	--	--	30,000
Issuance of common stock.....	--	400	1,166	--	--	--	1,566
Value of stock options issued for exploration prospects		--	498	--	--	--	498
Restricted stock grants......	--	113	759	--	(756)	--	116
Net loss attributable to common stock.............	--	--	--	(4,669)	--	--	(4,669)
Balance at December 31, 1999...	30,000	12,688	114,855	(19,603)	(766)	--	137,174
Conversion of preferred stock	(12,427)	1,553	10,874	--	--	--	--
Issuance of common stock	--	150	706	--	--	--	856
Value of stock options issued for exploration prospects	--	--	2,990	--	--	--	2,990
Restricted stock grants......	--	28	471	--	(278)	--	221
Net income attributable to common stock.............	--	--	--	38,932	--	--	38,932
Balance at December 31, 2000...	17,573	14,419	129,896	19,329	(1,044)	--	180,173
Issuance of common stock	--	283	3,538	--	--	--	3,821
Value of stock options issued for exploration prospects	--	--	1,968	--	--	--	1,968
Restricted stock grants	--	28	333	--	(143)	218	
Repurchases of common stock..	--	(454)	(4,779)	--	--	--	(5,233)
Net income attributable to common stock	--	--	--	34,854	--	--	34,854
Unrealized hedge losses......	--	--	--	--	--	(139)	(139)
Comprehensive income.......	--	--	--	--	--	--	34,715
Balance at December 31, 2001...	$ 17,573	$ 14,276	$ 130,956	$ 54,183	$ (1,187)	$ (139)	$ 215,662

The accompanying notes are an integral part of these statements.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 1999, 2000 and 2001

	1999	2000	2001
		(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ (2,816)	$ 41,403	$ 36,458
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Compensation paid in common stock	247	314	244
Depreciation, depletion and amortization	45,171	44,958	49,191
Impairment of oil and gas properties	--	--	1,400
Deferred income taxes	(1,517)	22,294	18,851
Exploration	1,832	3,192	4,215
Gain on sales of property	(130)	(33)	(12)
Gain on Derivatives	--	--	(254)

Working capital provided by operations	42,787	112,128	110,093
Decrease (increase) in accounts receivable	(5,754)	(15,596)	18,371
Decrease (increase) in other current assets	548	(1,933)	(1,229)
Increase (decrease) in accounts payable and accrued expenses	935	9,957	(17,145)
Net cash provided by operating activities	38,516	104,556	110,090
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sales of properties	778	33	45
Capital expenditures and acquisitions	(35,981)	(83,394)	(189,646)
Net cash provided by operating activities	(35,203)	(83,361)	(189,601)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings	10,378	18,408	261,730
Proceeds from senior notes offering	149,221	--	--
Debt issuance costs	(5,671)	--	--
Principal payments on debt	(184,351)	(38,438)	(178,355)
Proceeds from preferred stock offering	30,000	--	--
Proceeds from common stock issuances	296	763	1,989
Stock issuance costs	(714)	--	--
Repurchases of common stock	--	--	(5,232)
Dividends paid on preferred stock	--	(2,471)	(1,604)
Net cash provided by financing activities	(841)	(21,738)	78,528
Net increase (decrease) in cash and cash equivalents	2,472	(543)	(983)
Cash and cash equivalents, beginning of year	5,176	7,648	7,105
Cash and cash equivalents, end of year	$ 7,648	$ 7,105	$ 6,122

The accompanying notes are an integral part of these statements.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

Accounting policies used by Comstock Resources, Inc. ("Comstock") reflect oil and natural gas industry practices and conform to accounting principles generally accepted in the United States of America.

Basis of Presentation and Principles of Consolidation

Comstock is engaged in oil and natural gas exploration, development and production, and the acquisition of producing oil and natural gas properties. The consolidated financial statements include the accounts of Comstock and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates. Changes in the future estimated oil and natural gas reserves or the estimated future cash flows attributable to the reserves that are utilized for impairment analysis could have a significant impact on the future results of operations.

Property and Equipment

Comstock follows the successful efforts method of accounting for its oil and natural gas properties. Acquisition costs for proved oil and natural gas properties, costs of drilling and equipping productive wells, and costs of unsuccessful development wells are capitalized and amortized on an equivalent unit-of- production basis over the life of the remaining related oil and gas reserves. Equivalent units are determined by converting oil to natural gas at the ratio of six barrels of oil for one thousand cubic feet of natural gas. Cost centers for amortization purposes are determined on a field area basis. The estimated future costs of dismantlement, restoration and abandonment are included on the balance sheet in the reserve for future abandonment and accrued as part of depreciation, depletion and amortization expense. Costs incurred to acquire oil and gas leasehold are capitalized. Unproved oil and gas properties are periodically assessed and any impairment in value is charged to exploration expense. The costs of unproved properties which are determined to be productive are transferred to proved oil and gas properties and amortized on an equivalent unit of production basis. Exploratory expenses, including geological and geophysical expenses and delay rentals for unevaluated oil and gas properties, are charged to expense as incurred. Exploratory drilling costs are initially capitalized as unproved property but charged to expense if and when the well is determined not to have found proved oil and gas reserves.

In accordance with the Statement of Financial Accounting Standards No. 121 "Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets to Be Disposed Of,"("SFAS 121")Comstock assesses the need for an impairment of the costs capitalized of its oil and gas properties on a property or cost center basis. If an impairment is indicated based on undiscounted expected future cash flows, then an impairment is recognized to the extent that net capitalized costs exceed discounted expected future cash flows. No impairment was required in 1999 or 2000. In 2001 Comstock provided an impairment of $1.4 million for certain of its oil and gas properties.

Other property and equipment consists primarily of work boats, gas gathering systems, computer equipment and furniture and fixtures which are depreciated over estimated useful lives on a straight-line basis.

Other Assets

Other assets primarily consists of deferred costs associated with issuance of Comstock's 11 1/4% senior notes. These costs are amortized over the eight year life of the senior notes on a straight-line basis.

Stock Options

Comstock applies the intrinsic value-based method of accounting prescribed by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," ("APB 25") and related interpretations, in accounting for its incentive plan stock options. As such, compensation expense would be recorded on the date of grant only if the current market price of the underlying stock exceeded the exercise price. Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation," ("SFAS 123") established accounting and disclosure requirements using a fair value-based method of accounting for stock- based employee compensation plans. As allowed by SFAS 123, Comstock has elected to continue to apply the intrinsic value-based method of accounting described above, and has adopted the disclosure requirements of SFAS 123 which are included in Note 6.

Segment Reporting

Comstock presently operates in one business segment.

Derivative Instruments and Hedging Activities

On January 1, 2001, Comstock adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133") which requires that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded on the balance sheet as either an asset or liability measured at its fair value. SFAS No. 133 requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Since Comstock had no outstanding derivatives on January 1, 2001 there was no effect on the financial statements as a result of such adoption.

Major Purchasers

In 2001, Comstock had four purchasers of its oil and natural gas production which individually accounted for more than 10% of total oil and gas sales. Such purchasers accounted for 24%, 19%, 16% and 12% of total 2001 oil and gas sales. In 2000, Comstock had three purchasers which accounted for 29%, 21% and 11% of total 2000 oil and gas sales. In 1999, Comstock had two purchasers which accounted for 33% and 20% of total 1999 oil and gas sales.

General and Administrative Expenses

General and administrative expenses are reported net of reimbursements of overhead costs that are allocated to working interest owners of the oil and gas properties operated by Comstock.

Income Taxes

Comstock accounts for income taxes using the asset and liability method, whereby deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases, as well as the future tax consequences attributable to the future utilization of existing tax net operating loss and other types of carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences and carryforwards are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Earnings Per Share

Basic and diluted earnings per share for 1999, 2000 and 2001 were determined as follows:

	Year Ended December 31,								
	1999			2000			2001		
	Income (Loss)	Shares	Per Share	Income (Loss)	Shares	Per Share	Income (Loss)	Shares	Per Share
Basic Earnings Per Share:									
Income (Loss)	$ (2,816)	24,601		$ 41,403	26,290		$ 36,458	29,030	
Less Preferred Stock Dividends	(1,853)	--		(2,471)	--		(1,604)	--	
Net Income (Loss) Available to Common Stockholders ...	$ (4,669)	24,601	$ (0.19)	38,932	26,290	$ 1.48	34,854	29,030	$ 1.20
Diluted Earning Per Share:									
Effect of Dilutive Securities:									
Stock Options............				--	1,184		--	1,129	
Convertible Preferred Stock				2,471	6,745		1,604	4,393	
Net Income Available to Common Stockholders and Assumed Conversions....				$ 41,403	34,219	$ 1.21	$ 36,458	34,552	$ 1.06

Comprehensive Income

Comprehensive income is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. For the year ended December 31, 2001, Comstock's comprehensive income differed from net income by approximately $139,000, due to the recognition in comprehensive income of unrealized losses related to certain of Comstock's derivative instruments which have been designated as hedges. For the years ended December 31, 1999 and 2000, there were no differences between Comstock's net income or net loss and comprehensive income.

Statements of Cash Flows

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

The following is a summary of all significant noncash investing and financing activities and cash payments made for interest and income taxes:

	Year Ended December 31,		
	1999	2000	2001
	(in thousands)		
Noncash activities -			
Common stock issued for compensation	$ 131	$ 93	$ 26
Value of vested stock options under exploration venture	498	2,990	3,028
Common stock issued in payment of preferred stock dividends	1,853	--	--
Cash payments -			
Interest payments	20,840	24,731	20,607

Income tax payments	--	--	243

New Accounting Standards

In July 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 141 ("SFAS 141") "Business Combinations." SFAS 141 requires the purchase method of accounting for all business combinations initiated after June 30, 2001 and eliminates the pooling-of-interests method.

In July 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 142 ("SFAS 142") "Goodwill and Other Intangible Assets." SFAS 142 requires the discontinuance of goodwill amortization. In addition, the SFAS 142 includes provisions regarding the reclassification of certain existing recognized intangibles as goodwill, reassessment of the useful lives of existing recognized intangibles, reclassification of certain intangibles out of previously reported goodwill and the testing for impairment of existing goodwill and other intangibles. SFAS 142 is required to be applied for fiscal years beginning after December 15, 2001, with certain early adoption permitted. Comstock does not expect the adoption of SFAS 142 to have a material effect on its financial condition or results of operations.

In August 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 143 ("SFAS 143") "Accounting for Asset Retirement Obligations," which Comstock will be required to adopt as of January 1, 2003. This statement requires Comstock to record a liability in the period in which an asset retirement obligation ("ARO") is incurred. Upon recognition of an ARO liability, additional asset cost would be capitalized to equal the amount of the liability. Upon initial adoption of SFAS 143, Comstock will recognize (1) a liability for any existing AROs not already provided for in Comstock's reserve for future abandonment costs (2) capitalized cost related to the additional liability and (3) accumulated depreciation on the additional capitalized cost. Comstock has not determined the effect, if any, the adoption of SFAS 143 will have on its financial statements.

In October 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 144 ("SFAS 144") "Accounting for the Impairment or Disposal of Long-Lived Assets," which supercedes SFAS 121. SFAS 144 addresses financial accounting and reporting for the impairment of long-lived assets and for long-lived assets to be disposed of. However, SFAS 144 retains the fundamental provisions of SFAS No. 121 for recognition and measurement of the impairment of long-lived assets to be held and used, and measurement of long-lived assets to be disposed of by sale. SFAS 144 is effective for fiscal years beginning after December 15, 2001. Comstock is in the process of assessing the effect of adopting SFAS 144, which will be effective for its first quarter of 2002.

(2) Acquisitions

Acquisition of DevX Energy, Inc.

On December 17, 2001, Comstock completed the acquisition of DevX Energy, Inc. ("DevX") by acquiring 100% of the common stock of DevX for $92.6 million through a cash tender offer and subsequent merger into a wholly owned subsidiary. As a result of the acquisition, DevX became a wholly owned subsidiary of Comstock. DevX is an independent energy company engaged in the exploration, development and acquisition of oil and gas properties. DevX owns interests in 600 producing oil and gas wells located onshore primarily in East and South Texas, Kentucky, Oklahoma and Kansas. One of the primary reasons Comstock acquired DevX was to add to its existing producing property base in the East Texas and South Texas regions. Comstock is currently evaluating whether to divest of the DevX properties in the Illinois Basin and Mid Continent regions, which are not part of its core operating areas. The DevX acquisition added approximately 163.4 billion cubic feet equivalent of natural gas reserves to Comstock's reserve base. Subsequent to the acquisition, Comstock repurchased approximately $49.8 million of DevX's publically held 12 1/2% senior notes which were due in 2008 for 110% of the principal amount plus accrued interest.

DevX's operations have been included in the consolidated financial statements since December 17, 2001.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of the acquisition.

	December 17, 2001
	(in thousands)
Current assets	$ 8,317
Oil &gas properties..	160,794
Derivatives	1,577
Total assets acquired ...	170,688
Current liabilities	8,990
Long-term debt	54,988
Deferred tax liability ..	7,324
Derivatives	1,873
Total liabilities assumed	73,175
Net assets acquired	$ 97,513

Pro Forma Information (Unaudited)

Set forth in the following table is certain unaudited pro forma financial information for the years ended December 31, 2000 and 2001. This information has been prepared assuming the DevX acquisition was consummated on January 1, 2000 and is based on estimates and assumptions deemed appropriate by Comstock. The pro forma information is presented for illustrative purposes only. If the transactions had occurred in the past, Comstock's operating results might have been different from those presented in the following table. The pro forma information should not be relied upon as an indication of the operating results that Comstock would have achieved if the transactions had occurred on January 1, 2000. The pro forma information also should not be used as an indication of the future results that Comstock will achieve after the acquisition. Adjustments were made to adjust the historical operating results of DevX (i) to conform DevX to the successful efforts method of accounting for oil and gas activities; (ii) to reverse the costs of the closed Dallas and Ottawa corporate offices of DevX; and (iii) to record the pro forma interest expense based on Comstock's average interest rate under its bank credit facility.

	Year Ended December 31, 2000	2001
	(In thousands, except per share amounts)	
Revenues:		
Oil and gas sales	$ 211,555	$ 206,288
Change in fair value of derivatives	442	2,870
Other income	--	1,164
Total revenues	211,997	210,322
Expenses:		
Oil and gas operating	37,648	40,534
Exploration	3,992	4,751
Depreciation, depletion and amortization	58,431	60,880
Impairment	--	1,400
General and administrative, net	3,537	4,351
Interest	35,099	28,981
Change in fair value of derivatives	1,945	--
Income before income taxes	71,345	69,425
Provision for income taxes	(24,971)	(24,299)
Income	46,374	45,126
Preferred stock dividends	(2,471)	(1,604)
Net income attributable to common stock	$ 43,903	$ 43,522
Net income per share:		
Basic................................	$ 1.67	$ 1.49
Diluted..............................	$ 1.36	$ 1.29

(3) Oil and Gas Producing Activities

Set forth below is certain information regarding the aggregate capitalized costs of oil and gas properties and costs incurred by Comstock for its oil and gas property acquisition, development and exploration activities:

Capitalized Costs

	As of December 31,	
	2000	2001
	(In thousands)	
Proved properties	$ 659,505	$ 901,206
Unproved properties	5,206	13,416
Accumulated depreciation, depletion and amortization	(231,667)	(277,670)
	$ 433,044	$ 636,952

Costs Incurred

	For the Year Ended December 31,		
	1999	2000	2001
	(In thousands)		
Property acquisitions			
Proved properties.....	$ 4,458	$ 11,302	$160,794
Unproved properties...	2,258	5,346	8,210
Development costs	20,455	46,928	51,447
Exploration costs	8,126	19,202	33,382
	$ 35,297	$ 82,778	$253,833

Due to the tax-free nature of the merger between Comstock and DevX in December 2001, additional deferred tax liabilities of $7.3 million were allocated to proved oil and gas properties and are included in the proved property acquisition costs in 2001.

In 2001, Comstock capitalized interest expense of $0.2 million on its unproved properties which is included in the unproved property acquisition costs in 2001.

Results of Operations for Oil and Gas Producing Activities

The following table includes revenues and expenses associated directly with Comstock's oil and natural gas producing activities. The amounts presented do not include any allocation of Comstock's interest costs or general corporate overhead and, therefore, are not necessarily indicative of the contribution to net earnings of Comstock's oil and gas operations. Income tax expense has been calculated by applying statutory income tax rates to oil and gas sales after deducting costs, including depreciation, depletion and amortization and after giving effect to permanent differences.

	For the Year Ended December 31,		
	1999	2000	2001
	(In thousands)		
Oil and gas sales	$ 90,103	$ 169,350	$ 167,689
Production costs	(23,714)	(29,707)	(32,417)
Exploration	(1,832)	(3,192)	(4,215)

Depreciation, depletion and amortization .	(44,118)	(43,478)	(47,541)
Impairment of oil and gas properties	--	--	(1,400)
Operating income	20,439	92,973	82,116
Income tax expense	(7,154)	(32,541)	(28,741)
Results of operations of oil and gas producing activities	$ 13,285	$ 60,432	$ 53,375

(4) Long-Term Debt

Long-term debt is comprised of the following:

	As of December 31, 2000	As of December 31, 2001
	(In thousands)	
Revolving Bank Credit Facility...	$ 84,000	$ 227,000
11 1/4% Senior Notes due 2007....	150,000	145,000
Other	101	464
	234,101	372,464
Less current portion	(101)	(229)
	$ 234,000	$ 372,235

On December 17, 2001, Comstock entered into a new bank credit facility which consists of a $350.0 million three year revolving credit commitment provided by a syndicate of banks for which Toronto Dominion (Texas), Inc. serves as administrative agent. The acquisition of DevX and the repurchase of the DevX 's senior notes were funded by borrowings under the new bank credit facility. The bank credit facility was also used to refinance Comstock's existing bank debt. The new bank credit facility is subject to borrowing base availability, which is redetermined semiannually based on the banks' estimates of the future net cash flows of Comstock's oil and natural gas properties. The borrowing base

at December 31, 2001 was $270.0 million. The revolving credit line bears interest, based on the utilization of the borrowing base, at the option of Comstock at either (i) LIBOR plus 1.5% to 2.375% or (ii) the base rate plus 0.5% to 1.375%. The facility matures on January 2, 2005. Indebtedness under the bank credit facility is secured by substantially all of Comstock's assets and Comstock's corporate subsidiaries are guarantors of the bank credit facility. The bank credit facility contains covenants that, among other things, restrict the payment of cash dividends, limit the amount of consolidated debt and limit Comstock's ability to make certain loan and investments. Financial covenants include the maintenance of a current ratio, maintenance of tangible net worth and maintenance of an interest coverage ratio.

Comstock issued $150.0 million in aggregate principal amount of 11 1/4% Senior Notes due in 2007 (the "Notes") on April 29, 1999. Interest on the Notes is payable semiannually on May 1 and November 1, commencing on November 1, 1999. The Notes are unsecured obligations of Comstock and are guaranteed by all of its principal operating subsidiaries. Comstock repurchased $5.0 million of the Notes in July 2001. The Notes can be redeemed beginning on May 1, 2004. The fair market value of the Notes as of December 31, 2001 was $142.1 million based on the market price of 98% of the face amount as of December 31, 2001.

On March 7, 2002, Comstock closed the sale in a private placement of $75.0 million of Notes at a net price of 97.25% after the placements agents' discount. As a result of this transaction, $220.0 million of aggregate principal amount of the Notes were outstanding. The net proceeds were used to reduce amounts outstanding under the bank credit facility. The borrowing base under the bank credit facility was reduced to $240.0 million in connection with the issuance of the additional Notes.

(5) Lease Commitments

Comstock rents office space under noncancellable leases. Minimum future payments under the leases are as follows:

	(In thousands)
2002...........	$ 661
2003...........	656
2004...........	452
2005...........	477
2006...........	198
	$2,444

======

(6) Stockholders' Equity

The authorized capital stock of Comstock consists of 10 million shares of common stock, par value $.50 per share (the "Common Stock"), and 5 million shares of preferred stock, par value $10.00 per share. The preferred stock may be issued in one or more series, and the terms and rights of such stock will be determined by the Board of Directors.

On April 29, 1999, Comstock issued 3,000,000 shares of convertible preferred stock in a private placement and received proceeds of $30.0 million.

The preferred stock accrues dividends at an annual rate of 9% which are payable quarterly in cash or Comstock has the option to issue shares of Common Stock. Each share of the preferred stock is convertible, at the option of the holder, into 2.5 shares of Common Stock. On May 1, 2005 and on each May 1, thereafter, so long as any shares of the preferred stock are outstanding, Comstock is obligated to redeem an amount of shares of preferred stock equal to one-third of the shares of the preferred stock outstanding on May 1, 2005 at $10.00 per share plus accrued and unpaid dividends. The mandatory redemption price may be paid either in cash or in shares of Common Stock. Comstock has the option to redeem the shares of preferred stock upon payment to the holders of the preferred stock at a specified rate of return on the initial purchase. Upon a change of control of Comstock, the holders of the preferred stock have the right to require Comstock to purchase all or a portion of the preferred stock.

In September and October 2000, holders of 1,242,690 shares of the convertible preferred stock converted their shares into 3,106,725 shares of Common Stock. As a result of these conversions, $12.4 million of preferred stockholders' equity was transferred to common stockholders' equity.

Comstock's Board of Directors has designated 500,000 shares of the preferred stock as Series B Junior Participating Preferred Stock (the "Series B Junior Preferred Stock") in connection with the adoption of a shareholder rights plan. At December 31, 2001 there were no shares of Series B Junior Preferred Stock issued or outstanding. The Series B Junior Preferred Stock is entitled to receive cumulative quarterly dividends per share equal to the greater of $1.00 of 100 times the aggregate per share amount of all dividends (other than stock dividends) declared on Common Stock since the immediately preceding quarterly dividend payment date or, with respect to the first payment date, since the first issuance of Series B Junior Preferred Stock. Holders of the Series B Junior Preferred Stock are entitled to 100 votes per share (subject to adjustment to prevent dilution) on all matters submitted to a vote of the stockholders. The Series B Junior Preferred Stock is neither redeemable nor convertible. The Series B Junior Preferred Stock ranks prior to the Common Stock but junior to all other classes of Preferred Stock.

Under a plan adopted by the Board of Directors, non-employee directors can elect to receive shares of Common Stock valued at the then current market price in payment of annual director and consulting fees. Under this plan, Comstock issued 44,255, 8,182 and 5,342 shares of Common Stock in 1999, 2000 and 2001 respectively, in payment of fees aggregating $130,000, $93,000 and $26,000 for 1999, 2000 and 2001 respectively.

The outstanding preferred stock series provides that Comstock can issue Common Stock in lieu of cash for payment of quarterly dividends. In 1999, Comstock issued 640,525 shares of Common Stock in payment of dividends on its preferred stock of $1.9 million. Comstock paid the preferred stock dividends in cash in 2000 and 2001.

Options and warrants to purchase Common Stock were exercised to purchase 115,000 shares, 291,400 shares and 560,606 shares in 1999, 2000 and 2001, respectively. Such exercises yielded net proceeds of approximately $295,000, $763,000 and $2.0 million in 1999, 2000 and 2001, respectively.

During 2001, Comstock repurchased 907,400 shares of Common Stock in open market purchases totaling $5.2 million. Such shares were retired upon repurchase.

Stock Options

On June 23, 1999, the stockholders approved the 1999 Long-term Incentive

Plan for the management including officers, directors and managerial employees which replaced the 1991 Long-term Incentive Plan. The 1999 Long-term Incentive Plan together with the 1991 Long-term Incentive Plan (the "Incentive Plans") authorize the grant of non-qualified stock options and incentive stock options and the grant of restricted stock to key executives of Comstock. As of December 31, 2001, the Incentive Plans provide for future awards of stock options or restricted stock grants of up to 264,260 shares of Common Stock plus 1% of the outstanding shares of Common Stock each year beginning on January 1, 2002.

The following table summarizes stock option activity during 1999, 2000 and 2001 under the Incentive Plans:

	Number of Shares	Exercise Price	Weighted Average Exercise Price
Outstanding at December 31, 1998	3,890,500	$2.00 to $12.38	$ 7.81
Granted	1,010,000	$3.88	3.88
Exercised	(115,000)	$2.00 to $3.00	2.57
Forfeited	(155,500)	$3.00 to $12.38	7.81
Outstanding at December 31, 1999	4,630,000	$2.00 to $12.38	7.08
Granted	351,250	$6.69 to $8.88	8.24
Exercised..............	(291,400)	$2.00 to $4.81	2.62
Outstanding at December 31, 2000	4,689,850	$2.00 to $12.38	7.45
Granted	493,250	$6.42 to $11.12	6.80
Exercised	(580,450)	$2.00 to $11.94	3.86
Forfeited	(213,000)	$6.56 to $11.12	6.61
Outstanding at December 31, 2001	4,389,650	$2.50 to $12.38	7.89
Exercisable at December 31, 2001	2,995,400	$2.50 to $12.38	8.26

The following table summarizes information about the Incentive Plans stock options outstanding at December 31, 2001:

Exercise Price	Number of Shares Outstanding	Weighted Average Remaining Life	Number of Shares Exercisable
		(Years)	
$2.50	20,000	0.5	20,000
3.44	481,625	5.8	413,875
3.88	975,525	6.3	498,025
6.42	437,750	7.1	175,000
6.69	84,000	5.6	43,500
6.94	150,000	2.0	150,000
7.40	20,000	4.6	20,000
8.88	249,250	7.5	--
9.63	80,000	0.5	80,000
11.00	1,269,000	3.7	1,269,000
11.12	33,500	6.0	20,000
11.94	30,000	1.3	30,000
12.38	559,000	3.5	276,000
	4,389,650	4.9	2,995,400

Comstock accounts for the stock options issued under the Incentive Plans under APB 25, under which no compensation cost has been recognized. Had compensation cost for these plans been determined consistent with SFAS 123, net income attributable to common stock and earnings per share would have been reduced to the following pro forma amounts:

		1999	2000	2001
		(In thousands, except per share amounts)		
Net income (loss):	As Reported	$ (4,669)	$ 38,932	$ 34,854
	Pro Forma	(6,644)	36,958	33,168
Basic earnings per share:	As Reported	(0.19)	1.48	1.20
	Pro Forma	(0.27)	1.41	1.14
Diluted earnings per share:	As Reported		1.21	1.06
	Pro Forma		1.15	1.01

Because the SFAS 123 method of accounting has not been applied to options granted prior to January 1, 1995, the resulting pro forma compensation cost may not be representative of that to be expected in future years.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions used for grants in 1999, 2000 and 2001, respectively: average risk-free interest rates of 5.7, 6.2 and 4.9 percent; average expected lives of 8.8, 7.8 and 7.4 years; average expected volatility factors of 64.2, 66.4 and 67.2; and no dividend yield. The estimated weighted average fair value of options to purchase one share of common stock issued under the Company's Incentive Plans was $2.86 in 1999, $5.98 in 2000 and $6.80 in 2001.

Restricted Stock Grants

Under the Incentive Plans, officers and managerial employees may be granted a right to receive shares of Common Stock without cost to the employee. The shares vest over a specified period with credit given for past service rendered to Comstock. Restricted stock grants for 667,500 shares have been awarded under the Incentive Plans. As of December 31, 2001, 470,625 shares of such awards are vested. A provision for the restricted stock grants is made ratably over the vesting period. Compensation expense recognized for restricted stock grants for the years ended December 31, 1999, 2000 and 2001 was $116,000, $221,000 and $218,000, respectively.

Exploration Venture Warrants

On July 31, 2001 Comstock entered into a new exploration agreement with Bois d'Arc Offshore, Ltd. and its principals ("Bois d'Arc") which replaces an exploration agreement entered into on December 8, 1997. The 2001 Exploration Agreement establishes a joint exploration venture between Comstock and Bois d'Arc covering the state coastal waters of Louisiana and Texas and corresponding federal offshore waters in the Gulf of Mexico. The new venture was effective April 1, 2001 and will end on December 31, 2006. Under the joint venture, Bois d'Arc generates exploration prospects in the Gulf of Mexico utilizing 3-D seismic data and their extensive geological expertise in this region. Comstock advances funds for the acquisition of 3-D seismic data and leases as needed. After a prospect is identified, Comstock is reimbursed for the costs that were advanced and is entitled to a 40% non-promoted working interest in each prospect. Bois d'Arc has the opportunity to earn warrants to purchase up to 1,620,000 shares of Common Stock. Warrants to purchase 60,000 shares are earned by Bois d'Arc for each prospect which results in a successful discovery. The exercise price on the new warrants is determined based on the current market price for the Common Stock on a semiannual basis each year that the venture is in operation. The agreement requires that Comstock must fund a minimum of $5.0 million for the acquisition of seismic data over the term of the agreement or Bois d'Arc has the right to terminate the agreement.

During 2001, Bois d' Arc earned warrants to purchase 360,000 shares at $7.32 per share under the exploration agreement. The value of the warrants based on the Black-Scholes option pricing model was $5.64 per option share or an aggregate of $2.0 million. Such cost was capitalized as a cost of oil and gas properties in 2001. Bois d' Arc had also earned warrants to purchase 600,000 shares of Common Stock at $14.00 per share under the prior exploration agreement during the period from January 1998 to April 2001. The value of these warrants based on the Black-Scholes option pricing model was $9.97 per option share. The estimated value for the warrants earned under the prior exploraton agreement which was capitalized to oil and gas properties was $1.5 million in 1998, $0.5 million in 1999, $3.0 million in 2000 and $1.0 million in 2001.

(7) Retirement Plan

Comstock has a 401(k) Profit Sharing Plan which covers all of its employees. At its discretion, Comstock may match a certain percentage of the employees' contributions to the plan. The matching percentage is determined annually by the Board of Directors. Comstock's matching contributions to the plan were $79,000, $84,000 and $96,000 for the years ended December 31, 1999, 2000 and 2001, respectively.

(8) Income Taxes

The tax effects of significant temporary differences representing the net deferred tax liability at December 31, 2000 and 2001 were as follows:

	2000	2001
	(In thousands)	
Net deferred tax assets (liabilities):		
Property and equipment	$(36,562)	$(75,269)
Net operating loss carryforwards	13,457	34,504
Valuation allowance on net operating loss carryforwar....................	--	(8,043)
Other carryforwards	550	897
	$(22,555)	$(47,911)

The following is an analysis of the consolidated income tax expense:

	2000	2001
	(In thousands)	
Current................................	$ --	$ --
Deferred...............................	22,294	19,631
	$ 22,294	$ 19,631

There were no significant differences between income taxes computed using the statutory rate of 35% and Comstock's effective tax rate in 2000 and 2001 of 35%.

At December 31, 2001, Comstock had the following carryforwards available to reduce future income taxes:

Types of Carryforward	Years of Carryforward	Amounts
($ in thousands)		
Net operations loss -U.S. federal	2018 - 2021	$ 98,583
Alternative Minimum tax credits	Unlimited	792
Charitable contribution carryforward	2003 - 2006	324

The utilization of $42.9 million of the net operating loss carryforwards of DevX are limited to approximately $1.1 million per year pursuant to a prior change of control. Accordingly, a valuation allowance of $23.0 million has been established for Comstock's estimate of the DevX's net operating loss carryforwards that it will not be able to utilize. Realization of Comstock's and DevX's net operating carryforwards requires Comstock to generate taxable income within the carryforward period.

(9) Derivatives and Hedging Activities

Comstock uses swaps, floors and collars to hedge oil and natural gas prices. Swaps are settled monthly based on differences between the prices specified in the instruments and the settlement prices of futures contracts quoted on the New York Mercantile Exchange. Generally, when the applicable settlement price is less than the price specified in the contract, Comstock receives a settlement from the counterparty based on the difference multiplied by the volume hedge. Similarly, when the applicable settlement price exceeds the price specified in the contract, Comstock pays the counterparty based on the difference. Comstock generally receives a settlement from the counterparty for floors when the applicable settlement price is less than the price specified in the contract, which is based on the difference multiplied by the volumes hedged. For collars, generally Comstock receives a settlement from the counterparty when the settlement price is below the floor and pays a settlement to the counterparty when the settlement price exceeds the cap. No settlement occurs when the settlement price falls between the floor and cap.

In connection with the DevX acquisition, Comstock assumed certain derivative financial instruments entered into by DevX to manage natural gas price risk. The following table sets out the derivative financial instruments outstanding at December 31, 2001 which are held for natural gas price risk management:

Period Beginning	Period Ending	Volume (MMBtu)	Type of Instrument	Floor Price	Ceiling Price	Swap Price
January 1, 2002	December 31, 2002	640,000	Floor	$1.90	--	--
January 1, 2002	December 31, 2002	2,550,000	Floor	$2.00	--	--
January 1, 2002	December 31, 2002	1,600,000	Swap	--	--	$2.40
January 1, 2002	December 31, 2002	900,000	Collar	$4.00	$6.75	--
		5,690,000				
January 1, 2003	December 31, 2003	560,000	Floor	$1.90	--	--
January 1, 2003	December 31, 2003	2,250,000	Floor	$2.00	--	--
January 1, 2003	December 31, 2003	1,400,000	Swap	--	--	$2.40
		4,210,000				
		9,900,000				

The counterparty for the $1.90 floor position and $2.40 swap price position is a subsidiary of Enron Corporation who has filed for bankruptcy protection. The net liability owed to Enron as of December 31, 2001, was $1.6 million. Comstock intends to monitor this position and will assess the credit exposure to the extent this position becomes a net asset.

As a result of certain hedging transactions for natural gas price risk, Comstock has realized the following gains and losses which were included in oil and gas sales:

	1999	2000	2001
	(In thousands)		
Realized Gains	$ 248	$ --	$ --
Realized Losses	(5,178)	--	--

Comstock periodically enters into interest rate swap agreements to hedge the impact of interest rate changes on its floating rate long-term debt. As of December 31, 2001, Comstock had an interest rate swap agreement covering $25.0 million of its floating rate debt which fixed the LIBOR rate at 4.5% for the period April 2001 through April 2002. Comstock has designated this position as a hedge. As a result of certain hedging transaction for interest rates, Comstock has realized the following gains or losses which were included in interest expense:

	1999	2000	2001
	(In thousands)		
Realized Gains	$ 169	$ 988	$ --
Realized Losses	--	--	(199)

Effective January 1, 2001, Comstock adopted SFAS 133 which required that all derivative financial instruments are to be included on the balance sheet at the fair value. Comstock estimates fair value based on quotes obtained from the counterparties to the derivative contract. The fair value of derivative contracts that expire in less than one year are recognized as current assets or liabilities. Those that expire in more than one year are recognized as long-term assets or liabilities. Derivative financial instruments that are not accounted for as hedges are adjusted to fair value through income. If the derivative is designated as a cash flow hedge, changes in fair value are recognized in other comprehensive income until the hedged item is recognized in earnings.

Comstock has not designated any of the natural gas price derivative financial instruments acquired in the DevX acquisition as hedges. The change in fair value of these derivative contracts resulted in a gain of $254,000 which is included in other income in 2001. The interest rate swap has been designated swap as a cash flow hedge. As a result the change in fair value of this instrument of an unrealized after tax loss of $139,000 was recognized in other comprehensive income.

(10) Supplementary Quarterly Financial Data (Unaudited)

First	Second	Third	Fourth	Total

(In thousands, except per share amounts)

2000 -					
Total revenues	$ 33,143	$ 38,634	$ 44,987	$ 52,938	$169,702
Net income attributable to common stock	$ 4,085	$ 7,934	$ 12,135	$ 14,778	$ 38,932
Net income per share:					
Basic	$ 0.16	$ 0.31	$ 0.47	$ 0.52	$ 1.48
Diluted	$ 0.14	$ 0.25	$ 0.37	$ 0.44	$ 1.21
2001 -					
Total revenues	$ 67,546	$ 46,575	$ 29,781	$ 24,498	$168,400
Net income attributable to common stock	$ 23,578	$ 12,439	$ 2,486	$ (3,649)	$ 34,854
Net income per share:					
Basic	$ 0.81	$ 0.43	$ 0.09	($ 0.13)	$ 1.20
Diluted	$ 0.68	$ 0.37	$ 0.09		$ 1.06

(11) Oil and Gas Reserves Information (Unaudited)

Set forth below is a summary of the changes in Comstock's net quantities of crude oil and natural gas reserves for each of the three years ended December 31, 2001.

	1999		2000		2001	
	Oil (MBbls)	Gas (MMcf)	Oil (MBbls)	Gas (MMcf)	Oil (MBbls)	Gas (MMcf)
Proved Reserves:						
Beginning of year	20,245	250,402	19,467	258,121	17,451	297,835
Revisions of previous estimates	(1,695)	(14,272)	(1,725)	1,205	(1,177)	(10,959)
Extensions and discoveries	3,029	39,534	1,599	54,574	1,395	46,777
Purchases of minerals in place	16	6,329	416	11,059	1,213	156,515
Sales of minerals in place	--	--	(499)	(134)	--	--
Production	(2,128)	(23,872)	(1,807)	(26,990)	(1,534)	(28,083)
End of year	19,467	258,121	17,451	297,835	17,348	462,085
Proved Developed Reserves:						
Beginning of year	16,585	182,955	14,379	184,123	12,290	200,349
End of year	14,379	184,123	12,290	200,349	12,212	315,779

The following table sets forth the standardized measure of discounted future net cash flows relating to proved reserves at December 31, 2000 and 2001:

	2000	2001
	(In thousands)	
Cash Flows Relating to Proved Reserves:		
Future Cash Flows	$ 3,590,711	$ 1,566,780
Future Costs:		
Production	(527,939)	(453,416)
Development	(126,904)	(156,906)
Future Net Cash Flows Before Income Taxes	2,935,868	956,458
Future Income Taxes	(825,033)	(177,551)
Future Net Cash Flows	2,110,835	778,907
10% Discount Factor	(822,071)	(331,634)
Standardized Measure of Discounted Future Net Cash Flows	$ 1,288,764	$ 447,273

The following table sets forth the changes in the standardized measure of discounted future net cash flows relating to proved reserves for the years ended December 31, 1999, 2000 and 2001:

	1999	2000	2001
		(In thousands)	
Standardized Measure, Beginning of Year	$ 304,993	$ 468,713	$ 1,288,764
Net Change in Sales Price, Net of Production Costs	179,042	1,141,880	(1,298,306)
Development Costs Incurred During the Year Which Were Previously Estimated	5,303	17,340	26,627
Revisions of Quantity Estimates	(35,727)	(44,256)	(21,342)
Accretion of Discount	30,531	51,506	173,747
Changes in Future Development Costs	(437)	(41,525)	(6,571)
Changes in Timing and Other	(2,271)	(166,410)	(141,844)
Extensions and Discoveries	91,911	375,632	86,026
Purchases of Reserves in Place	7,787	62,621	120,147
Sales of Reserves in Place	--	(3,355)	--
Sales, Net of Production Costs	(66,389)	(139,643)	(135,272)
Net Changes in Income Taxes	(46,030)	(433,739)	355,297
Standardized Measure, End of Year	$ 468,713	$ 1,288,764	$ 447,273

The estimates of proved oil and gas reserves utilized in the preparation of the financial statements were estimated by independent petroleum consultants of Lee Keeling and Associates in accordance with guidelines established by the Securities and Exchange Commission and the Financial Accounting Standards Board, which require that reserve reports be prepared under existing economic and operating conditions with no provision for price and cost escalation except by contractual agreement. All of Comstock's reserves are located onshore in or offshore to the continental United States of America.

Future cash inflows are calculated by applying year-end prices adjusted for transportation and other charges to the year-end quantities of proved reserves, except in those instances where fixed and determinable price changes are provided by contractual arrangements in existence at year-end.

Comstock's average yearend prices used in the reserve estimates were as follows:

	1999	2000	2001
Crude Oil (Per Barrel)	$ 24.56	$ 26.34	$ 18.73
Natural Gas (Per Mcf)	$ 2.51	$ 10.51	$ 2.69

Future development and production costs are computed by estimating the expenditures to be incurred in developing and producing proved oil and gas reserves at the end of the year, based on year-end costs and assuming continuation of existing economic conditions. Future income tax expenses are computed by applying the appropriate statutory tax rates to the future pre-tax net cash flows relating to proved reserves, net of the tax basis of the properties involved. The future income tax expenses give effect to permanent differences and tax credits, but do not reflect the impact of future operations.