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, 2004

OR

o **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 or organization)	(I.R.S. Employer incorporation 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 o

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes ☑ No o

The number of shares outstanding of the registrant's common stock, par value $.50, as of August 6, 2004 was 34,730,262.

COMSTOCK RESOURCES, INC.

QUARTERLY REPORT

For The Quarter Ended June 30, 2004

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 2004	December 31, 2003
	(In thousands)	
ASSETS		
Cash and Cash Equivalents	$ 692	$ 5,343
Accounts Receivable:		
Oil and gas sales	29,075	36,468
Joint interest operations	12,244	9,524
Other Current Assets	3,963	4,802
Total current assets	45,974	56,137
Property and Equipment:		
Unevaluated oil and gas properties	21,009	18,075
Oil and gas properties, successful efforts method	1,122,083	1,052,564
Other	4,058	4,047
Accumulated depreciation, depletion and amortization	(406,910)	(376,000)
Net property and equipment	740,240	698,686
Other Assets	7,840	6,133
	$ 794,054	$ 760,956
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Portion of Long-Term Debt	$ 1,290	$ 623
Accounts Payable and Accrued Expenses	43,278	63,874
Total current liabilities	44,568	64,497
Long-Term Debt, less current portion	324,000	306,000
Deferred Taxes Payable	87,877	81,629
Reserve for Future Abandonment Costs	20,312	19,174
Stockholders' Equity:		
Common stock-$0.50 par, 50,000,000 shares authorized, 34,730,262 and 34,308,861 shares outstanding at June 30, 2004 and December 31, 2003, respectively	17,365	17,154
Additional paid-in capital	166,209	166,242
Retained earnings	133,723	115,032
Deferred compensation-restricted stock grants	—	(8,772)
Total stockholders' equity	317,297	289,656
	$ 794,054	$ 760,956

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,	
	2004	2003	2004	2003
	(In thousands, except per share amounts)			
Oil and gas sales	$ 66,508	$ 57,161	$127,269	$125,737
Operating expenses:				
Oil and gas operating	12,456	10,531	25,106	21,896
Exploration	1,797	505	5,179	2,141
Depreciation, depletion and amortization	15,728	15,117	31,537	30,304
General and administrative, net	2,882	1,947	5,972	3,475
Total operating expenses	32,863	28,100	67,794	57,816
Income from operations	33,645	29,061	59,475	67,921
Other income (expenses):				
Other income	47	44	86	91
Interest income	18	23	34	43
Interest expense	(4,526)	(7,370)	(10,791)	(14,678)
Loss on early extinguishment of debt	(18)	—	(19,599)	—
Total other expenses	(4,479)	(7,303)	(30,270)	(14,544)
Income before income taxes and cumulative effect of change in accounting principle	29,166	21,758	29,205	53,377
Provision for income taxes	(10,500)	(7,615)	(10,514)	(18,682)
Income before cumulative effect of change in accounting principle	18,666	14,143	18,691	34,695
Cumulative effect of change in accounting principle, net of income taxes	—	—	—	675
Net income	18,666	14,143	18,691	35,370
Preferred stock dividends	—	(178)	—	(573)
Net income attributable to common stock	$ 18,666	$ 13,965	$ 18,691	$ 34,797
Net income per share before cumulative effect of change in accounting principle:				
Basic	$ 0.55	$ 0.44	$ 0.55	$ 1.13
Diluted	$ 0.52	$ 0.40	$ 0.52	$ 1.00
Net income per share:				
Basic	$ 0.55	$ 0.44	$ 0.55	$ 1.15
Diluted	$ 0.52	$ 0.40	$ 0.52	$ 1.02
Weighted average common and common stock equivalent shares outstanding:				
Basic	34,111	31,473	33,977	30,205
Diluted	36,133	35,010	35,990	34,719

The accompanying notes are an integral part of these statements.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
For the Six Months Ended June 30, 2004
(Unaudited)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Deferred Compensation-Restricted Stock Grants	Total
			(In thousands)		
Balance at December 31, 2003	$ 17,154	$166,242	$115,032	$ (8,772)	$289,656
Adoption of SFAS 123	—	(8,772)	—	8,772	—
Value of stock options issued for exploration projects, net of deferred taxes	—	2,624	—	—	2,624
Stock-based compensation	—	2,376	—	—	2,376
Exercise of stock options	211	3,739	—	—	3,950
Net income	—	—	18,691	—	18,691
Balance at June 30, 2004	$ 17,365	$166,209	$133,723	$ —	$317,297

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,	
	2004	2003
	(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 18,691	$ 35,370
Adjustments to reconcile net income to net cash provided by operating activities:		
Dry hole costs and lease impairments	3,116	1,526
Depreciation, depletion and amortization	31,537	30,304
Stock-based compensation	2,376	119
Deferred income taxes	7,200	18,682
Debt issuance costs amortization	384	—
Loss on early extinguishment of debt	19,599	—
Cumulative effect of change in accounting principle, net of income taxes	—	(675)
	82,903	85,326
(Increase) decrease in accounts receivable	4,673	(11,389)
(Increase) decrease in other current assets	839	(1,213)
Decrease in accounts payable and accrued expenses	(20,596)	(3,913)
Net cash provided by operating activities	67,819	68,811
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures and acquisitions	(72,327)	(40,712)
Net cash used for operating activities	(72,327)	(40,712)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings	171,433	16,402
Proceeds from issuance of senior notes	175,000	—
Debt issuance costs	(5,651)	—
Principal payments on debt	(343,639)	(45,400)
Proceeds from issuance of common stock	2,714	528
Dividends paid on preferred stock	—	(573)
Net cash used for financing activities	(143)	(29,043)
Net decrease in cash and cash equivalents	(4,651)	(944)
Cash and cash equivalents, beginning of period	5,343	1,682
Cash and cash equivalents, end of period	$ 692	$ 738

The accompanying notes are an integral part of these statements.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2004
(Unaudited)

(1) SIGNIFICANT ACCOUNTING POLICIES -

Basis of Presentation

In management's opinion, the accompanying unaudited consolidated financial statements contain all adjustments (consisting solely of normal recurring adjustments) necessary to present fairly the financial position of Comstock Resources, Inc. and subsidiaries ("Comstock" or the "Company") as of June 30, 2004 and the related results of operations and cash flows for the six months ended June 30, 2004 and 2003.

The accompanying unaudited consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States have been omitted pursuant to those rules and regulations, although Comstock believes that the disclosures made are adequate to make the information presented not misleading. These unaudited consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in Comstock's Annual Report on Form 10-K for the year ended December 31, 2003.

The results of operations for the six months ended June 30, 2004 are not necessarily an indication of the results expected for the full year.

Income Taxes

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
	(In thousands)			
Current	$ 1,314	$ —	$ 3,314	$ —
Deferred	9,186	7,615	7,200	18,682
Provision for Income Taxes	$ 10,500	$ 7,615	$ 10,514	$ 18,682

Stock-Based Compensation

Prior to January 1, 2004, Comstock accounted for employee stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25"). Under the intrinsic method, compensation cost for stock options is measured as the excess, if any, of the fair value of the Company's common stock at the date of the grant over the amount an employee must pay to acquire the common stock. Effective January 1, 2004, the Company changed its method of accounting for employee stock-based compensation to the preferable fair value based method prescribed in Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123"). Under the fair value based method, compensation cost is measured at the grant date based on the fair value of the award and is recognized over the award vesting period. The fair

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

value of each award is estimated as of the date of grant using the Black-Scholes options pricing model. Under the modified prospective transition method selected by Comstock as described in Statement of Financial Accounting Standards No. 148, "Accounting for Stock-Based Compensation — Transition and Disclosure," stock-based compensation expense recognized for the three months and six months ended June 30, 2004, is the same as that which would have been recognized had the fair value method of SFAS 123 been applied from its original effective date. During the three months and six months ended June 30, 2004, the Company recorded $1.2 million and $2.4 million, respectively, in stock-based compensation expense in general and administrative expenses.

In accordance with the modified prospective transition method, results for years prior to 2004 have not been restated. For the three months and six months ended June 30, 2003, the Company accounted for stock-based compensation for employees under APB 25 and related interpretations, under which no compensation cost was recognized for employee stock options. If compensation costs had been determined in accordance with SFAS 123, the Company's net income and earnings per share would approximate the following pro forma amounts:

	For the Three Months Ended June 30, 2003	For the Six Months Ended June 30, 2003
	(In thousands, except per share amounts)	
Net income, as reported	$ 13,965	$ 34,797
Add stock-based employee compensation expense included in reported net income, net of income taxes	38	77
Deduct total stock-based employee compensation expense determined under fair-value-based method for all rewards, net of income taxes	(450)	(935)
Pro forma net income	$ 13,553	$ 33,939
Basic earnings per share: As reported	$ 0.44	$ 1.15
Pro forma	$ 0.43	$ 1.12
Diluted earnings per share: As reported	$ 0.40	$ 1.02
Pro forma	$ 0.39	$ 0.99

Asset Retirement Obligations

Comstock adopted Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations" ("SFAS 143"), on January 1, 2003. This statement required Comstock to record a liability in the period in which an asset retirement obligation ("ARO") is incurred, in an amount equal to the discounted estimated fair value of the obligation that is capitalized. Thereafter, each quarter, this liability is accreted up to the final retirement cost. The adoption of SFAS 143 on January 1, 2003 resulted in a cumulative effect adjustment to record (i) a $3.7 million decrease in the carrying value of oil and gas properties, (ii) a $3.3 million decrease in accumulated depletion, depreciation and amortization, (iii) a $1.5 million decrease in reserve for future abandonment, and (iv) a gain of $675,000, net of income taxes, which was reflected as the cumulative effect of a change in accounting principle.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Comstock's primary asset retirement obligations relate to future plugging and abandonment expenses on its oil and gas properties and related facilities disposal. As of June 30, 2004, Comstock had $1.7 million held in an escrow account from which funds are released only for reimbursement of plugging and abandonment expenses on certain offshore oil and gas properties. This amount is included in Other Assets in the consolidated balance sheet. The following table summarizes the changes in Comstock's total estimated liability during the six months ended June 30, 2004 and 2003:

	For the Six Months Ended June 30,	
	2004	2003
	(In thousands)	
Future abandonment liability — beginning of period	$ 19,174	$ 16,677
Cumulative effect adjustment	—	(1,476)
Accretion expense	599	370
New wells placed on production	572	199
Liabilities settled	(33)	(216)
Future abandonment liability — end of period	$ 20,312	$ 15,554

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 three and six months ended June 30, 2004 and 2003, were determined as follows:

	Three Months Ended June 30,					
	2004			2003		
	Income	Shares	Per Share	Income	Shares	Per Share
	(In thousands, except per share amounts)					
Basic Earnings Per Share:						
Net Income	$ 18,666	34,111		$ 14,143	31,473	
Less Preferred Stock Dividends	—	—		(178)	—	
Net Income Available to Common Stockholders	$ 18,666	34,111	$ 0.55	$ 13,965	31,473	$ 0.44
Diluted Earnings Per Share:						
Net Income	$ 18,666	34,111		$ 14,143	31,473	
Effect of Dilutive Securities:						
Stock Grants and Options	—	2,022		—	1,591	
Convertible Preferred Stock	—	—		—	1,946	
Net Income Available to Common Stockholders With Assumed Conversions	$ 18,666	36,133	$ 0.52	$ 14,143	35,010	$ 0.40

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

	Six Months Ended June 30,					
	2004			2003		
	Income	Shares	Per Share	Income	Shares	Per Share
	(In thousands, except per share amounts)					
Basic Earnings Per Share:						
Net Income Before Cumulative Effect of Change in Accounting Principle	$ 18,691	33,977		$ 34,695	30,205	
Less Preferred Stock Dividends	—	—		(573)	—	
Net Income Available to Common Stockholders Before Cumulative Effect of Change in Accounting Principle	18,691	33,977	$ 0.55	34,122	30,205	$ 1.13
Cumulative Effect of Change in Accounting Principle, net of Income Taxes	—	33,977	—	675	30,205	0.02
Net Income Available to Common Stockholders	$ 18,691	33,977	$ 0.55	$ 34,797	30,205	$ 1.15
Diluted Earnings Per Share:						
Net Income Before Cumulative Effect of Change in Accounting Principle	$ 18,691	33,977		$ 34,695	30,205	
Effect of Dilutive Securities:						
Stock, Grants and Options	—	2,013		—	1,351	
Convertible Preferred Stock	—	—		—	3,163	
Net Income Available to Common Stockholders With Assumed Conversions Before Cumulative Effect of Change in Accounting Principle	18,691	35,990	$ 0.52	34,695	34,719	$ 1.00
Cumulative Effect of Change in Accounting Principle, net of Income Taxes	—	35,990	—	675	34,719	0.02
Net Income Available to Common Stockholders with assumed conversions	$ 18,691	35,990	$ 0.52	$ 35,370	34,719	$ 1.02

Derivative Instruments and Hedging Activities

Comstock periodically uses swaps, floors and collars to hedge oil and natural gas prices and interest rates. Swaps are settled monthly based on differences between the prices specified in the instruments and the settlement prices of futures contracts. Generally, when the applicable settlement price is less than the price specified in the contract, Comstock receives a settlement from the counter party based on the difference multiplied by the volume or amounts hedged. Similarly, when the applicable settlement price exceeds the price specified in the contract, Comstock pays the counter party based on the difference. Comstock generally receives a settlement from the counter party 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 amounts hedged. For collars, generally Comstock receives a settlement from the counter party when the settlement price is below the floor and pays a settlement to the counter party when the settlement price exceeds the cap. No settlement occurs when the settlement price falls between the floor and cap.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Comstock had no derivative financial instruments outstanding as of June 30, 2004 and had none of its oil and gas production or floating rate debt hedged during the six months ended June 30, 2004 and 2003.

Comstock had an interest rate swap agreement covering $25.0 million of its floating rate debt in place during the three months and six months ended June 30, 2003, which resulted in a realized loss of $22,000 and $36,000, respectively, which was included in the interest expense.

Supplementary Information With Respect to the Consolidated Statements of Cash Flows -

	For the Six Months Ended June 30,	
	2004	2003
	(In thousands)	
Cash Payments -		
Interest payments	$ 10,505	$ 14,877
Income tax payments	$ 2,700	$ —
Noncash Investing and Financing Activities -		
Value of warrants issued under exploration agreement	$ 2,908	$ 5,004

(2) LONG-TERM DEBT -

At June 30, 2004, Comstock's long-term debt was comprised of the following:

	(In thousands)
Revolving Bank Credit Facility	$149,000
6f% Senior Notes due 2012	175,000
Other	1,290
	325,290
Less current portion	1,290
	$324,000

Comstock had $220.0 million in principal amount of 11 1/4% Senior Notes due 2007 (the "1999 Notes") outstanding on January 1, 2004. Pursuant to a tender offer, on February 25, 2004, Comstock repurchased $197.7 million in principal amount of the 1999 Notes for $212.2 million plus accrued interest. On May 1, 2004, Comstock redeemed the remaining $22.3 million in principal amount of the 1999 Notes outstanding for $23.6 million plus accrued interest. The early extinguishment of the 1999 Notes resulted in a loss of $19.6 million which was comprised of the premium paid for repurchase of the 1999 Notes together with the write-off of unamortized debt issuance costs related to the 1999 Notes.

In connection with the repurchase of the 1999 Notes, Comstock sold $175.0 million of its senior notes in an underwritten public offering. The new senior notes are due March 1, 2012 and bear interest at 6 7/8%, which is payable semiannually on March 1 and September 1, commencing September 1, 2004. The senior notes are unsecured obligations of the Company and are currently guaranteed by all of its subsidiaries.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

On February 25, 2004, Comstock also entered into a new $400.0 million bank credit facility with Bank of Montreal, as the administrative agent. The new credit facility is a four-year revolving credit commitment that matures on February 25, 2008. Borrowings under the new credit facility are limited to a borrowing base that was $300.0 million as of June 30, 2004. Borrowings under the new credit facility were used to refinance amounts outstanding under the prior bank credit facility and to fund the repurchase of the 1999 Notes.

Indebtedness under the new credit facility is secured by substantially all of Comstock's and its subsidiaries' assets and is guaranteed by all of the subsidiaries. The new credit facility is subject to borrowing base availability, which is redetermined semiannually based on the banks' estimates of the future net cash flows of the Company's oil and natural gas properties. The borrowing base may be affected by the performance of Comstock's properties and changes in oil and natural gas prices. The determination of the borrowing base is at the sole discretion of the administrative agent and the bank group. Borrowings under the new credit facility bear interest, based on the utilization of the borrowing base, at Comstock's option at either LIBOR plus 1.25% to 1.75% or the base rate (which is the higher of the prime rate or the federal funds rate) plus 0% to 0.5%. A commitment fee of 0.375% is payable on the unused borrowing base. The new credit facility contains covenants that, among other things, restrict the payment of cash dividends, limit the amount of consolidated debt that Comstock may incur and limit the Company's ability to make certain loans and investments. The only financial covenants are the maintenance of a current ratio and maintenance of a minimum tangible net worth. The Company was in compliance with these covenants as of June 30, 2004.

(3) SUBSEQUENT EVENT -

On December 8, 1997, Comstock acquired certain oil and natural gas properties from and entered into a joint exploration venture with Bois d'Arc Offshore, Ltd. ("Bois d'Arc") which covers the state coastal waters of Louisiana and Texas and corresponding federal offshore waters in the Gulf of Mexico. On July 16, 2004, Comstock contributed its interests in substantially all of its oil and natural gas properties located in the state and federal waters in the Gulf of Mexico (which were either acquired from or developed with Bois d'Arc under the joint exploration venture), net of $102.8 million in related debt, to Bois d'Arc Energy, LLC, a recently-formed Nevada limited liability company ("Bois d'Arc Energy"). Bois d'Arc, as well as several other persons and entities, also contributed their interests in certain oil and natural gas properties that were developed under the joint exploration venture to Bois d'Arc Energy. As a result of these transactions, Comstock holds approximately 59.9% equity interest in Bois d'Arc Energy. Comstock will account for its interest in the joint venture based on its proportionate ownership.

In connection with the formation of the new venture, Comstock has made available to Bois d'Arc Energy a revolving line of credit in a maximum outstanding amount of $200.0 million, of which approximately $152.0 million was outstanding on the formation date. Bois d'Arc Energy and its subsidiaries each became guarantors of Comstock's bank credit facility and the 6 7/8% senior notes. Bois d'Arc Energy expects to refinance the amounts outstanding under the credit facility provided by Comstock in the near future. The refinancing may include an initial public offering of its common stock, depending on market conditions and various other factors. Comstock anticipates that it will have a significant ownership interest in Bois d'Arc Energy after the refinancing. If Bois d'Arc Energy does not complete a financing transaction which generates sufficient proceeds to repay all of the amounts outstanding under the line of credit with Comstock by December 1, 2004 (or such later date as is determined by Bois d'Arc Energy's Board of Managers), Bois d'Arc Energy will be dissolved and liquidated in a manner designed to put the contributors in a position as near as possible to the same economic position that the contributors would have been in if the contributors had never formed Bois d'Arc Energy and instead had continued to own their respective properties individually.

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

We have reviewed the consolidated balance sheet of Comstock Resources, Inc. and subsidiaries (a Nevada corporation) (the Company) as of June 30, 2004, and the related consolidated statements of income for the three-month and six-month periods ended June 30, 2004 and 2003, and the condensed consolidated statements of cash flows for the six-month periods ended June 30, 2004 and 2003. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board, 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 review, we are not aware of any material modifications that should be made to the condensed consolidated interim financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Comstock Resources, Inc. and subsidiaries as of December 31, 2003, and the related consolidated statements of income, shareholders' equity, and cash flows for the year then ended [not presented herein], and in our report dated February 26, 2004 we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2003, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ Ernst & Young LLP

Dallas, Texas
August 4, 2004

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

This report contains forward-looking statements that involve risks and uncertainties that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those anticipated in our forward-looking statements due to many factors. The following discussion should be read in conjunction with the consolidated financial statements and notes thereto included in this report and in our annual report filed on Form 10-K for the year ended December 31, 2003.

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,	
	2004	2003	2004	2003
Net Production Data:				
Oil (Mbbls)	467	381	862	797
Natural gas (MMcf)	8,496	8,486	16,818	16,832
Natural gas equivalent (Mmcfe)	11,295	10,774	21,991	21,611
Average Sales Price:				
Oil (per Bbl)	$ 37.55	$ 28.83	$ 36.24	$ 31.39
Natural gas (per Mcf)	5.77	5.44	5.71	5.98
Average equivalent price (per Mcfe)	5.89	5.31	5.79	5.82
Expenses ($ per Mcfe):				
Oil and gas operating (1)	$ 1.10	$ 0.98	$ 1.14	$ 1.01
Depreciation, depletion and amortization (2)	1.35	1.35	1.40	1.35

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

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

Revenues -

Our oil and gas sales increased $9.3 million (16%) in the second quarter of 2004 to $66.5 million, from $57.2 million in 2003's second quarter due to an increase in our production and higher crude oil and natural gas prices. Our average natural gas price increased by 6% and our average crude oil price increased by 30% in the second quarter of 2004 as compared to the same period in 2003. Our production in the second quarter of 2004 increased by 5% over the second quarter of 2003 due to new production from our successful drilling activity.

For the first six months of 2004, our oil and gas sales increased $1.5 million (1%) to $127.3 million from $125.7 million for the six months ended June 30, 2003. The increase is primarily attributable to a 2% increase in our production in 2004 which was offset by 1% lower price realizations.

Costs and Expenses -

Our oil and gas operating expenses, including production taxes, increased $1.9 million (18%) to $12.5 million in the second quarter of 2004 from $10.5 million in the second quarter of 2003. Oil and gas operating expenses per equivalent Mcf produced increased $0.13 to $1.10 in the second quarter of 2004 from $0.98 in the second quarter of 2003. Oil and gas operating costs for the six months ended June 30, 2004 increased

$3.2 million (15%) to $25.1 million from $21.9 million for the six months ended June 30, 2003. Oil and gas operating expenses per equivalent Mcf produced increased $0.13 to $1.14 for six months ended June 30, 2004 from $1.01 for the same period in 2003. The increase in operating expenses in 2004 is primarily related to the additional fixed operating costs relating to our Ship Shoal 113 Unit in which we acquired an additional working interest in late 2003.

In the second quarter of 2004, we had a $1.8 million provision for exploration expense as compared to a $0.5 million in 2003's second quarter. The provision in the second quarter of 2004 primarily relates to an exploratory dry hole drilled in South Texas together with expenditures made for the acquisition of seismic data. For the six months ended June 30, 2004, we had a provision for exploration expense totaling $5.2 million as compared to $2.1 million in the same period in 2003. The 2004 provision primarily related to four exploratory dry holes combined with expenditures relating to the acquisition of seismic data in 2004.

Depreciation, depletion and amortization ("DD&A") increased $0.6 million (4%) to $15.7 million in the second quarter of 2004 from $15.1 million in the second quarter of 2003 due primarily to the 5% increase in our production. DD&A per equivalent Mcf produced for the three months ended June 30, 2004 was $1.35, the same rate that we had for the quarter ended June 30, 2003. For the six months ended June 30, 2004, DD&A increased $1.2 million (4%) to $31.5 million from $30.3 million for the six months ended June 30, 2003. The increase is due to the 2% increase in production and our higher average amortization rate. DD&A per equivalent Mcf increased by $0.05 to $1.40 for the six months ended June 30, 2004 from $1.35 for the six months ended June 30, 2003.

General and administrative expenses, which are reported net of overhead reimbursements, of $2.9 million for the second quarter of 2004 were 48% higher than general and administrative expenses of $1.9 million for the second quarter of 2003. For the first six months of 2004, general and administrative expenses increased to $6.0 million from $3.5 million for the six months ended June 30, 2003. The increases are primarily related to stock-based compensation expense that we recorded in the three months and six months ended June 30, 2004 of $1.2 million and $2.4 million, respectfully, resulting from our adoption of a fair value-based method of accounting for employee stock-based compensation including our employee stock options on January 1, 2004.

Interest expense decreased $2.8 million (39%) to $4.5 million for the second quarter of 2004 from $7.4 million in the second quarter of 2003. The decrease is related to the early retirement of $220.0 million of principal amount of our 11 1/4% senior notes which were refinanced with $175.0 million new 6f% senior notes along with borrowings under a new bank credit facility. The average interest rate on the outstanding borrowings under the credit facility also decreased to 2.6% in the second quarter of 2004 as compared to 3.1% in the second quarter of 2003. Interest expense for the six months ended June 30, 2004 decreased $3.9 million (26%) to $10.8 million from $14.7 million for the six months ended June 30, 2003. The decrease is also attributable to refinancing of the 11 1/4% senior notes. The average interest rate under the bank credit facility decreased to 2.6% in the first half of 2004 as compared to 3.1% in the first half of 2003.

We reported net income of $18.7 million for the three months ended June 30, 2004, as compared to net income of $14.1 million for the three months ended June 30, 2003. Net income per share for the second quarter of 2004 was $0.52 on weighted average diluted shares outstanding of 36.1 million as compared to $0.40 for the second quarter of 2003 on weighted average diluted shares outstanding of 35.0 million. Net income for the six months ended June 30, 2004 was $18.7 million, as compared to net income of $35.4 million for the six months ended June 30, 2003. Net income per common share for the six months ended June 30, 2004 was $0.52 as compared to net income of $1.02 for the six months ended June 30, 2003. Net income for the six months ended June 30, 2003 included $0.7 million in income ($0.02 per share) related to the cumulative effect of a change in our accounting for future abandonment cost for our oil and gas properties. The 2004 results include a charge of $19.6 million ($12.5 million after income taxes or 35¢ per diluted share) relating to the early retirement of our 11 1/4% senior notes.

Critical Accounting Policies

The information included in "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies" in our annual report filed on Form 10-K for the year ended December 31, 2003 is incorporated herein by reference. There have been no material changes to our accounting policies during the six months ended June 30, 2004 with the exception of our adoption of a fair value-based method of accounting for stock-based compensation including employee stock options as discussed in Note 1 to the accompanying financial statements.

Liquidity and Capital Resources

Funding for our activities has historically been provided by our operating cash flow, debt or equity financings or asset dispositions. For the six months ended June 30, 2004, our net cash flow provided by operating activities totaled $67.8 million and we received proceeds of $175.0 million from a public offering of eight-year senior notes. We also borrowed $164.0 million under a new four-year bank credit facility and $6.0 million under a previous bank credit facility.

Our primary needs for capital, in addition to funding our ongoing operations, relate to the acquisition, development and exploration of our oil and gas properties and the repayment of our debt. In the first half of 2004, we incurred capital expenditures of $72.3 million primarily for our development and exploration activities and we retired $343.6 million of our debt, including our 11 1/4% senior notes.

The following table summarizes our capital expenditure activity for the six months ended June 30, 2004 and 2003:

	Six Months Ended June 30,	
	2004	2003
	(In thousands)	
Leasehold costs	$ 4,357	$ 3,739
Development drilling	33,010	8,364
Exploratory drilling	22,675	21,151
Offshore production facilities	4,368	1,990
Workovers and recompilations	7,712	3,941
Other	205	1,527
	$ 72,327	$ 40,712

The timing of most of our capital expenditures is discretionary because we have no material long-term capital expenditure commitments. Consequently, we have a significant degree of flexibility to adjust the level of our capital expenditures as circumstances warrant. We spent $72.1 million and $39.2 million on development and exploration activities in the six months ended June 30, 2004 and 2003, respectively. We have budgeted approximately $150.0 million for development and exploration projects in 2004 including our 59.9% share of Bois d'Arc Energy's capital expenditures for the last six months of 2004. We expect to use internally generated cash flow to fund our development and exploration activity.

We do not have a specific acquisition budget for 2004 since the timing and size of acquisitions are not predictable. We intend to use borrowings under our 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 our financial condition and performance and some of which will be beyond our control, such as prevailing interest rates, oil and natural gas prices and other market conditions.

We had $220.0 million in principal amount of our 11 1/4% senior notes which were due in 2007 (the “1999 Notes”) outstanding on January 1, 2004. Pursuant to a tender offer, on February 25, 2004, we repurchased $197.7 million in principal amount of the 1999 Notes for $212.2 million plus accrued interest. On May 1, 2004, we redeemed the remaining $22.3 million in principal amount of the 1999 Notes outstanding for $23.6 million plus accrued interest. The early extinguishment of the 1999 Notes resulted in a loss of $19.6 million which was comprised of the premium paid for repurchase the of 1999 Notes together with the write-off of unamortized debt issuance costs related to the 1999 Notes.

In connection with the repurchase of the 1999 Notes, we sold $175.0 million of senior notes in an underwritten public offering. The new senior notes are due March 1, 2012 and bear interest at 6 7/8%, which is payable semiannually on March 1 and September 1, commencing September 1, 2004. The senior notes are unsecured obligations and are currently guaranteed by all of our subsidiaries.

On February 25, 2004, we also entered into a new $400.0 million bank credit facility with Bank of Montreal, as the administrative agent. The new credit facility is a four-year revolving credit commitment that matures on February 25, 2008. Borrowings under the new credit facility are limited to a borrowing base that was set at $300.0 million upon the retirement of the 1999 Notes. Borrowings under the new credit facility were used to refinance amounts outstanding under our prior bank credit facility and to fund the repurchase of the 1999 Notes.

Indebtedness under the new credit facility is secured by substantially all of our and our subsidiaries’ assets and is guaranteed by all of our subsidiaries. The new credit facility is subject to borrowing base availability, which is redetermined semiannually based on the banks’ estimates of the future net cash flows of our oil and natural gas properties. The borrowing base may be affected by the performance of our properties and changes in oil and natural gas prices. The determination of the borrowing base is at the sole discretion of the administrative agent and the bank group. Borrowings under the new credit facility bear interest, based on the utilization of the borrowing base, at our option at either LIBOR plus 1.25% to 1.75% or the base rate (which is the higher of the prime rate or the federal funds rate) plus 0% to 0.5%. A commitment fee of 0.375% is payable on the unused borrowing base. The new credit facility contains covenants that, among other things, restrict the payment of cash dividends, limit the amount of consolidated debt that we may incur and limit our ability to make certain loans and investments. The only financial covenants are the maintenance of a current ratio and maintenance of a minimum tangible net worth. We were in compliance with these covenants as of June 30, 2004.

On December 8, 1997, Comstock acquired certain oil and natural gas properties from and entered into a joint exploration venture with Bois d’Arc Offshore, Ltd. (“Bois d’Arc”) which covers the state coastal waters of Louisiana and Texas and corresponding federal offshore waters in the Gulf of Mexico. On July 16, 2004, Comstock contributed its interests in substantially all of its oil and natural gas properties located in the state and federal waters in the Gulf of Mexico (which were either acquired from or developed with Bois d’Arc under the joint exploration venture), net of $102.8 million in related debt, to Bois d’Arc Energy, LLC, a recently-formed Nevada limited liability company (“Bois d’Arc Energy”). Bois d’Arc, as well as several other persons and entities, also contributed their interests in certain oil and natural gas properties that were developed under the joint exploration venture to Bois d’Arc Energy. As a result of these transactions, Comstock holds approximately 59.9% equity interest in Bois d’Arc Energy. Comstock will account for its interest in the joint venture based on its proportionate ownership.

In connection with the formation of the new venture, Comstock has made available to Bois d’Arc Energy a revolving line of credit in a maximum outstanding amount of $200.0 million, of which approximately $152.0 million was outstanding on the formation date. Bois d’Arc Energy and its subsidiaries each became guarantors of Comstock’s bank credit facility and the 6 7/8% senior notes. Bois d’Arc Energy expects to refinance the amounts outstanding under the credit facility provided by Comstock in the near future. The refinancing may include an initial public offering of its common stock, depending on market conditions and various other factors. Comstock anticipates that it will have a significant ownership interest in Bois d’Arc

Energy after the refinancing. If Bois d'Arc Energy does not complete a financing transaction which generates sufficient proceeds to repay all of the amounts outstanding under the line of credit with Comstock by December 1, 2004 (or such later date as is determined by Bois d'Arc Energy's Board of Managers), Bois d'Arc Energy will be dissolved and liquidated in a manner designed to put the contributors in a position as near as possible to the same economic position that the contributors would have been in if the contributors had never formed Bois d'Arc Energy and instead had continued to own their respective properties individually.

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISKS

Oil and Natural Gas Prices

Our financial condition, results of operations and capital resources are highly dependent upon the prevailing market prices of oil and natural gas. These commodity prices are subject to wide fluctuations and market uncertainties due to a variety of factors, some of which are beyond our control. Factors influencing oil and natural gas prices include the level of global demand for crude oil, the foreign supply of oil and natural gas, the establishment of and compliance with production quotas by oil exporting countries, weather conditions that determine the demand for natural gas, the price and availability of alternative fuels and overall economic conditions. It is impossible to predict future oil and natural gas prices with any degree of certainty. Sustained weakness in oil and natural gas prices may adversely affect our financial condition and results of operations, and may also reduce the amount of oil and natural gas reserves that we can produce economically. Any reduction in our oil and natural gas reserves, including reductions due to price fluctuations, can have an adverse effect on our ability to obtain capital for our exploration and development activities. Similarly, any improvements in oil and natural gas prices can have a favorable impact on our financial condition, results of operations and capital resources. Based on our oil and natural gas production in the six months ended June 30, 2004, a $1.00 change in the price per barrel of oil would have resulted in a change in our cash flow for such period by approximately $0.8 million and a $1.00 change in the price per Mcf of natural gas would have changed our cash flow by approximately $16.1 million.

Interest Rates

At June 30, 2004, we had long-term debt of $324.0 million. Of this amount, $175.0 million bears interest at a fixed rate of 6 7/8%. We had $149.0 million outstanding under our bank credit facility, which is subject to floating market rates of interest. Borrowings under the bank credit facility bear interest at a fluctuating rate that is linked to LIBOR or the corporate base rate, at our option. Any increases in these interest rates can have an adverse impact on our results of operations and cash flow.

ITEM 4. CONTROLS AND PROCEDURES

As of June 30, 2004, we carried out an evaluation, under the supervision and with the participation of our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934). Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective as of June 30, 2004 to provide reasonable assurance that information required to be disclosed by us in the reports filed or submitted by us under the Securities Exchange Act of

1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and to provide reasonable assurance that information required to be disclosed by us is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

There were no changes in our internal controls over financial reporting (as such term is defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) that occurred during the quarter ended June 30, 2004, that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

PART II — OTHER INFORMATION

ITEM 5. 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 10, 2004.

(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 listed in the proxy statement for election as Class A directors and such nominees were elected.

(c) Out of a total 34,678,862 shares of the Company's common stock outstanding and entitled to vote, 29,804,798 shares were present at the meeting in person or by proxy, representing approximately 86%. Matters voted upon at the meeting were as follows:

(i) Two Class A Directors were elected to Company's board of directors. The vote tabulation was as follows:

Nominee	For	Withheld
Cecil E. Martin, Jr.	28,620,482	1,184,316
Nancy E. Underwood	29,696,682	108,116

Other directors of the Company whose term of office as a director continued after the meeting are as follows:

Class B Directors	Class C Directors
M. Jay Allison	Roland O. Burns
David W. Sledge	David K. Lockett

(ii) The appointment of Ernst & Young LLP as the Company's certified public accountants for 2004 was ratified by a vote of 28,362,469 shares for; 1,436,509 shares against and 5,820 shares abstaining.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibits

Exhibit No.	Description
4.1*	Third Supplemental Indenture to the Indenture dated as of February 25, 2004, among Comstock Resources, Inc., the Guarantors named therein and The Bank of New York Trust Company, N.A., as Trustee, as such is amended and supplemented by the First Supplemental Indenture dated as of February 25, 2004 and the Second Supplemental Indenture dated March 11, 2004.
10.1*	Amendment No. 2 to the Amended and Restated Credit Agreement, dated as of February 25, 2004, among Comstock Resources, Inc., the lenders named in therein, and Bank of Montreal, as Administrative Agent for the Lenders and as Issuing Bank, as amended by that certain First Amendment to Amended and Restated Credit Agreement, dated as of March 31, 2004.
10.2*	Contribution Agreement, dated as of July 16, 2004, by and among Bois d'Arc Energy, LLC, Bois d'Arc Properties, LP, Bois d'Arc Resources, Ltd., Wayne L. Laufer, Gary W. Blackie, Haro Investments LLC, such other persons listed on the signature pages thereto, Comstock Offshore, LLC, and Comstock Resources, Inc.
10.3*	Services Agreement, dated as of July 16, 2004, between Comstock Resources, Inc. and Bois d'Arc Energy, LLC.
10.4*	Loan Agreement, dated as of July 16, 2004, by and between Comstock Resources, Inc., as lender, and Bois d'Arc Energy, LLC, Bois d'Arc Properties, LP, and Bois d'Arc Offshore, Ltd., as borrower.
10.5*	Note made by Bois d'Arc Energy, LLC, Bois d'Arc Properties, LP, and Bois d'Arc Offshore, Ltd., as borrower, to Comstock Resources, Inc.
10.6*	Operating Agreement, dated as of July 16, 2004, of Bois d'Arc Energy, LLC.
10.7*	Transfer Restriction Agreement, dated as of July 16, 2004, of Bois d'Arc Energy, LLC.
10.8*#	First Amendment to Employment Agreement dated July 16, 2004, by and between Comstock and M. Jay Allison, as amended.
10.9*#	First Amendment to Employment Agreement dated July 16, 2004, by and between Comstock and Roland O. Burns, as amended.
15.1*	Awareness Letter of Ernst & Young LLP.
31.1*	Section 302 Certification of the Chief Executive Officer.
31.2*	Section 302 Certification of the Chief Financial Officer.
32.1*	Certification for the Chief Executive Officer as required by Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification for the Chief Financial Officer as required by Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith
\# Compensatory plan

b. Reports on Form 8-K

Form 8-K Reports filed subsequent to March 31, 2004 are as follows:

Date	Item	Description
May 4, 2004	5 & 7	Repurchase of remaining 11 1/4% Senior Notes due 2007.
May 4, 2004	5 & 7	Financial results for the three months ended March 31, 2004.
May 12,2004	5 & 7	Announcement of newly elected director.
July 23, 2004	2 & 7	Contribution of Gulf of Mexico Properties to new Joint Venture.
August 5, 2004	5 & 7	Financial results for the three months and six months ended June 30, 2004.

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 6, 2004

/s/ M. JAY ALLISON

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

Date August 6, 2004

/s/ ROLAND O. BURNS

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

Exhibit 4.1

COMSTOCK RESOURCES, INC.,

GUARANTORS

NAMED HEREIN

and

THE BANK OF NEW YORK TRUST COMPANY, N.A.

Trustee

THIRD SUPPLEMENTAL INDENTURE

dated as of July 16, 2004

to

INDENTURE

dated as of February 25, 2004

---

6 7/8% Senior Notes due 2012

Exhibit 4.1

THIS THIRD SUPPLEMENTAL INDENTURE dated as of July 16, 2004 (as originally executed and as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof, this "Third Supplemental Indenture"), is among COMSTOCK RESOURCES, INC., a Nevada corporation (hereinafter called the "Company"), the GUARANTORS (as defined in the Indenture) and THE BANK OF NEW YORK TRUST COMPANY, N.A., as Trustee (hereinafter called the "Trustee"). Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Indenture (as defined below).

RECITALS OF THE COMPANY

WHEREAS, the Company, the Guarantors and the Trustee entered into an Indenture dated as of February 25, 2004 (the "Original Indenture"), as the same was amended and supplemented by that certain First Supplemental Indenture dated as of February 25, 2004 (the "First Supplemental Indenture") and by that certain Second Supplemental Indenture dated as of March 11, 2004 (the "Second Supplemental Indenture," and together with the Original Indenture and the First Supplemental Indenture, the "Indenture"), providing for the issuance by the Company from time to time, and the establishment of the terms of, the Company's 6 7/8% Senior Notes due 2012;

WHEREAS, Section 6.10 of the First Supplemental Indenture provides that each Restricted Subsidiary that guarantees the payment of, assumes or in any other manner becomes liable (whether directly or indirectly) with respect to any Indebtedness of the Company or any other Restricted Subsidiary of the Company, including, without limitation, Indebtedness under the Bank Credit Facility, will execute and deliver a supplemental indenture agreeing to be bound by the terms of the Indenture applicable to a Guarantor and providing for a Guarantee of the Securities;

WHEREAS, effective July 16, 2004, (i) Comstock Offshore, LLC, a Nevada limited liability company ("Comstock Offshore") transferred substantially all of its assets to Bois d'Arc Energy, LLC, a Nevada limited liability company ("Newco"), in exchange for membership interests in Newco, (ii) Bois d'Arc Holdings, LLC, a Nevada limited liability company ("BDA Holdings"), became a wholly-owned subsidiary of Newco and owned a 0.1% general partner interest in Bois d'Arc Properties, LP, a Nevada limited partnership ("BDA Properties"), (iii) Bois d'Arc Oil & Gas Company, LLC, a Nevada limited liability company ("BDAOG"), became a wholly-owned subsidiary of Newco and owned a 1% general partnership interest in Bois d'Arc Offshore, Ltd., a Nevada limited partnership ("BDAO"), (iv) Newco owned a 99.9% limited partnership interest in BDA Properties, and (v) Newco owned a 99.0% limited partnership interest in BDAO; and

WHEREAS, each of Newco, BDA Holdings, BDA Properties, BDAOG and BDAO (collectively, the "Additional Guarantors") have become Restricted Subsidiaries and desire to execute this Third Supplemental Indenture for the purpose of agreeing to be bound by the terms of the Indenture applicable to a Guarantor and providing for a Guarantee of the Securities.

NOW, THEREFORE, for the purposes stated herein and for and in consideration of the premises and covenants contained in the Indenture and in this Third Supplemental Indenture and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, it is mutually covenanted and agreed as follows:

ARTICLE I.

Section 1.1 Additional Guarantors.

(a) From the date of this Third Supplemental Indenture, in accordance with Section 6.10 of the First Supplemental Indenture, each of the Additional Guarantors shall be subject to the provisions, and agrees to be bound by the terms, of the Indenture applicable to a Guarantor; and each of the Additional Guarantors hereby unconditionally, jointly and severally, guarantees to each Holder of Securities authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, the full and prompt performance of the Company's obligations under the Indenture and the Securities.

(b) Notwithstanding the foregoing and the other provisions of the Indenture, the Guarantees of the Additional Guarantors shall be automatically and unconditionally released and discharged upon the terms and conditions set forth in Section 9.3 of the First Supplemental Indenture.

ARTICLE II

Section 2.1 Ratification of Indenture.

As supplemented by this Third Supplemental Indenture, the Indenture is in all respects ratified and confirmed, and the Indenture as supplemented by this Third Supplemental Indenture shall be read, taken and construed as one and the same instrument.

Section 2.2 Conflict with Trust Indenture Act.

If any provision hereof limits, qualifies or conflicts with another provision hereof which is required to be included in this Third Supplemental Indenture by any provision of the Trust Indenture Act, such required provisions shall control.

Section 2.3 Counterparts.

This Third Supplemental Indenture may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

Section 2.4 Governing Law.

This Third Supplemental Indenture and the Guarantees contained herein shall be governed by, and construed and enforced in accordance with, the laws of the State of New York but without giving effect to applicable principles of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby.

[Reminder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Third Supplemental Indenture to be duly executed, all as of the day and year first above written.

ISSUER:

COMSTOCK RESOURCES, INC.

By: /s/ ROLAND O. BURNS
Roland O. Burns
Senior Vice President, Chief Financial Officer, Secretary and Treasurer

GUARANTORS:

COMSTOCK OIL & GAS, LP

By: /s/ ROLAND O. BURNS
Roland O. Burns
Senior Vice President, Chief Financial Officer, Secretary and Treasurer of **Comstock Resources, Inc.**, a Nevada corporation, acting in its capacity as the sole member of **Comstock Oil & Gas GP, LLC**, a Nevada limited liability company, and as the sole member of such entity, acting on behalf of such entity in such entity's capacity as the sole general partner of **Comstock Oil & Gas, LP**, a Nevada limited partnership

COMSTOCK OIL & GAS HOLDINGS, INC.

By: /s/ ROLAND O. BURNS
Roland O. Burns
Senior Vice President, Chief Financial Officer, Secretary and Treasurer

[Signature Pages Continue]

COMSTOCK OIL & GAS-LOUISIANA, LLC

/s/ ROLAND O. BURNS
Roland O. Burns
Manager, Senior Vice President, Chief Financial Officer, Secretary and Treasurer

COMSTOCK OFFSHORE, LLC

/s/ ROLAND O. BURNS
Roland O. Burns
Manager, Senior Vice President, Chief Financial Officer, Secretary and Treasurer

COMSTOCK OIL & GAS GP, LLC

/s/ ROLAND O. BURNS
Roland O. Burns
Senior Vice President, Chief Financial Officer, Secretary and Treasurer of **Comstock Resources, Inc.**, a Nevada corporation, acting on behalf of such entity in its capacity as the sole member of **Comstock Oil & Gas GP, LLC**

COMSTOCK OIL & GAS INVESTMENTS, LLC

/s/ ROLAND O. BURNS
Roland O. Burns
Manager

[Signature Pages Continue]

ADDITIONAL GUARANTORS:

BOIS D'ARC ENERGY, LLC

/s/ ROLAND O. BURNS
Roland O. Burns
Manager,
Chief Financial Officer and
Secretary

BOIS D'ARC HOLDINGS, LLC

By: Bois d'Arc Energy, LLC, its sole member

/s/ ROLAND O. BURNS
Roland O. Burns
Manager,
Chief Financial Officer and Secretary

BOIS D'ARC PROPERTIES, LP

By: Bois d'Arc Holdings, LLC,
its general partner

By: Bois d'Arc Energy, LLC, its sole member

/s/ ROLAND O. BURNS
Roland O. Burns
Manager,
Chief Financial Officer
and Secretary

BOIS D'ARC OIL & GAS COMPANY, LLC

Bois d'Arc Energy, LLC, its sole member

By: /s/ ROLAND O. BURNS
Roland O. Burns
Manager,
Chief Financial Officer and Secretary

[Signature Pages Continue]

BOIS D'ARC OFFSHORE, LTD.

By: Bois d'Arc Oil & Gas Company, LLC,
its general partner

Bois d'Arc Energy, LLC,
its sole member

/s/ ROLAND O. BURNS
Roland O. Burns
Manager,
Chief Financial Officer
and Secretary

TRUSTEE:

THE BANK OF NEW YORK TRUST COMPANY, N.A.

/s/ PATRICK T. GIORDANO
Patrick T. Giordano
Vice President

EXHIBIT 10.1

SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT

This Second Amendment to Amended and Restated Credit Agreement (this "SECOND AMENDMENT") dated as of July 16, 2004, to be effective as set forth in Section 4 hereof, is among Comstock Resources, Inc., a Nevada corporation ("BORROWER"), the financial institutions party hereto, and Bank of Montreal, as administrative agent and as letter of credit issuing bank.

PRELIMINARY STATEMENT

A. The Borrower has entered into a certain Amended and Restated Credit Agreement dated as of February 25, 2004, among Borrower, the lenders party thereto (the "LENDERS"), Bank of Montreal, as administrative agent (in such capacity, the "ADMINISTRATIVE AGENT") and as issuing bank (in such capacity, the "ISSUING BANK"), Bank of America, N.A., as syndication agent, and Comerica Bank, Fortis Capital Corp., and Union Bank of California, N.A., as co-documentation agents, as amended by that certain First Amendment to Amended and Restated Credit Agreement dated as of March 31, 2004 (such Amended and Restated Credit Agreement, as so amended and as otherwise amended, restated or supplemented from time to time until the date hereof, the "CREDIT AGREEMENT").

B. The Borrower and Comstock Offshore, LLC ("COL") intend to enter into (i) a certain Contribution Agreement dated as of July 1, 2004 (the "BDA CONTRIBUTION AGREEMENT"), and (ii) a certain Operating Agreement of Bois d'Arc Energy, LLC dated as of July 1, 2004 (the "BDA OPERATING AGREEMENT"; and together with the BDA Contribution Agreement and all other documents contemplated thereby, collectively, the "BDA FORMATION DOCUMENTS"), each by and among Bois d'Arc Energy, LLC, a Nevada limited liability company ("BOIS D'ARC ENERGY"), Bois d'Arc Properties, LP, a Nevada limited partnership ("BOIS D'ARC PROPERTIES"), Bois d'Arc Resources, Ltd., a Texas limited partnership, Wayne L. Laufer, Gary W. Blackie, Haro Investments, LLC, a Texas limited liability company and the other persons listed on the signature pages thereto (collectively, the "BDA CONTRIBUTORS"), COL, and Borrower.

C. Pursuant to the terms of the BDA Formation Documents, (i) COL will contribute its interest in certain oil and gas properties described on Schedule I attached hereto to Bois d'Arc Properties, (ii) Wayne L. Laufer and Gary W. Blackie will contribute their respective partnership interests in Bois d'Arc Offshore, Ltd., a Texas limited partnership and their membership interests in Bois d'Arc Oil & Gas Company, LLC, a Texas limited liability company, to Bois d'Arc Energy, and (iii) the BDA Contributors will contribute their respective interests in certain oil and gas properties to Bois d'Arc Properties.

D. The Borrower intents to enter into (i) a certain Services Agreement with Bois d'Arc Energy pursuant to which the Borrower will provide certain general and administrative services to the Bois d'Arc Entities and (ii) a certain Loan Agreement dated as of July 1, 2004, among the Borrower, as lender, and Bois d'Arc Energy, Bois d'Arc Properties and Bois d'Arc Offshore, Ltd., as borrowers, (the "BOIS D'ARC LOAN AGREEMENT") pursuant to which the Borrower may advance loans from time to time.

E. The Borrower, COL and the BDA Contributors intend for Bois d'Arc Energy to obtain financing independent of the Credit Agreement and the Bois d'Arc Loan Agreement by conducting an initial public offering of Bois d'Arc Energy's equity interests or by causing Bois d'Arc Energy to enter into a debt financing, provided that if neither transaction has been consummated prior to a date specified in the BDA Operating Agreement, the Borrower, COL and the BDA Contributors have agreed to cause the Bois d'Arc Entities to reconvey all of their properties to the Person that originally contributed such property to the applicable Bois d'Arc Entity and to take such further action as may be necessary to return each of the Borrower, COL and each BDA Contributor to a position as near as possible to the same economic position that each such Person would have been in had the original contributions by each such Person never occurred and Bois d'Arc Energy never been formed.

F. Borrower has requested that the Lenders, the Administrative Agent and the Issuing Bank consent to the transactions contemplated by the BDA Formation Documents and modify the Credit Agreement in certain respects to facilitate such transactions.

G. Subject to the terms and conditions of this Second Amendment, the Lenders, the Administrative Agent and the Issuing Bank have agreed to enter into this Second Amendment in order to effectuate such amendments and modifications.

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

Section 1. DEFINITIONS. Unless otherwise defined in this Second Amendment, each capitalized term used in this Second Amendment (including in the preliminary statement above) has the meaning assigned to such term in the Credit Agreement.

Section 2. AMENDMENT OF CREDIT AGREEMENT.

(a) Section 1.1 of the Credit Agreement is hereby amended by inserting the following definitions of "BDA Contribution Agreement", "BDA Contributors", "BDA Formation Documents", "BDA Operating Agreement", "BDA Services Agreement", "BDA Unwind Transaction", "Bois d'Arc Energy", "Bois d'Arc Entities", "COL Contributed Properties", "Restricted Subsidiary" and "Unrestricted Subsidiary" in the alphabetically appropriate places therein.

" "BDA Contribution Agreement" means that certain Contribution Agreement dated as of July 1, 2004 by and among the BDA Contributors, COL, and Borrower."

" "BDA Contributors" means, collectively, Bois d'Arc Resources, Ltd., a Texas limited partnership, Wayne L. Laufer, Gary W. Blackie, Haro Investments LLC, a Texas limited liability company, and the other persons listed on the signature pages thereto as BDA Contributor."

" "BDA Formation Documents" means, collectively, the BDA Contribution Agreement, the BDA Operating Agreement and all other documents contemplated thereby."

" "BDA Operating Agreement" means that certain Operating Agreement of Bois d'Arc Energy, LLC dated as of July 1, 2004."

" "BDA Services Agreement" means that certain Services Agreement dated as of July 1, 2004, entered into between Bois d'Arc Energy and the Borrower with respect to the provision of certain general and administrative services by the Borrower to the Bois d'Arc Entities."

" "BDA Unwind Transaction" means the dissolution and liquidation of Bois d'Arc Energy and the reversal or unwinding of the transactions, conveyances, contributions, payments, assumptions of indebtedness and other actions or events set forth in the BDA Contribution Agreement, all in accordance with, and pursuant to, the terms of Section 17.7 of the BDA Operating Agreement."

" "Bois d'Arc Energy" means Bois d'Arc Energy, LLC, a Nevada limited liability company."

" "Bois d'Arc Entities" means Bois d'Arc Energy, Bois d'Arc Properties, LP, a Nevada limited partnership, Bois d'Arc Holdings, LLC, a Nevada limited liability company, Bois d'Arc Offshore, Ltd., a Texas limited partnership, Bois d'Arc Oil & Gas Company, LLC, a Texas limited liability company, and any other Subsidiary of Bois d'Arc Energy."

" "COL Contributed Properties" means those Oil and Gas Properties described in Schedule 1.1 to the BDA Contribution Agreement."

" "Restricted Subsidiary" means (a) each of COGI GP, COGI LP, COGI, COGH, COGLA, COL and, prior to the sooner to occur of (i) the satisfaction of each of the conditions set forth in Section 2.15 and (ii) the consummation of the BDA Unwind Transaction and the satisfaction of each of the conditions set forth in Section 2.16, Bois d'Arc Energy and each of the other Bois d'Arc Entities, and (b) each other Subsidiary of the Borrower that is not designated as an Unrestricted Subsidiary pursuant to Section 1.6."

" "Unrestricted Subsidiary" means (a) from and after the satisfaction of each of the conditions set forth in Section 2.15, Bois d'Arc Energy and each of the other Bois d'Arc Entities, and (b)

each other Subsidiary of the Borrower designated by the Borrower as an Unrestricted Subsidiary in accordance with, and subject to the satisfaction of the conditions set forth in, Section 1.6."

(b) Section 1.1 of the Credit Agreement is hereby further amended by amending and restating the definition of "Guarantor" to provide:

" "Guarantors" means each of the Subsidiaries listed in Part (b) of Schedule 5.13 and each other Subsidiary of the Borrower that shall have executed and delivered a Guaranty to the Administrative Agent for the benefit of the Lenders; provided that upon the release of any Subsidiary's Guaranty in accordance with this Agreement, such Subsidiary shall thereafter be excluded from the definition of "Guarantors" (unless and until such Subsidiary shall thereafter deliver another Guaranty)."

(c) The definition of "Material Adverse Effect" in Section 1.1 of the Credit Agreement is hereby amended by deleting the word "Subsidiaries" each place such word appears therein and inserting in place thereof the words "Restricted Subsidiaries".

(d) The Credit Agreement is hereby amended by inserting the following new Section 1.6 immediately following the existing Section 1.5:

"SECTION 1.6 DESIGNATION AND CONVERSION OF RESTRICTED AND UNRESTRICTED SUBSIDIARIES.

(a) As of July 1, 2004 and, unless designated in writing to the Administrative Agent by the Borrower and approved by the Administrative Agent and the Majority Lenders in accordance with clause (b) below or, with respect to Bois d'Arc Energy and the other Bois d'Arc Entities only, as provided in Section 2.15, at all times thereafter, any Person that becomes a Subsidiary of the Borrower or any of its Restricted Subsidiaries shall be classified as a Restricted Subsidiary.

(b) Any Subsidiary of the Borrower (including a newly formed or newly acquired Subsidiary) may be designated (or redesignated) as an Unrestricted Subsidiary if (i) the Administrative Agent shall have received (1) a written request from the Borrower specifying the applicable Subsidiary and such other information as the Administrative Agent may reasonably request, (2) the written consent of the Administrative Agent and the Majority Banks approving such designation, and (3) a certificate of a Responsible Officer of the Borrower that no Default or Event of Default shall then exist or would result from such designation (after giving effect to such designation), and (ii) such designation is deemed to be an Investment in an amount equal to the fair market value of

Borrower's direct and indirect ownership interest in such Subsidiary and such Investment would be permitted under Section 7.2 to be made at the time of such designation. Except as provided in this Section 1.6(b) or, with respect to Bois d'Arc Energy and the other Bois d'Arc Entities only, as provided in Section 2.15, no Subsidiary may be designated (and no Restricted Subsidiary may be redesignated) as an Unrestricted Subsidiary.

(c) Borrower may designate any Unrestricted Subsidiary to be a Restricted Subsidiary if after giving effect to such designation, (i) the representations and warranties of Borrower and its Restricted Subsidiaries contained in each of the Loan Documents are true and correct on and as of such date as if made on and as of the date of such redesignation (or, if stated to have been made expressly as of an earlier date, were true and correct as of such date), (ii) no Default or Event of Default then exists or would result from such redesignation (after giving effect to such redesignation), and (iii) the Borrower complies, or causes such Subsidiary to comply, with the requirements of Sections 6.16 and 6.18."

(e) Clause (i) of Section 2.3.1 of the Credit Agreement is hereby amended and restated in its entirety to provide as follows:

"(i) Subject to the terms and conditions set forth herein, (A) the Issuing Bank agrees, in reliance upon the agreements of the other Lenders set forth in this Section 2.3, (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Availability Expiration Date, to issue Letters of Credit for the account of the Borrower and in the name of the Borrower or any of its Restricted Subsidiaries, and to amend or renew Letters of Credit previously issued by it, in accordance with subsection 2.3.2 below, and (2) to honor drafts under the Letters of Credit; and (B) the Lenders severally agree to participate in Letters of Credit issued for the account of the Borrower; provided that the Issuing Bank shall not be obligated to make any L/C Credit Extension with respect to any Letter of Credit, and no Lender shall be obligated to participate in, any Letter of Credit if as of the date of such L/C Credit Extension, (w) with respect to any renewal, extension or amendment to any previously issued Letter of Credit, the Restricted Subsidiary in whose name such Letter of Credit was originally issued (or was most recently renewed, extended or amended, if applicable) has become, or been redesignated as, an Unrestricted Subsidiary, (x) the Outstanding Amount of all L/C Obligations and all Loans would exceed the lesser of (A) the Aggregate Commitments on such date and (B) the Borrowing Base then in effect, (y) the aggregate Outstanding Amount of the Loans of any Lender, plus such Lender's Percentage Share of the

Outstanding Amount of all L/C Obligations would exceed the lesser of (A) such Lender's Commitment or (B) such Lender's Percentage Share of the Borrowing Base then in effect, or (z) the Outstanding Amount of the L/C Obligations would exceed the Letter of Credit Sublimit. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed."

(f) The Credit Agreement is hereby amended by inserting the following new Sections 2.15 and 2.16 immediately following the existing Section 2.14:

"SECTION 2.15 CONVERSION OF BOIS D'ARC ENTITIES TO UNRESTRICTED SUBSIDIARIES. Upon and concurrently with receipt by the Administrative Agent of each of the following:

(a) all loans owed by Bois d'Arc Energy or any other Bois d'Arc Entity to the Borrower or any Restricted Subsidiary of the Borrower (other than Bois d'Arc Energy or any other Bois d'Arc Entity) have been repaid in cash in full; and

(b) no Default or Event of Default then exists or would result from the redesignation of Bois d'Arc Energy and the other Bois d'Arc Entities as Unrestricted Subsidiaries; and

(c) the sum of the Outstanding Amount of all Loans plus the Outstanding Amount of all L/C Obligations does not exceed 66 2/3% of the Borrowing Base then in effect; and

(d) a Certificate of a Responsible Officer of the Borrower certifying that each of the conditions set forth in the foregoing clauses (a), (b) and (c) of this Section 2.15 has been satisfied and further certifying that Bois d'Arc Energy and each other Bois d'Arc Entity is redesignated as an Unrestricted Subsidiary from and as of the date of such Certificate; and

(e) to the extent not previously delivered, a reserve report as of the most recent January 1 or July 1, prepared by, as applicable in accordance with Section 6.2(g), an independent engineering firm of recognized standing acceptable to the Majority Lenders or the Borrower, in either case in accordance with accepted industry practices and otherwise acceptable and in form and substance satisfactory to the Majority Lenders, with respect to all Hydrocarbons attributable to the Oil and Gas Properties of the Borrower and the Guarantors but excluding all Hydrocarbons

attributable to the Oil and Gas Properties of the Bois d'Arc Entities, and including without limitation all assets included in the Borrowing Base;

then (A) Bois d'Arc Energy and each of the other Bois d'Arc Entities shall automatically and without further action be redesignated as Unrestricted Subsidiaries, (B) notwithstanding anything to the contrary in this Credit Agreement (including, without limitation, Section 2.1), the Borrower covenants and agrees that the aggregate Outstanding Amount of all Loans plus all L/C Obligations shall not exceed an amount equal to 66 2/3% of the Borrowing Base then in effect until such time as the Borrowing Base shall have been redetermined in accordance with Section 2.8 of this Agreement based on the reserve report delivered to the Administrative Agent and the Lenders pursuant to clause (b) above, (C) each Guaranty delivered by a Bois d'Arc Entity shall automatically be released, and (D) each Lender and the Issuing Bank hereby authorize the Administrative Agent to release all Security Documents encumbering any properties owned by any Bois d'Arc Entity, return all stock certificates evidencing equity interests of Bois d'Arc Energy and each other Bois d'Arc Entity then held by the Administrative Agent, if any, securing the Obligations of the Loan Parties and to do all things reasonably necessary to effectuate the release of all Liens in favor of the Administrative Agent for the benefit of itself, the Lenders and the Issuing Bank. For the avoidance of doubt, the Borrower, the Administrative Agent and the Lenders acknowledge that the redetermination of the Borrowing Base in accordance with clause (B) above in connection with the redesignation of the Bois d'Arc Entities as Unrestricted Subsidiaries shall not constitute a discretionary redetermination of the Borrowing Base by either the Borrower, on the one hand, or the Administrative Agent and the Lenders, on the other hand, pursuant to clause (a) of the definition of "Evaluation Date" and that the date of the redesignation of Bois d'Arc Entities as Unrestricted Subsidiaries in accordance with this Section 2.15 shall constitute the "Evaluation Date" for purposes of the redetermination of the Borrowing Base in accordance with clause (B) above.

SECTION 2.16 BOIS D'ARC UNWIND TRANSACTION.

Upon and concurrently with receipt by the Administrative Agent of each of the following:

(a) each of the conditions set forth in Section 17.7 of the BDA Operating Agreement have occurred (and have not been waived or

suspended in accordance with the BDA Operating Agreement); and

(b) a Certificate of a Responsible Officer of the Borrower certifying that the condition set forth in the foregoing clause (a) of this Section 2.16 has been satisfied and further certifying that no Default or Event of Default then exists or would result from the implementation of the BDA Unwind Transaction in accordance with the provisions of the BDA Operating Agreement; and

(c) evidence reasonably satisfactory to the Administrative Agent that all of the properties contributed to any of the Bois d'Arc Entities by the Borrower or COL (including all Oil and Gas Properties contributed by, and all cash payments made by, the Borrower or COL) shall have been reconveyed or returned to the Borrower or COL, as applicable;

then (A) each Guaranty delivered by a Bois d'Arc Entity shall automatically be released, and (B) each Lender and the Issuing Bank hereby authorize the Administrative Agent to release all Liens encumbering any properties owned by any Bois d'Arc Entity that were contributed by a BDA Contributor (but not Liens encumbering the COL Contributed Properties or any other properties contributed by the Borrower or COL), return all stock certificates evidencing equity interests of Bois d'Arc Energy and each other Bois d'Arc Entity then held by the Administrative Agent, if any, securing the Obligations of the Loan Parties and to do all things reasonably necessary to effectuate the foregoing."

(g) Section 5.8 of the Credit Agreement is hereby amended by deleting the words "Subsidiary" and "Subsidiaries" each place such words appear therein and inserting in place thereof the words "Restricted Subsidiary" or "Restricted Subsidiaries", respectively.

(h) Section 5.13(a) of the Credit Agreement is hereby amended and restated in its entirety to provide:

"The Borrower has no Subsidiaries other than those specifically disclosed in Part (a) of Schedule 5.13. All Restricted Subsidiaries of Borrower are duly organized, validly existing and in good standing under the laws of their respective jurisdictions of organization and are duly qualified to do business in each jurisdiction where failure to so qualify would have an Material Adverse Effect. All outstanding shares of stock of each class of each Restricted Subsidiary of Borrower have been and will be validly issued and are and will be fully paid and nonassessable. Except as otherwise set forth on Schedule 5.13, all outstanding

shares of stock of each class of each Restricted Subsidiary of Borrower are and will be owned, beneficially and of record, by Borrower or a wholly-owned Subsidiary of Borrower. All outstanding shares of stock of each class of (i) Bois d'Arc Energy owned by the Borrower or any Restricted Subsidiary and (ii) each Restricted Subsidiary of Borrower, are and will be free and clear of any Liens (other than Liens permitted by Section 7.1).

(i) The preliminary statement set forth at the beginning of Article VI of the Credit Agreement is hereby amended by deleting the word "Subsidiaries" each place such word appears therein and inserting in place thereof the words "Restricted Subsidiaries".

(j) The introductory paragraph of clause (d) of Section 6.16 of the Credit Agreement and subclause (i) of Section 6.16(d) are hereby amended and restated in their entirety to provide:

" (d) Additional Restricted Subsidiaries. Within thirty (30) Business Days after the Borrower or any Restricted Subsidiary creates, acquires or otherwise forms any other Subsidiary (other than a Subsidiary designated as an Unrestricted Subsidiary in accordance with Section 1.6(b)), the Borrower shall:

(i) execute and deliver, or cause each such Subsidiary owning any of the outstanding equity interests in such other Restricted Subsidiary to execute and deliver, as applicable, to the Administrative Agent on behalf of the Lenders, a Pledge Agreement, or an amendment or supplement to an existing Pledge Agreement, if appropriate, pursuant to which all of the outstanding equity interests in such other Restricted Subsidiary owned by the Borrower or such Restricted Subsidiary shall be pledged to the Administrative Agent on behalf of the Lenders, together with any certificates representing all equity interests so pledged, if any, and for each such certificate representing shares of stock, a stock power executed in blank;"

(k) The Credit Agreement is hereby amended by inserting the following new Section 6.18 immediately following the existing Section 6.17:

"SECTION 6.18 UNRESTRICTED SUBSIDIARIES. The Borrower:

(a) will cause the management, business and affairs of each of Borrower and its Subsidiaries to be conducted in such a manner (including, without limitation, by keeping separate books of account, maintaining separate policies of insurance and by not permitting Properties of Borrower and its respective Subsidiaries to be commingled) so that each Unrestricted Subsidiary will be

treated as an entity separate and distinct from Borrower and the Restricted Subsidiaries (except (i) with respect to the treatment for tax purposes of the Borrower or any Restricted Subsidiary holding any interest in an Unrestricted Subsidiary that is regarded as a partnership and (ii) for the common management/directorship between the Borrower and any Unrestricted Subsidiary);

(b) except as permitted by Section 7.3(e), will not, and will not permit any of the Restricted Subsidiaries to, incur, assume or suffer to exist Guaranty Obligations or be or become liable for any Indebtedness of any Unrestricted Subsidiary; and

(c) will not permit any Unrestricted Subsidiary to hold any equity interest in, or any Indebtedness of, the Borrower or any Restricted Subsidiary."

(l) The preliminary statement set forth at the beginning of Article VII of the Credit Agreement is hereby amended by deleting the word "Subsidiaries" each place such word appears therein and inserting in place thereof the words "Restricted Subsidiaries".

(m) Clause (h) of Section 7.1 of the Credit Agreement is hereby amended and restated in its entirety to provide:

"(h) Liens existing pursuant to a Subordinate Mortgage to the extent, but only to the extent, that the properties subject to such Subordinate Mortgage are then, or will be prior to the recordation of such Subordinate Mortgage, mortgaged to the Administrative Agent for the benefit of the Lenders pursuant to a Mortgage."

(n) Clauses (a), (b), (c) and (d) of Section 7.2 of the Credit Agreement are hereby amended and restated in their entirety to provide:

"(a) Investments other than those permitted by subsections (b) through (i) existing on the date hereof and listed on Schedule 7.2;

(b) Investments held by the Borrower or such Restricted Subsidiary in the form of cash equivalents;

(c) advances to officers, directors and employees of the Borrower or any Restricted Subsidiary in an aggregate amount not to exceed $50,000 at any time outstanding, for travel, entertainment, relocation and analogous ordinary business purposes;

(d) Investments constituting (1) contributions of capital (but not loans or advances) made by the Borrower in any Guarantor other than Bois d'Arc Energy or any other Bois d'Arc Entity or by any Guarantor in any other Guarantor other than Bois d'Arc

Energy or any other Bois d'Arc Entity, (2) loans or advances by the Borrower in any Guarantor, provided that such Investment constituting a loan or advance shall be evidenced by a Pledged Note pledged to the Administrative Agent pursuant to a Pledge Agreement and (3) loans or advances deemed to have been made by Bois d'Arc Energy to its members in lieu of the distribution of "Tax Distributions" (as defined in the BDA Operating Agreement) owed to such members by Bois d'Arc Energy;"

(o) Section 7.2 of the Credit Agreement is hereby further amended by deleting the word "and" at the end of the existing clause (g) thereof, deleting the period at the end of the existing clause (h) thereof and inserting in its place "; and" and inserting the following new clause (i) immediately following the existing clause (h):

"(i) Investments in Bois d'Arc Energy and the other Bois d'Arc Entities pursuant to the BDA Contribution Agreement."

(p) Clauses (c) and (d) of Section 7.3 of the Credit Agreement are hereby amended by deleting the word "Subsidiary" each place such word appears therein and inserting in place thereof the words "Restricted Subsidiary".

(q) Clauses (a) and (b) of Section 7.4 of the Credit Agreement are hereby amended by deleting the words "Subsidiary" or "Subsidiaries" each place such words appear therein and inserting in place thereof the words "Restricted Subsidiary" or "Restricted Subsidiaries" as applicable.

(r) Section 7.4 of the Credit Agreement is hereby further amended by deleting the word "and" at the end of the existing clause (b) thereof, deleting the period at the end of the existing clause (c) thereof and inserting the following new clauses (d) and (e) immediately following the existing clause (c):

"(d) COL may contribute the COL Contributed Properties to one or more of the Bois d'Arc Entities pursuant to and in accordance with the terms of the BDA Contribution Agreement; and,

(e) Bois d'Arc Energy and the other Bois d'Arc Entities may reconvey all properties contributed to any of them by Borrower, COL and the BDA Contributors in accordance with the terms of the BDA Unwind Transaction and Section 2.16."

(s) Clause (c) of Section 7.5 of the Credit Agreement is hereby amended by deleting the words "Subsidiary" each place such word appears therein and inserting in place thereof the words "Restricted Subsidiary".

(t) Section 7.5 of the Credit Agreement is hereby further amended by deleting the word "and" at the end of the existing clause (d) thereof, inserting the word "and"

immediately following the end of the existing clause (e) and inserting the following new clause (f) immediately following the existing clause (e):

"(f) Dispositions by COL of the COL Contributed Properties to the Bois d'Arc Entities pursuant to the terms of the BDA Formation Documents; provided that such assets of COL shall remain subject to any Liens created by Security Documents delivered pursuant to this Agreement until such Liens shall be released in accordance with Section 2.15 or Section 10.1."

(u) Clauses (a) and (c) of Section 7.6 of the Credit Agreement are hereby amended by deleting the word "Subsidiary" each place such word appears therein and inserting in place thereof the words "Restricted Subsidiary".

(v) Section 7.6 of the Credit Agreement is hereby further amended by inserting the word "and" immediately following the existing clause (d) and inserting the following new clause (e) immediately following the existing clause (d):

"(e) Restricted Payments (i) by Bois d'Arc Energy or any of the Bois d'Arc Entities, as applicable, to one or more of the BDA Contributors (and to the Borrower or any of its Restricted Subsidiaries to the extent not otherwise permitted) pursuant to the BDA Unwind Transaction and (ii) so long as Bois d'Arc Energy is treated as a partnership for tax purposes, Restricted Payments by Bois d'Arc Energy that are made solely for the purpose of paying tax liabilities arising from Bois d'Arc Energy's net income (which tax liability distributions shall not exceed the net income of Bois d'Arc for the periods for which such tax distributions are to be made multiplied by the maximum marginal tax rate under federal and/or state income tax laws that is applicable to any of Bois d'Arc Energy's members), provided that the Borrower shall give Administrative Agent at least 10 Business Days' prior written notice of each proposed distribution, together with the amount of the Bois d'Arc Energy's Net Income."

(w) Section 7.10 of the Credit Agreement is hereby amended and restated in its entirety to provide:

"SECTION 7.10 BURDENSOME AGREEMENTS. Enter into any Contractual Obligation that limits the ability (a) of any Restricted Subsidiary to make Restricted Payments to the Borrower or any Guarantor or to otherwise transfer property to the Borrower or any Guarantor other than Contractual Obligations imposed on Bois d'Arc Energy pursuant to the BDA Operating Agreement, or (b) of the Borrower or any Restricted Subsidiary to create, incur, assume or suffer to exist Liens on property of such Person,

in each case, other than Contractual Obligations pursuant to the Indenture Debt Documents to the extent listed in Schedule 7.10."

(x) Section 7.12 of the Credit Agreement is hereby amended by deleting the word "Subsidiary" each place such word appears therein and inserting in place thereof the words "Restricted Subsidiary".

(y) Section 7.14 of the Credit Agreement is hereby amended and restated in its entirety to provide:

"SECTION 7.14 LIMITATION ON HEDGES. Enter into any commodity hedging or derivative transactions except Hedge Agreements related to bona fide hedging activities of the Borrower or any of its Restricted Subsidiaries in an aggregate notional amount not to exceed, with respect to any future calendar quarter, 100% of the Borrower's and its Restricted Subsidiaries' projected production of oil (for oil related transactions) and 100% of the Borrower's and its Restricted Subsidiaries' projected production of natural gas (for natural gas related transactions), in each case from the Oil and Gas Properties of the Borrower and its Restricted Subsidiaries."

(z) The Credit Agreement is hereby amended by inserting the following new Section 7.15 immediately following Section 7.14 (as amended pursuant to this Second Amendment):

"SECTION 7.15 AMENDMENT OF BDA FORMATION DOCUMENTS OR BOIS D'ARC LOAN AGREEMENT. Amend, restate, modify, supplement, waive or consent to any amendment, restatement, modification, supplement or waiver of the BDA Contribution Agreement, the BDA Operating Agreement, the BDA Services Agreement or the other BDA Formation Documents or the Bois d'Arc Loan Agreement, in each case without the consent of the Administrative Agent and the Majority Lenders; provided, however, that the consent of the Administrative Agent and the Majority Lenders shall not be required to the extent that any such amendment, restatement, modification, supplement, waiver or consent does not (a) have an adverse effect on the Borrower, any other Loan Party, the Administrative Agent or the Lenders (taking into account any effect that may occur or be realized after Bois d'Arc Energy has been redesignated as an Unrestricted Subsidiary pursuant to Section 2.15), or (b) materially change the economic terms of such agreements. The Borrower shall deliver notice to the Administrative Agent (with sufficient copies for the Administrative Agent to distribute the same to the other Lenders) of any amendment, restatement, modification, supplement, waiver or consent to the BDA Contribution Agreement, the BDA

Operating Agreement, the BDA Services Agreement or the other BDA Formation Documents or the Bois d'Arc Loan Agreement for which the consent of the Administrative Agent and the Majority Lenders is not required pursuant to the foregoing proviso, as applicable, promptly following its effectiveness."

(aa) Clause (l) of Section 8.1 of the Credit Agreement is hereby amended by deleting the word "Subsidiary" each place such word appears therein and inserting in place thereof the words "Restricted Subsidiary".

(bb) Clause (h) of Section 10.1 of the Credit Agreement is hereby amended and restated in its entirety to provide:

"(h) release any collateral under any of the Security Documents, or permit any termination, amendment, modification, waiver or release of any Security Document or an provision thereof, provided that, notwithstanding the foregoing, the consent of the Lenders shall not be required for any release of any collateral under any of the Security Documents pursuant to Sections 2.15 or 2.16 or in connection with a Disposition by the Borrower or any Guarantor if such Disposition is permitted by Section 7.5 hereof as Section 7.5 is in effect on the Closing Date;"

(cc) Schedule 5.13 to the Credit Agreement is hereby amended and restated as set forth in Attachment 1 hereto.

Section 3. RATIFICATION. The Borrower hereby ratifies and confirms all of the Obligations under the Credit Agreement and the other Loan Documents.

Section 4. EFFECTIVENESS OF SECOND AMENDMENT. This Second Amendment shall become effective as of the date first written above upon satisfaction of each of the conditions set forth in this Section 4:

(a) The Administrative Agent shall have received duly executed counterparts of this Second Amendment from the Borrower, the Issuing Bank and each Lender, and duly acknowledged by each of the Guarantors.

(b) Unless waived by all the Lenders (or by the Administrative Agent with respect to immaterial matters or items specified in clause (v) or (vii) below with respect to which the Borrower has given assurances satisfactory to the Administrative Agent that such items shall be delivered promptly following the Effective Date), the Administrative Agent's receipt of the following, each of which shall be originals or facsimiles (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Loan Party, each dated the Effective Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance satisfactory to the Administrative Agent and its legal counsel:

(i) executed counterparts from each of the Bois d'Arc Entities of a Guaranty, a ratification of the Subordination Agreement previously delivered by the Loan Parties, and a Security Agreement;

(ii) from (1) COL, a Pledge Agreement pursuant to which all of the outstanding equity interests of Bois d'Arc Energy owned by COL shall be pledged to the Administrative Agent on behalf of the Lenders, and (2) each of Bois d'Arc Energy and each other Bois d'Arc Entity that owns any equity interest in any other Bois d'Arc Entity, a Pledge Agreement, pursuant to which all of the outstanding equity interests in each Bois d'Arc Entity shall be pledged to the Administrative Agent on behalf of the Lenders, together in each case with stock certificates, membership interest certificates or such other certificated security as may be part of the collateral covered by the Pledge Agreement and stock powers or other transfer powers or instruments executed in blank for each such certificate, interest or security;

(iii) from the Borrower, an amendment or supplement to the existing Pledge Agreement of the Borrower, pursuant to which the Borrower shall pledge to the Administrative Agent its interest in, to and under the Bois d'Arc Loan Agreement, the revolving promissory note evidencing indebtedness thereunder and any other documents related thereto, together with the original revolving promissory note bearing an appropriate endorsement in favor of the Administrative Agent;

(iv) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Bois d'Arc Entity as the Administrative Agent may require to establish the identities of and verify the authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Bois d'Arc Entity is a party;

(v) such evidence as the Administrative Agent may reasonably require to verify that each Bois d'Arc Entity is duly organized or formed, validly existing, in good standing and qualified to engage in business in each jurisdiction in which it is required to be qualified to engage in business, including certified copies of each Bois d'Arc Entities' Organization Documents, certificates of good standing and/or qualification to engage in business and, if applicable, tax clearance certificates;

(vi) a certificate signed by a Responsible Officer of the Borrower certifying (A) that the conditions specified in Sections 4.2(a) and (b) are satisfied as of the Effective Date, and (B) that there has been no event or circumstance since the date of the Initial Audited

Financial Statements which has or could be reasonably expected to have a Material Adverse Effect;

(vii) an opinion of counsel to each of the Bois d'Arc Entities substantially in the form of Exhibits F-1 and F-2 to the Credit Agreement;

(viii) evidence that all existing credit facilities to which any Bois d'Arc Entity is a party or a guarantor (including, without limitation, all credit facilities between or among any Bois d'Arc Entity or BDA Contributor, as borrower(s), and AmSouth Bank, as lender, but expressly excluding the Bois d'Arc Loan Agreement) have been, or concurrently with the Effective Date are being, terminated and all Liens securing obligations under any such existing credit facilities have been, or concurrently with the Effective Date are being, released;

(ix) a certificate of insurance of the Borrower and its Subsidiaries (including each of the Bois d'Arc Entities) evidencing that the Borrower and its Subsidiaries (including each of the Bois d'Arc Entities) are carrying insurance in accordance with Section 6.7 of the Credit Agreement and that such insurance is in full force and effect;

(x) a certificate from an Responsible Officer of each of Borrower and Bois d'Arc Energy, dated as of the Effective Date, certifying that attached thereto is a true and correct copy of the BDA Formation Documents and the Bois d'Arc Loan Agreement and certifying that:

(1) On and as of the Effective Date, and except as otherwise previously disclosed pursuant to the provisions hereof, there does not exist any judgment, order or injunction or other restraint issued or filed, or any government, corporate, contractual or legal restriction that could reasonably be expected to impair materially the right or ability of each of Borrower, COL, Bois d'Arc Energy and the BDA Contributors to effect the BDA Formation Transaction substantially in accordance with the terms and conditions of the BDA Formation Documents; and

(2) Each of Borrower, COL, Bois d'Arc Energy, each other Bois d'Arc Entity and each BDA Contributor, as the case may be, have received all governmental and third party approvals necessary in connection with the DBA Formation Transaction and such approvals are in full force and effect;

(c) search reports in such jurisdictions as the Administrative Agent may reasonably request, listing all effective financing statements or other Lien filings that name any of the Bois d'Arc Entities or any of Bois d'Arc Resources,

Ltd., a Texas limited partnership, Wayne L. Laufer, Gary W. Blackie or Haro Investments LLC, a Texas limited liability company, as a debtor; and

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

Section 5. GOVERNING LAW. This Second Amendment shall be governed by, and construed in accordance with, the laws of the State of New York (without giving effect to the principles thereof relating to conflicts of law except section 5-1401 of the New York General Obligations Law).

Section 6. MISCELLANEOUS. (a) On and after the effectiveness of this Second Amendment, each reference in each Loan Document to "this Agreement", "this Note", "this Mortgage", "hereunder", "hereof" or words of like import, referring to such Loan Document, and each reference in each other Loan Document to "the Credit Agreement", "the Notes", "the Mortgages", "thereunder", "thereof" or words of like import referring to the Credit Agreement, the Notes, or the Mortgage or any of them, shall mean and be a reference to such Loan Document, the Credit Agreement, the Notes, the Mortgage or any of them, as amended or otherwise modified by this Second Amendment; (b) each reference in each Guaranty, Security Agreement or Pledge Agreement executed prior to the date hereof to a "Subsidiary" or "Subsidiaries" of the Borrower shall be amended to be a reference to a "Restricted Subsidiary" or "Restricted Subsidiary" of the Borrower (except with respect to Sections 3.4 and 3.10 in each Pledge Agreement executed prior to the date hereof, with respect to which such reference shall not be so amended); (c) the execution, delivery and effectiveness of this Second Amendment shall not, except as expressly provided herein, operate as a waiver of any default of the Borrower or any other Loan Party or any right, power or remedy of the Administrative Agent, the Issuing Bank and the Lenders under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents; (d) this Second Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement; and (e) delivery of an executed counterpart of a signature page to this Second Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Second Amendment.

Section 7. FINAL AGREEMENT. THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES.

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to be executed by its officers thereunto duly authorized as of the date first above written.

BORROWER:

COMSTOCK RESOURCES, INC.,
a Nevada corporation

By: /s/ Roland O. Burns

Name: Roland O. Burns
Title: Chief Financial Officer

ADMINISTRATIVE AGENT, ISSUING BANK
AND LENDERS:

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

By: /s/ James V. Ducote

Name: James V. Ducote
Title: Director

BANK OF AMERICA, N.A.,

By: /s/ Jeffrey Rathkamp

Name: Jeffrey Rathkamp
Title: Director

FORTIS CAPITAL CORP.

By: /s/ David Montgomery

Name: David Montgomery
Title: Senior Vice President

By: /s/ Darrell W. Holley

Name: Darrell W. Holley
Title: Managing Director

COMERICA BANK

By: /s/ Peter L. Sefzik

Name: Peter L Sefzik
Title: Vice President - Texas Division

UNION BANK OF CALIFORNIA, N.A.

By: /s/ Sean Murphy

Name: Sean Murphy
Title: Vice President

THE BANK OF NOVA SCOTIA

By: /s/ Nadine Bell

Name: Nadine Bell
Title: Senior Manager

BANK OF SCOTLAND

By: /s/ Amena Nabi

Name: Amena Nabi
Title: Assistant Vice President

COMPASS BANK

By: /s/ Dorothy Marchand

Name: Dorothy Marchand
Title: Senior Vice President

CALYON NEW YORK BRANCH, as Successor
by Consolidation to Credit Lyonnais New York
Branch

By: /s/ Olivier Audemard

Name: Olivier Audemard
Title: Managing Director

HIBERNIA NATIONAL BANK

By: /s/ Daria Mahoney

Name: Daria Mahoney
Title: Vice President

NATEXIS BANQUES POPULAIRES

By: /s/ Daniel Payer

Name: Daniel Payer
Title: Vice President

By: /s/ Donovan Broussard

Name: Donovan Broussard
Title: Vice President & Manager

WASHINGTON MUTUAL BANK, FA

By: /s/ Mark Isensee

Name: Mark Isensee
Title: Vice President

ACKNOWLEDGMENT BY GUARANTORS

Each of the undersigned Guarantors hereby (i) consents to the terms and conditions of that certain Second Amendment to Credit Agreement dated as of July 16, 2004 (the "Second Amendment"), (ii) acknowledges and agrees that its consent is not required for the effectiveness of the Second Amendment, (iii) ratifies and acknowledges its respective Obligations under each Loan Document to which it is a party, and (iv) represents and warrants that (a) no Default or Event of Default has occurred and is continuing, (b) it is in full compliance with all covenants and agreements pertaining to it in the Loan Documents, and (c) it has reviewed a copy of the Second Amendment.

COMSTOCK OIL & GAS HOLDINGS, INC.
COMSTOCK OIL & GAS - LOUISIANA, LLC
COMSTOCK OFFSHORE, LLC
COMSTOCK OIL & GAS GP, LLC,
By Comstock Resources, Inc., its sole member
COMSTOCK OIL & GAS, LP,
By Comstock Oil & Gas GP, LLC,
its general partner,
By Comstock Resources, Inc., its sole member

By: /s/ Roland O. Burns

Name: Roland O. Burns
Title: Chief Financial Officer

COMSTOCK OIL & GAS INVESTMENTS, LLC

By: /s/ Roland O. Burns

Name: Roland O. Burns
Title: Manager

Exhibit 10.2

CONTRIBUTION AGREEMENT

by and among

BOIS D'ARC ENERGY, LLC,

BOIS D'ARC PROPERTIES, LP,

BOIS D'ARC RESOURCES, LTD.,

WAYNE L. LAUFER,

GARY W. BLACKIE,

HARO INVESTMENTS LLC,

COMSTOCK OFFSHORE, LLC,

COMSTOCK RESOURCES, INC., and

OTHER PERSONS LISTED ON THE SIGNATURE PAGES HERETO

Dated as of July 16, 2004

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LIST OF EXHIBITS

CONTRIBUTION AGREEMENT

This Contribution Agreement (the "Agreement"), dated as of July 16, 2004, is by and among Bois d'Arc Energy, LLC, a Nevada limited liability company (the "Company"), Bois d'Arc Properties, LP, a Nevada limited partnership (the "New Subsidiary"), Bois d'Arc Resources, Ltd., a Texas limited partnership ("BDAR"), Wayne L. Laufer ("Laufer"), Gary W. Blackie ("Blackie"), Haro Investments LLC, a Texas limited liability company ("Haro"), such other persons listed on the signature pages hereto under the caption "BDA Contributors" (collectively, with BDAR, Laufer, Blackie and Haro, "BDA Contributors"), Comstock Offshore, LLC, a Nevada limited liability company ("Comstock Offshore"), and Comstock Resources, Inc., a Nevada corporation ("Comstock Resources" and collectively with Comstock Offshore, the "Comstock Parties"). Each of the above is a "Party" to this Agreement, and collectively they are sometimes referred to as the "Parties." All capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in Section 10.17 of this Agreement.

WHEREAS, the Company was formed on June 17, 2004 pursuant to the laws of the State of Nevada upon the filing of articles of organization with the office of the Secretary of State of Nevada;

WHEREAS, the New Subsidiary was formed on June 22, 2004 pursuant to the laws of the State of Nevada upon the filing of a certificate of limited partnership with the office of the Secretary of State of Nevada; 99.9% of the New Subsidiary's partnership interest is owned by the Company;

WHEREAS, Bois d'Arc Holdings, LLC (the "New GP") was formed on June 21, 2004 pursuant to the laws of the State of Nevada upon the filing of articles of organization with the office of the Secretary of State of Nevada; 100% of the membership interest of the New GP is owned by the Company and the New GP owns a 0.1% general partner interest in the New Subsidiary;

WHEREAS, Comstock Offshore desires to contribute its interest in certain oil and gas properties to the New Subsidiary at the Closing in accordance with the terms and provisions of this Agreement;

WHEREAS, Blackie and Laufer each desire to contribute their respective partnership interests in Bois d'Arc Offshore, Ltd., a Texas limited partnership ("BDAO") and their membership interests in Bois d'Arc Oil & Gas Company, LLC, a Texas limited liability company ("BDAOG"), to the Company at the Closing in accordance with the terms and provisions of this Agreement;

WHEREAS, the BDA Contributors each desire to contribute their respective interest in certain oil and gas properties to the New Subsidiary at the Closing in accordance with the terms and provisions of this Agreement;

WHEREAS, the Parties intend that for federal income tax purposes, the above contributions qualify as contributions pursuant to Section 721 of the Code except to the extent any Party receives cash or a promissory note;

WHEREAS, in addition to the contributions described above, each Party desires to purchase membership interests in the Company as provided herein;

WHEREAS, each Party is making certain representations, warranties, covenants and indemnities herein as an inducement to the other Parties to enter into this Agreement; and

WHEREAS, the Contributors will enter into the Operating Agreement in connection with the transactions contemplated hereby.

NOW, THEREFORE, in consideration of the respective representations, warranties and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I
CONTRIBUTION AND SALE TRANSACTIONS

1.1 Contribution by Comstock Offshore. Subject to the terms and conditions of this Agreement, at the Closing, Comstock Offshore shall contribute, convey, assign, transfer, set over and deliver to the New Subsidiary all of its rights, title and interest in and to the oil and gas properties and such other assets listed on Schedule 1.1 in exchange for (i) the number of Class B Units set forth opposite its name on Schedule 1.0 and (ii) the assumption by the Company of the Liabilities set forth opposite Comstock Offshore's name on Schedule 1.0 (collectively, the "Comstock Contribution").

1.2 Sales and Contributions by BDA Contributors. Subject to the terms and conditions of this Agreement, at the Closing, each of the BDA Contributors shall severally and not jointly sell, contribute, convey, assign, transfer, set over and deliver to the New Subsidiary each of their respective rights, title and interest in and to the leases and the interests set forth opposite each of their respective names on Schedule 1.2 as to the oil and gas properties listed on Schedule 1.2 in exchange for the following consideration: (i) the issuance to the applicable BDA Contributor (or to its designee in a Familial Transfer or an Affiliate Transfer (as such terms are defined in the Transfer Restriction Agreement)) of the number of Class B Units set forth opposite such BDA Contributor's name on Schedule 1.0, (ii) the assumption by the Company of the Liabilities set forth opposite such BDA Contributor's name on Schedule 1.0, and (iii) the payment to such BDA Contributor of the amount set forth opposite such BDA Contributor's name on Schedule 1.0, which amount shall be payable in cash at the Closing (collectively, the "BDA Property Contributions").

1.3 Contributions by Blackie and Laufer. Subject to the terms and conditions of this Agreement, at the Closing, each of Blackie and Laufer shall contribute, convey, assign, transfer, set over and deliver to the Company all of their respective rights, title and interest in and to the partnership interests in BDAO and the membership interests in BDAOG (collectively, the "BDA Equity Interests") in exchange for assumption and acceptance by the Company of the Liabilities of BDAO and BDAOG (the "BDA Equity Contributions").

1.4 Purchase of Class A Units. Subject to the terms and conditions of this Agreement, at the Closing, each Contributor agrees severally and not jointly to purchase from the Company, and the Company agrees to sell and issue to each such Contributor, the number of

Class A Units set forth opposite such Contributor's name on Schedule 1.0 for a consideration of $1.00 per Class A Unit.

1.5 Closing Transactions.

(a) As provided in Sections 1.1 and 1.2, the ownership of the Properties shall be sold, transferred and/or assigned from each Contributor to the Company or the New Subsidiary (as applicable) on the Closing Date but effective as of the Effective Time. Subject to the other provisions of this Agreement, each Contributor shall (i) be entitled to all revenues (and related accounts receivable) attributable to the Properties owned by such Contributor (including, without limitation, the right to all production, proceeds of production and other proceeds), and (ii) responsible for the payment of all expenses (and related accounts payable) attributable to the Properties owned by such Contributor in each case to the extent the same relate to the period of time prior to the Effective Time. Subject to the other provisions of this Agreement, the Company or the New Subsidiary (as applicable) shall be entitled to all revenues (and related accounts receivable) attributable to the Properties (including, without limitation, the right to all production, proceeds of production and other proceeds), and shall be responsible for the payment of all expenses (and related accounts payable) attributable to the Properties, in each case to the extent the same relate to the period of time from and after the Effective Time.

(b) The assignments by Blackie and Laufer of the BDA Equity Interests shall be effective as of the Effective Time, and from and after that time, but not prior thereto, that portion of the net profits or net losses of BDAO and BDAOG allocable to such partnership interests and membership interests, respectively, shall be credited or charged, as the case may be, to the Company, and not Blackie or Laufer (as the case may be), and neither Blackie nor Laufer shall have any interest in or the right to any benefit therefrom.

(c) Except for the Assumed Liabilities, each Contributor of Properties shall retain responsibility for, and neither the Company nor the New Subsidiary shall assume any Liability of a Contributor with respect to the Properties incurred prior to the Effective Time.

(d) At the Closing but as of the Effective Time, the Company shall assume from BDAO the Revised Service Contract dated June 1, 2004 between BDAO and Laufer & Associates.

1.6 The Closing. The consummation of the transactions contemplated by this Agreement (the "Closing") will take place at the offices of Locke Liddell & Sapp LLP, 2200 Ross Avenue, Suite 2200, Dallas, Texas 75201, on such date as the Parties may agree but in no event not later than July 16, 2004. The date on which the Closing occurs is referred to herein as the "Closing Date."

1.7 Closing Deliveries. Subject to the terms and conditions of this Agreement at the Closing:

(a) Each of Blackie and Laufer will execute and deliver to the Company the following:

(i) An assignment in the form attached hereto as Exhibit C-1 with respect to their respective BDA Equity Interests;

(ii) Certificates of existence and good standing for each of BDAO and BDAOG; and

(iii) Such other documents as may be reasonably requested by Comstock Offshore.

(b) Each of the BDA Contributors will execute and deliver to the Company the following:

(i) assignments in the forms attached hereto as Exhibit C-2 transferring and assigning title to their respective interests in the BDA Properties; and

(ii) such other documents as may be reasonably requested by Comstock Offshore.

(c) Comstock Offshore will deliver to the Company the following:

(i) assignments in the forms attached hereto as Exhibit C-2 transferring and assigning title to its interest in the Comstock Properties;

(ii) certificates of existence and good standing for each of Comstock Resources and Comstock Offshore; and

(iii) such other documents as may be reasonably requested by BDAR.

(d) Each Contributor will deliver to the Company the consideration for the Class A Units as specified in Section 1.4.

(e) The Company will deliver or cause to be delivered to each of the Contributors or, in the case of any of the Contributors that is an entity, its constituent partners or members ("Distributees"), (i) a certificate or certificates evidencing the Class A Units and Class B Units to be issued to such Contributor or Distributee, (ii) the cash payment (which shall be by wire transfer of immediately available funds) in the amount set forth opposite the respective Contributor's or Distributee's name on Schedule 1.0 and (iii) an assumption agreement pursuant to which it assumes the Assumed Liabilities.

(f) At the Closing, each of the Contributors and Distributees shall enter into the Operating Agreement and the Transfer Restriction Agreement.

1.8 Post-Closing Adjustment.

(a) Prior to the Closing, Laufer and Blackie shall cause BDAO to determine the BDAO Working Capital as of the Effective Time (the "Estimated Working Capital"). To the extent the Estimated Working Capital is greater than zero ($0.00), at the Closing, the Company shall pay to Laufer and Blackie an amount equal to the excess; to the extent the Estimated

Working Capital is less than zero ($0.00), at the Closing Laufer and Blackie shall collectively pay to the Company an amount equal to the deficit (either such payment, the "Estimated Adjustment Amount").

(b) Within ninety (90) days following the Closing, Comstock Offshore, Laufer and Blackie shall jointly determine the BDAO Working Capital as of the Effective Time (the "Initial Post-Closing Working Capital Calculation"). To the extent the Initial Post-Closing Working Capital Calculation is greater than zero ($0.00), the Company shall pay to Laufer and Blackie an amount equal to the excess; to the extent the Initial Post-Closing Working Capital Calculation is less than zero ($0.00), Laufer and Blackie shall collectively pay to the Company an amount equal to the deficit, but in either case the amount owing pursuant to this Section 1.8(b) shall be adjusted for the Estimated Adjustment Amount (the "Second Adjustment Amount").

(c) Within one hundred eighty (180) days following the Closing, Comstock Offshore, Laufer and Blackie shall jointly make a final determination of the BDAO Working Capital as of the Effective Time (the "Final Post-Closing Working Capital Calculation"). To the extent the Final Post-Closing Working Capital Calculation is greater than zero ($0.00), the Company shall pay to Laufer and Blackie an amount equal to the excess; to the extent the Final Post-Closing Working Capital Calculation is less than zero ($0.00), Laufer and Blackie shall collectively pay to the Company an amount equal to the deficit, but in either case the amount owing pursuant to this Section 1.8(c) shall be adjusted for the Estimated Adjustment Amount and the Second Adjustment Amount.

(d) Any amount owing by or to Laufer and Blackie pursuant to this Section 1.8 shall be split as directed by them. For purposes of this Section 1.8, the term "BDAO Working Capital" shall mean (i) the sum of (1) cash, accounts receivable, prepaid expenses, (2) unreimbursed seismic costs, leasehold acquisitions costs and other costs incurred by BDAO under the Exploration Agreement, including but not limited to permitting, surveying and geological/geophysical data costs and (3) costs incurred with respect to prospects identified but not drilled as of the Effective Time pursuant to the Exploration Agreement, less (ii) the sum of trade payables and accrued expenses, in each case for BDAO and BDAOG on a combined basis. The BDAO Working Capital shall be calculated in accordance with GAAP.

(e) Any gas imbalances that exist as of the Effective Time with respect to the Properties will be settled up among the Company and the Contributors of Properties based on the actual price received for the production month(s) in which the imbalance occurred.

ARTICLE II
REPRESENTATIONS AND WARRANTIES CONCERNING BDAO AND BDAOG

Laufer and Blackie hereby jointly and severally represent and warrant to the Company, the New Subsidiary and the Comstock Parties as follows:

2.1 Existence and Good Standing. BDAO is a limited partnership duly formed and validly existing under the laws of the State of Texas. BDAOG is a limited liability company

duly formed, validly existing and in good standing under the laws of the State of Texas. Each of BDAO and BDAOG has all requisite partnership or limited liability company (as applicable) power and authority to carry on its business as it is now being conducted.

2.2 No Violation. The consummation of the BDA Equity Contributions by Laufer and Blackie will not (i) violate any of the formation or governing documents of either BDAO or BDAOG, (ii) violate any provision of or result in the breach of or entitle any party to accelerate (whether after the giving of notice or lapse of time or both) any obligation under any lease, contract, license, instrument or any other agreement to which either BDAO or BDAOG is a party, (iii) result in the creation or imposition of any Lien upon any property of either BDAO or BDAOG, or (iv) to the knowledge of either Laufer or Blackie, violate or conflict with any order, award, judgment or decree or other restriction of any law, ordinance or regulation to which either BDAO or BDAOG or any of their respective properties or interests are subject.

2.3 Consents and Approvals. No prior consent, approval or authorization of, or declaration, filing or registration with any Governmental Authority or other Person is required in connection with the BDA Equity Contributions by Laufer and Blackie.

2.4 No Properties. Neither BDAO nor BDAOG owns any interest in the BDA Properties or any other oil and gas properties; provided, that to the extent either entity holds record title to any Properties as nominee, the necessary assignments will be prepared as soon as practical after Closing and the executed assignments shall be delivered to the appropriate beneficial owner(s).

2.5 Absence of Litigation. There is no litigation, suit, claim, action, proceeding or investigation (an "Action") pending or, to the knowledge of Laufer and Blackie, threatened against either BDAO or BDAOG, or any oil and gas property or asset that is owned or operated by either BDAO or BDAOG (the "BDA Operated Properties"), before any Governmental Authority that could reasonably be expected to have a Material Adverse Effect. Neither BDAO or BDAOG nor any of their respective properties is subject to any continuing order of, consent decree, settlement agreement or similar written agreement with, or continuing investigation by, any Governmental Authority, or any order, writ, judgment, injunction, decree, determination or award of any Governmental Authority that would prevent or materially delay consummation of the transactions contemplated hereby or otherwise prevent or materially delay either BDAO or BDAOG from performing its obligations under this Agreement and the Ancillary Documents.

2.6 Taxes.

(a) Each of BDAO and BDAOG has (i) duly filed (or there has been filed on its behalf) on a timely basis (taking into account any extensions of time to file before the date hereof) with the appropriate Governmental Authorities all Tax Returns required to be filed by or with respect to it, and (ii) duly paid or deposited in full on a timely basis or made adequate provisions in accordance with good accounting practices (or there has been paid or deposited or adequate provision has been made on its behalf) for the payment of all Taxes required to be paid by it other than those being contested in good faith by either entity.

(b) Except as set forth on Schedule 2.6, (i) each of BDAO and BDAOG has at all times since its inception been properly treated as a partnership for federal income tax purposes; (ii) neither BDAO nor BDAOG is, as of the date hereof, the subject of any audit or other proceeding in respect of payment of Taxes for which it may be directly or indirectly liable and no such proceeding has been threatened; (iii) no claim has ever been made by a Governmental Authority where BDAO and/or BDAOG do not pay Tax or file Tax Returns that BDAO and/or BDAOG are or may be subject to Taxes assessed by such jurisdiction; (iv) as of the date hereof, neither BDAO nor BDAOG has granted any requests, agreements, consents or waivers to extend the statutory period of limitations applicable to the assessment of any Taxes with respect to any Tax Returns of either entity; (v) neither BDAO nor BDAOG is a party to, is bound by or has any obligation under any Tax sharing, allocation or indemnity agreement or any similar agreement or arrangement; (vi) there are no Liens for Taxes on any assets of either entity except for Taxes not yet currently due, with respect to matters being contested by either entity in good faith for which adequate reserves have been made by such entity; (vii) the amounts of Taxes withheld by or on behalf of BDAO and BDAOG with respect to all compensation paid to employees, consultants, independent contractors or other persons for all periods ending on or before the date hereof have been proper and accurate in all respects, and all deposits required with respect to such compensation have been made in compliance in all respects with the provisions of all applicable Tax law; and (viii) neither BDAO nor BDAOG has any obligation for Taxes of any other person or entity.

2.7 Gas Imbalances. To the knowledge of Laufer and Blackie, except as set forth in Schedule 2.7, neither BDAO nor BDAOG has received any material deficiency payment under any gas contract with respect to the BDA Operated Properties for which any Person has a right to take deficiency gas from either entity, nor has either entity received any material payment for production which is subject to refund or recoupment out of future production.

2.8 Take or Pay. To the knowledge of Laufer and Blackie, there are no calls (exclusive of market calls) on the oil or gas production with respect to the BDA Operated Properties and neither entity has any obligation to deliver oil or gas pursuant to any take-or-pay, prepayment or similar arrangement without receiving full payment therefor, excluding gas imbalances disclosed in Schedule 2.7.

2.9 Leases. To the knowledge of Laufer and Blackie, each of the leases regarding the BDA Operated Properties is valid and in full force and effect, each of BDAO and BDAOG has performed all obligations required to be performed under such leases, or any other instruments and agreements relating to the BDA Operated Properties, and neither party is in default thereunder. Notwithstanding the foregoing, no representation or warranty is given with respect to any undrilled leases.

2.10 Rentals Paid. To the knowledge of Laufer and Blackie, all rentals, bonuses and royalties on the production from the BDA Operated Properties, and any other interests payable out of such production, have been timely and fully paid and discharged, and all conditions necessary, and all conditions necessary to keep the leases regarding the BDA Operated Properties in full force have been performed and no proceeds from the sale of production attributable to the BDA Operated Properties are currently being held in suspense by any purchase

thereof. Notwithstanding the foregoing, no representation or warranty is given with respect to any undrilled leases.

2.11 Equity Ownership. Blackie and Laufer legally and beneficially own the BDA Equity Interests set forth opposite their respective names on Schedule 1.2, free and clear of any Liens. BDAOG legally and beneficially owns a 1.0% general partner interest in BDAO free and clear of any Liens.

2.12 Employee Benefit Plans. Except as set forth on Schedule 2.12, neither BDAO, BDAOG nor the BDA Controlled Group sponsors, maintains, or contributes to or participates in any Benefit Arrangement, and there are no Benefit Plans.

2.13 Labor Matters. Each of BDAO and BDAOG (i) has been and is in compliance in all material respects with all Laws respecting employment and employment practices, terms and conditions of employment and wages and hours; and (ii) is not liable for any arrears of wages or penalties for failure to comply with any of the foregoing.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF BDA CONTRIBUTORS

Each of the BDA Contributors severally and not jointly makes the following representations and warranties to the Company, the New Subsidiary and the Comstock Parties, as to itself, himself or herself and as to its, his or her respective interest in the BDA Properties:

3.1 Existence and Good Standing. To the extent that such BDA Contributor is not a natural person, such BDA Contributor is a limited partnership, limited liability company or corporation (as applicable), duly formed and validly existing under the laws of the jurisdiction of its organization. Such BDA Contributor has all requisite partnership, limited liability company or corporate (as applicable) power and authority to carry on its business as it is now being conducted.

3.2 Authority. Such BDA Contributor has all requisite partnership, limited liability company or corporate (as applicable) power and authority to execute, deliver and perform its obligations under this Agreement and the Ancillary Documents, to the extent a party hereto or thereto. This Agreement and each of the Ancillary Documents have been duly and validly executed and delivered by such BDA Contributor and, assuming the due authorization, execution and delivery hereof and thereof by the other parties hereto and thereto, constitutes the valid and binding obligation of such BDA Contributor, enforceable against such BDA Contributor in accordance with its respective terms, subject to the effect of bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to creditors' rights generally and general equitable principles.

3.3 No Violation. The execution and delivery of this Agreement and each of the Ancillary Documents and the consummation of the transactions contemplated hereby and thereby by such BDA Contributor (to the extent a party thereto) will not (i) violate any of the formation or governing documents of the such BDA Contributor (if applicable), (ii) violate any provision of or result in the breach of or entitle any party to accelerate (whether after the giving of notice or lapse of time or both) any obligation under any lease, contract, license, instrument or

any other agreement to which such BDA Contributor is a party, (iii) result in the creation or imposition of any Lien upon the BDA Properties or any other property of such BDA Contributor, or (iv) to the knowledge of such BDA Contributor, violate or conflict with any order, award, judgment or decree or other restriction of any law, ordinance or regulation to which such BDA Contributor or any of its, his or her properties or interest is subject.

3.4 Consents and Approvals. No prior consent, approval or authorization of, or declaration, filing or registration with any Governmental Authority or other Person is required in connection with the execution, delivery and performance by such BDA Contributor of this Agreement and the Ancillary Documents and the transactions contemplated hereby and thereby.

3.5 Title to Properties. Except for items disclosed in Schedule 3.5 and goods and other property sold, used or otherwise disposed of in the ordinary course of business, such BDA Contributor has Good and Marketable Title in and to all BDA Properties owned by it, him or her free and clear of any Liens, except for: (i) Liens for current Taxes not yet due and payable, (ii) materialman's, mechanic's, repairman's, employee's, contractors, operator's, and other similar Liens arising in the ordinary course of business (A) if they have not been perfected pursuant to law, (B) if perfected, they have not yet become due and payable or payment is being withheld as provided by law, or (C) if their validity is being contested in good faith by appropriate action, (iii) all rights to consent by, required notices to, filings with, or other actions by Governmental Authority in connection with the sale or conveyance of oil and gas leases or interests if they are customarily obtained subsequent to the sale or conveyance, and (iv) such imperfections of title, easements and Liens which have not had, or would not reasonably be expected to have, a Material Adverse Effect. All major items of operating equipment used in connection with the BDA Properties over which such BDA Contributor has operating rights are in good operating condition and in a state of reasonable maintenance and repair, ordinary wear and tear excepted, except as has not had, and would not reasonably be expected to have, a Material Adverse Effect on such BDA Properties.

3.6 Absence of Litigation. There is no Action pending or, to the knowledge of such BDA Contributor, threatened against such BDA Contributor or involving any of the BDA Properties, before any Governmental Authority that could reasonably be expected to have a Material Adverse Effect. Such BDA Contributor nor its, his or her BDA Property is subject to any continuing order of, consent decree, settlement agreement or similar written agreement with, or continuing investigation by, any Governmental Authority, or any order, writ, judgment, injunction, decree, determination or award of any Governmental Authority that would prevent or materially delay consummation of the transactions contemplated hereby or otherwise prevent or materially delay such BDA Contributor from performing its, his or her obligations under this Agreement and the Ancillary Documents.

3.7 Taxes. All Tax Returns of such BDA Contributor required to be filed by law where the failure to file such Tax Returns on a duly and timely basis could result in a Lien on the BDA Properties or the imposition on the Company or the New Subsidiary of any liability for Taxes have been duly and timely filed in the proper form with the appropriate Governmental Authority. All Taxes due or payable pursuant to such Returns or otherwise have been paid, except for such amounts as are being contested diligently, in the appropriate forum and in good faith, where the failure to pay or contest such amounts could result in a Lien on the BDA

Properties or the imposition on the Company or the New Subsidiary of any liability for any Taxes. No federal, state, local or foreign audits or other administrative or court proceedings are presently pending with respect to any Tax Return or Tax of the representing BDA Contributor, and such BDA Contributor has not received written notice from any Governmental Authority of the expected commencement of any such proceeding, which could result in a Lien on the BDA Properties or the imposition on the Company or the New Subsidiary of any liability for Taxes. All Taxes based on or measured by the ownership of BDA Properties owned by such BDA Contributor or the production of oil or gas therefrom or the receipt of proceeds therefrom, which have become due and payable prior to the date hereof with respect to such BDA Properties have been properly paid, and such Taxes which become due and payable prior to the Closing shall be properly paid by such BDA Contributor.

3.8 Gas Imbalances. To the knowledge of the applicable BDA Contributor, except as set forth in Schedule 3.8, such BDA Contributor has not has received any material deficiency payment under any gas contract with respect to the BDA Properties for which any Person has a right to take deficiency gas from such BDA Contributor, nor has such BDA Contributor received any material payment for production which is subject to refund or recoupment out of future production.

3.9 Take or Pay. To the knowledge of the applicable BDA Contributor, there are no calls (exclusive of market calls) on the oil or gas production with respect to such BDA Contributor's interest in the BDA Properties and such BDA Contributor has no obligation to deliver oil or gas pursuant to any take-or-pay, prepayment or similar arrangement without receiving full payment therefor, excluding gas imbalances disclosed in Schedule 3.8.

3.10 Leases. To the knowledge of the applicable BDA Contributor, each of the leases regarding the BDA Properties owned by such BDA Contributor is valid and in full force and effect, and such BDA Contributor has performed all obligations required to be performed under such leases, or any other instruments and agreements relating to the BDA Properties, and is not in default thereunder.

3.11 Rentals Paid. To the knowledge of the applicable BDA Contributor, all rentals, bonuses and royalties on the production from the BDA Properties owned by such BDA Contributor, and any other interests payable out of such production, have been timely and fully paid and discharged, and all conditions necessary, and all conditions necessary to keep the leases regarding such BDA Properties in full force have been performed and no proceeds from the sale of production attributable to such BDA Properties are currently being held in suspense by any purchase thereof.

ARTICLE IV
REPRESENTATIONS OF COMSTOCK PARTIES

The Comstock Parties hereby jointly and severally represent and warrant to each of the Company, the New Subsidiary and the BDA Contributors as follows:

4.1 Existence and Good Standing. Comstock Offshore is a limited liability company, duly formed and validly existing under the laws of the State of Nevada. Comstock Offshore has all requisite limited liability company power and authority to carry on its business as it is now

being conducted. Comstock Resources is a corporation, duly formed and validly existing under the laws of the State of Nevada. Comstock Resources has all requisite corporate power and authority to carry on its business as it is now being conducted.

4.2 Authority. Each Comstock Party has all requisite limited liability company power and authority to execute, deliver and perform this Agreement and the Ancillary Documents to the extent a party hereto or thereto. This Agreement and the Ancillary Documents have been duly and validly executed and delivered by each Comstock Party (to the extent a party thereto) and, assuming the due authorization, execution and delivery hereof and thereof by the other parties hereto and thereto, constitutes the valid and binding obligation of each Comstock Party (to the extent a party thereto), enforceable against it in accordance with its respective terms, subject to the effect of bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to creditors' rights generally and general equitable principles.

4.3 No Violation. The execution and delivery of this Agreement and the Ancillary Documents and the consummation of the transactions contemplated hereby and thereby by each Comstock Party will not (i) violate any of the formation or governing documents of either Comstock Party, (ii) violate any provision of or result in the breach of or entitle any party to accelerate (whether after the giving of notice or lapse of time or both) any obligation under any lease, contract, license, instrument or any other agreement to which either Comstock Party is a party, (iii) result in the creation or imposition of any Lien upon the Comstock Properties or any other property of either Comstock Party, or (iv) to the knowledge of the Comstock Parties, violate or conflict with any order, award, judgment or decree or other restriction of any law, ordinance or regulation to which either Comstock Party or any of their respective properties or interests are subject.

4.4 Consents and Approvals. No prior consent, approval or authorization of, or declaration, filing or registration with any Governmental Authority or other Person is required in connection with the execution, delivery and performance by the Comstock Parties of this Agreement and the Ancillary Documents by Comstock Offshore and the transactions contemplated hereby and thereby, except for those that have been obtained prior to the date hereof.

4.5 Title to Properties. Except for items disclosed in Schedule 4.5 and goods and other property sold, used or otherwise disposed of in the ordinary course of business, Comstock Offshore has Good and Marketable Title in and to all Comstock Properties, free and clear of any Liens, except for: (i) Liens for current Taxes not yet due and payable, (ii) materialman's, mechanic's, repairman's, employee's, contractors, operator's, and other similar Liens arising in the ordinary course of business (A) if they have not been perfected pursuant to law, (B) if perfected, they have not yet become due and payable or payment is being withheld as provided by law, or (C) if their validity is being contested in good faith by appropriate action, (iii) all rights to consent by, required notices to, filings with, or other actions by Governmental Authority in connection with the sale or conveyance of oil and gas leases or interests if they are customarily obtained subsequent to the sale or conveyance, and (iv) such imperfections of title, easements and Liens which have not had, or would not reasonably be expected to have, a Material Adverse Effect.

4.6 Absence of Litigation. There is no Action pending or, to the knowledge of the Comstock Parties, threatened against either Comstock Party or involving any of the Comstock Properties before any Governmental Authority that could reasonably be expected to have a Material Adverse Effect. Neither of the Comstock Parties nor any of the Comstock Properties is subject to any continuing order of, consent decree, settlement agreement or similar written agreement with, or continuing investigation by, any Governmental Authority, or any order, writ, judgment, injunction, decree, determination or award of any Governmental Authority that would prevent or materially delay consummation of the transactions contemplated hereby or otherwise prevent or materially delay either Comstock Party from performing its respective obligations under this Agreement and the Ancillary Documents.

4.7 Taxes. All Tax Returns required to be filed by law where the failure to file such Tax Returns on a duly and timely basis could result in a Lien on the Comstock Properties or the imposition on the Company or the New Subsidiary of any liability for Taxes have been duly and timely filed in the proper form with the appropriate Governmental Authority. All Taxes due or payable pursuant to such Tax Returns or otherwise have been paid, except for such amounts as are being contested diligently, in the appropriate forum and in good faith, where the failure to pay or contest such amounts could result in a Lien on the Comstock Properties or the imposition on the Company or the New Subsidiary of any liability for any Taxes. No federal, state, local or foreign audits or other administrative or court proceedings are presently pending with respect to any Tax Return or Tax of the Comstock Parties, and the Comstock Parties have not received written notice from any Governmental Authority of the expected commencement of any such proceeding, which could result in a Lien on the Comstock Properties or the imposition on the Company or the New Subsidiary of any liability for Taxes. All Taxes based on or measured by the ownership of Comstock Properties or the production of oil or gas therefrom or the receipt of proceeds therefrom, which have become due and payable prior to the date hereof with respect to the Comstock Properties have been properly paid, and Comstock Offshore's allocable share of such Taxes which become due and payable prior to the Closing shall be properly paid by Comstock Offshore.

4.8 Gas Imbalances. To the knowledge of the Comstock Parties, except as set forth in Schedule 4.8, Comstock Offshore has not received any material deficiency payment under any gas contract with respect to the Comstock Properties for which any Person has a right to take deficiency gas from Comstock Offshore, nor has it received any material payment for production which is subject to refund or recoupment out of future production.

4.9 Take or Pay. To the knowledge of the Comstock Parties, there are no calls (exclusive of market calls) on the oil or gas production with respect to Comstock Offshore's interest in the Comstock Properties and Comstock Offshore has no obligation to deliver oil or gas pursuant to any take-or-pay, prepayment or similar arrangement without receiving full payment therefor, excluding gas imbalances disclosed in Schedule 4.8.

4.10 Leases. To the knowledge of the Comstock Parties, each of the leases regarding the Comstock Properties is valid and in full force and effect, and Comstock Offshore has performed all obligations required to be performed under such leases, or any other instruments and agreements relating to the Comstock Properties, and is not in default thereunder.

4.11 Rentals Paid. To the knowledge of the Comstock Parties, all rentals, bonuses and royalties on the production from the Comstock Properties, and any other interests payable out of such production, have been timely and fully paid and discharged, and all conditions necessary, and all conditions necessary to keep the leases regarding the Comstock Properties in full force have been performed and no proceeds from the sale of production attributable to the Comstock Properties are currently being held in suspense by any purchase thereof.

4.12 Comstock Credit Facility. No event of default currently exists under the Comstock Credit Facility or would result from the transactions contemplated hereby.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF ALL OF THE CONTRIBUTORS AND DISTRIBUTEES

Each Contributor and Distributee hereby severally and not jointly represents and warrants to the Company and each other Contributor and Distributee as follows:

5.1 Acquisition Entirely for Own Account. This Agreement is made with the other Contributors and Distributees and the Company in reliance upon its or his representation, which by its or his execution of this Agreement is hereby confirmed, that the Units to be acquired or received by such Contributor or Distributee will be acquired for investment for such Contributor's or Distributee's own account, and not with a view toward the distribution of any part thereof, and that such Contributor or Distributee has no present intention of selling, granting any participation in, or otherwise distributing the same in a manner contrary to the Securities Act or applicable state securities laws except as may be permitted pursuant to the Transfer Restriction Agreement.

5.2 Disclosure of Information; Due Diligence. Each Contributor and Distributee has received the Private Placement Memorandum dated July 14, 2004 from the Company, and has had the opportunity to ask questions of and receive answers from the Company regarding the Company and the terms and conditions of the offering of the Units hereunder and has received all information that the Contributor or the Distributee has requested from the Company concerning the Company and the transactions contemplated hereby.

5.3 Investment Experience; Accredited Purchaser Status. Each Contributor or Distributee is able to fend for itself or himself in the transactions contemplated by this Agreement, can bear the economic risk of its or his investment (including the possible complete loss of such investment) for an indefinite period of time and has such knowledge and experience in financial or business matters that he or it is capable of evaluating the merits and risks of the investment in the Units or is relying on his or its own Purchaser Representative in making his or its investment decision. Each Contributor or Distributee understands that the Units to be acquired hereunder have not been registered under the Securities Act, or under the securities laws of any jurisdiction and such are being issued, by reason of reliance upon certain exemptions, and that the reliance on such exemptions is predicated, in part, upon the accuracy of the Contributors' or the Distributee's representations and warranties in this Article V. "Purchaser Representative" shall mean any person who (1) is not an Affiliate, manager, officer or other employee of the Company, or beneficial owner of 10% or more of the equity interest in

the Company, (2) has such knowledge and experience in financial and business matters that he is capable of evaluating, alone or together with other purchaser representatives of the Contributor or the Distributee, or together with the Contributor or the Distributee, the merits and risks of the investment in Units, (3) is acknowledged by the Contributor or the Distributee in writing during the course of the transactions contemplated hereby to be such Contributor's or Distributee's purchaser representative in connection with evaluating the merits and risks of the prospective investment in Units, and (4) discloses to the Contributor or the Distributee in writing a reasonable time prior to the sale of Units any material relationship between such purchaser representative or his Affiliates and the Company or its Affiliates that exists, that is mutually understood to be contemplated, or that has existed at any time during the previous two years, and any compensation received or to be received as a result of such relationship.

(a) With respect to Comstock Offshore, BDAR, Laufer, Blackie, Haro, and such other Contributors and Distributees identified on Schedule 5.1, each such Contributor or Distributee is familiar with Regulation D promulgated under the Securities Act and each is an "accredited investor" as defined in Rule 501(a) of such Regulation D.

(b) With respect to each other Contributor and Distributee, (i) such Contributor's or Distributee's financial capacity is such that the total cost of such Contributor's or Distributee's investment in the Company would not be material when compared to such Contributor's or Distributee's total financial capacity (it being presumed that this test will be met if the investment to be made by such Contributor or Distributee is does not exceed 10% of such Contributor's or Distributee's net worth or joint net worth with such Contributor's or Distributee's spouse), (ii) such Contributor or Distributee has adequate means of providing for such Contributor's or Distributee's current needs and personal contingencies and has no need for liquidity in his investment in the Units, (iii) such Contributor or Distributee has substantial experience in making investment decisions of this type or is relying on his or its own Purchaser Representative in making his or its investment decision, (iv) such Contributor or Distributee or his or its Purchaser Representative has knowledge of finance, securities and investments, generally, (v) such Contributor or Distributee or his or its Purchaser Representative has prior experience and skill in investments based upon actual participation and (vi) such Contributor or Distributee has disclosed to the Company in writing any person who will act as his or its Purchaser Representative.

5.4 Restricted Securities. Each Contributor and Distributee understands that the Units to be acquired hereunder are characterized as "restricted securities" under the federal securities laws inasmuch as they are being acquired from the Company in transactions not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Securities Act only in certain limited circumstances and in accordance with the terms and conditions set forth in the Operating Agreement and Restricted Transfer Agreement. Each Contributor and Distributee represents that he, she or it is familiar with Rule 144, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act.

ARTICLE VI
ADDITIONAL COVENANTS

6.1 Taxes.

(a) For federal income tax purposes, all Parties will treat the Contributions contemplated by this Agreement as contributions to the Company qualifying under Section 721 of the Code, except that to the extent of the cash payments and the Contribution Notes which will be treated as sales to the Company under Section 707 of the Code. In accordance with the foregoing provision, Contributions to the New Subsidiary shall be treated as contributions or sales, as applicable, to the Company for federal income tax purposes.

(b) In order to apportion appropriately any Taxes relating to a Straddle Period, each Contributor shall, to the extent permitted under applicable law, elect with each relevant Tax authority to treat for all Tax purposes the Effective Time as the last day of the taxable year or period of, or with respect to, the entities or assets contributed by such Party. Each such Party shall timely prepare and file (or cause to be timely prepared and filed) all Tax Returns relating to the entities or assets contributed by such Party for all Pre-Effective Periods other than Straddle Periods and all other Tax Returns required to be filed on or before the Effective Time. Each party shall timely pay (or cause to be paid) all Taxes shown as due and payable on such Tax Returns. The Company shall timely prepare and file (or cause to be timely prepared and filed) all Tax Returns for any Straddle Periods ("Straddle Returns"). The Company shall timely pay (or cause to be paid) all Taxes shown as due and payable on all Straddle Returns and, with respect to each such Straddle Return, the Party that contributed the asset or entity related thereto shall reimburse the Company for Taxes attributable to the portion of the Straddle Period ending on or before the Effective Time. For this purpose, the portion of any Taxes that are allocable to the portion of the Straddle Period ending on the Effective Time shall be: (1) in the case of Taxes that are imposed on a periodic basis, the amount of such Taxes for the entire relevant Straddle Period (or, in the case of such Taxes determined on an arrears basis (such as real property Taxes), the amount of such Taxes for the immediately preceding period) multiplied by a fraction the numerator of which is the number of calendar days in the Straddle Period prior to and including the Effective Time and the denominator of which is the number of calendar days in the entire Straddle Period; or (2) in the case of all other Taxes (such as Taxes that are either (x) based upon or related to income or receipts, or (y) imposed in connection with any sale or other transfer or assignment of property (real or personal, tangible or intangible)), the amount that would be payable if the taxable year or period ended on the Effective Time. Reimbursements pursuant to this Section 6.1(b) shall be made within thirty (30) days of the Company's request therefor. After all Tax Returns have been filed as required by this Section 6.1(b), each Party agrees to provide the Company with documentation showing the tax basis of all assets contributed to the Company pursuant to this Agreement.

(c) Laufer and Blackie will, with respect to the employees of BDAO and BDA Oil and Gas, take the position that BDAO and BDAOG prior to the Closing each meet the definition of "predecessor" and the Company meets the definition of "successor" as defined in Revenue Procedure 96-60, 1996-2 C.B. 399, and Treasury Regulation section 31.3121(a)(1)-1(b). Absent a mutual agreement with the Company to the contrary, each party will use the "Standard Procedure" described in section 4 of Revenue Procedure 96-60. Laufer and Blackie

shall promptly supply the Company, with respect to all of such employees, all cumulative payroll information as of the Effective Time to comply with Treasury Regulation section 31.3121(a)(1)-1(b).

(d) All Parties shall cooperate fully, as and to the extent reasonably requested by the Company, in connection with any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the Company's request) the provision of records and information that are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Each Party agrees (A) to retain all books and records with respect to Tax matters relating to the Party's Contribution relating to any taxable period beginning before the Effective Time until the expiration of the statute of limitations (including extensions thereof) of the respective taxable periods, and to abide by all record retention agreements entered into with any taxing authority, and (B) to give the Company reasonable written notice prior to transferring, destroying or discarding any such books and records and, if the Company requests, shall allow the Company to take possession of such books and records.

6.2 Termination of Exploration Agreement. At the Closing, the Exploration Agreement shall be terminated by written agreement of the parties thereto (without any liability to any party thereto) and shall be of no further force and effect. All warrants to purchase common stock of Comstock Resources that are not earned by the Effective Time pursuant to the terms of the Exploration Agreement are hereby cancelled, forfeited and of no further force and effect; provided that Laufer and Blackie shall be entitled to receive the warrants due under the Exploration Agreement on any well that has been spudded prior to the Closing Date as long as the well is a qualifying well under the Exploration Agreement and such well is completed as a successful well as provided therein. Comstock Offshore will be reimbursed for (a) all advances not previously reimbursed and (b) all out of pocket costs incurred with respect to prospects identified but not drilled as of the Effective Time, in each case pursuant to the Exploration Agreement. In the event the Company is dissolved pursuant to Section 17.7 of the Operating Agreement, the Exploration Agreement shall be reinstated in accordance with its terms.

6.3 Loans by Comstock Resources. Comstock Resources agrees to advance funds from time to time to the Company in such amounts as the Board of Managers of the Company may reasonably request, with an aggregate amount outstanding at any time not to exceed $200 million (the "Loans"). Such Loans shall be pursuant to a Loan Agreement in the form of Exhibit D attached hereto, and shall be secured by a Lien on all of the Properties pursuant to deeds of trust, mortgages and other security documents acceptable to Comstock Resources.

6.4 Services Agreement. At the Closing, Comstock Resources and the Company shall enter into the Services Agreement in the form attached hereto as Exhibit E.

6.5 Adoption of Incentive Plan. As of the Closing, the Company shall adopt the Bois d'Arc Energy, LLC Long Term Incentive Plan in the form attached hereto as Exhibit F (the "LTIP"). The initial awards under the LTIP will be as set forth on Schedule 6.5.

6.6 Overriding Royalty Incentive Plan. As of the Closing, the Company shall adopt the Bois d'Arc Energy, LLC Overriding Royalty Interest Incentive Plan in the form attached hereto as Exhibit G.

6.7 Employee Benefit Plans. Comstock Resources shall permit the employees of the Company to participate in its Employee Benefit Plan, a group medical and welfare benefits plan. The Company shall adopt and maintain a 401(k) plan for its employees.

6.8 Employment Arrangements. At the Closing, (a) the Company and Blackie shall enter into an employment agreement in the form attached hereto as Exhibit H-1 and (b) the Company and Laufer shall enter into an employment agreement in the form attached hereto as Exhibit H-2.

6.9 Guaranty of Credit Facility Debt. The Parties acknowledge and agree that each of the Company, the New Subsidiary, the New GP, BDAO and BDAOG will become a guarantor under the Comstock Credit Facility, and will deliver all documents contemplated thereby.

6.10 Guaranty of Indenture Debt. The parties acknowledge and agree that each of the Company, the New Subsidiary, the New GP, BDAO and BDAOG will become a guarantor and restricted subsidiary under the Indenture, and will deliver all documents contemplated thereby.

6.11 Cooperation with Accountants. Each of the Parties agrees to cooperate with the Company's accountants and provide such accountants with all books and records as may be requested in connection with the preparation of audited financial statements for the Company that may be necessary for a subsequent financing transaction. Any Party considered a "predecessor" to the Company shall further allow the Company's accountants to perform audits of its financial statements for prior periods to the extent necessary for a subsequent financing transaction.

6.12 Expenses. Except as otherwise provided in this Agreement, all expenses involved in the preparation and negotiation of this Agreement and the transactions contemplated hereby shall be borne by the Company. The Company shall reimburse each of the Comstock Parties, Laufer and Blackie any such expenses paid by such Party.

ARTICLE VII
CONDITIONS TO THE CLOSING

7.1 Conditions to Each Party's Obligation to Close. The respective obligations of each Party to effect the transactions contemplated by this Agreement shall be subject to the fulfillment or waiver, if permissible, of the following conditions prior to the Closing:

(a) no preliminary or permanent injunction or other order or decree by any federal or state court which prevents the consummation of the transactions contemplated by this Agreement shall have been issued and remain in effect (each Party hereby agreeing to use its reasonable efforts to have any such injunction, order or decree lifted);

(b) no action shall have been taken, and no statute, rule or regulation shall have been enacted, by any state or federal government or governmental agency in the United

States which would prevent the consummation of the transactions contemplated by this Agreement or make the consummation of the transactions contemplated by this Agreement illegal; and

(c) If Sally Blackie and Bets West, LLC elect to participate in the transactions contemplated by this Agreement, the Company shall have received the necessary instruments in form and substance satisfactory to it from Sally Blackie regarding the relinquishment and cancellation of certain rights and such other matters with respect to the Properties as the Company determines.

ARTICLE VIII
TERMINATION AND WAIVER

8.1 Termination.

(a) Any Contributor shall have the right to terminate this Agreement if the transactions contemplated by this Agreement are enjoined by a final, unappealable court order.

(b) This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing by mutual written agreement of BDAR and Comstock Offshore.

8.2 Effect of Termination. If this Agreement is terminated by a Party pursuant to the provisions of Section 7.1, this Agreement shall forthwith become void and there shall be no further obligations on the part of any of the Parties, or their respective stockholders, partners, members, directors, officers, managers, employees, agents or representatives other than Section 10.15 and this Section 8.2. Notwithstanding the preceding sentence or any other provision set forth herein, nothing in this Section 8.2 shall relieve any Party from liability for any breach of this Agreement.

8.3 Extensions; Waiver. At any time prior to the Closing, the Parties may (a) extend the time for the performance of any of the obligations or other acts of the other Parties, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant thereto and (c) waive compliance with any of the agreements or conditions herein. Any agreement on the part of a Party to any such extension or waiver shall be valid if set forth in an instrument in writing signed on behalf of such Party. No waiver, or failure to insist upon strict compliance, by any Party of any condition or any breach of any obligation, term, covenant, representation, warranty or agreement contained in this Agreement, in any one or more instances, shall be construed to be a waiver of, or estoppel with respect to, any other condition or any other breach of the same or any other obligation, term, covenant, representation, warranty or agreement.

ARTICLE IX
REMEDIES

9.1 Right to Indemnification Not Affected by Knowledge. The right to indemnification in accordance with the provisions of this Article will not be affected by any investigation conducted with respect to, or any Knowledge of the Indemnified Party (as defined

herein below), whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant or obligation.

9.2 Indemnification by Laufer and Blackie. Except as otherwise expressly provided in this Article IX and subject to the limitations stated in this Article IX, Laufer and Blackie severally and not jointly agree to, and shall, defend, indemnify and hold harmless the Company, the New Subsidiary and the Comstock Parties (and their respective officers, directors, employees, agents, shareholders, members and partners) from and against, and shall reimburse the Company, the New Subsidiary and the Comstock Parties (and their respective officers, directors, employees, agents, shareholders, members and partners) for, all Losses incurred by the Company, the New Subsidiary and the Comstock Parties (and their respective officers, directors, employees, agents, shareholders, members and partners), relating to, resulting from or arising out of (including, without limitation, as a result of any allegation by any third party) the following: (a) any inaccuracy in any representation or warranty of either Laufer or Blackie under Article II of this Agreement; (b) any breach or nonfulfillment of any covenant, agreement or other obligation of Laufer or Blackie of any provision of this Agreement; or (c) any Tax of BDAO or BDAOG attributable to a Pre-Effective Period.

9.3 Indemnification by the BDA Contributors. Except as otherwise expressly provided in this Article IX and subject to the limitations stated in this Article IX, each BDA Contributor agrees to, and shall severally and not jointly, defend, indemnify and hold harmless the Company, the New Subsidiary and the Comstock Parties (and their respective officers, directors, employees, agents, shareholders, members and partners) from and against, and shall reimburse the Company, the New Subsidiary and the Comstock Parties (and their respective officers, directors, employees, agents, shareholders, members and partners) for, all Losses incurred by the Company, the New Subsidiary and the Comstock Parties (and their respective officers, directors, employees, agents, shareholders, members and partners), relating to, resulting from or arising out of (including, without limitation, as a result of any allegation by any third party) the following: (a) any inaccuracy in any representation or warranty of the indemnifying BDA Contributor under Articles III and V of this Agreement; (b) any breach or nonfulfillment of any covenant, agreement or other obligation of the applicable BDA Contributor of any provision of this Agreement; or (c) any Tax attributable to a Pre-Effective Period related to the BDA Properties; or (d) the breach by the BDA Contributor of any of its duties (including duties of disclosure) to its respective Distributees, if applicable, arising in connection with the transactions contemplated by this Agreement; or (e) obligations or liabilities of such BDA Contributor to any of its former partners, members, employees or agents on account of such Person’s present or former interest in or right to participate in the revenues or profits of such BDA Contributor.

9.4 Indemnification by the Comstock Parties. Except as otherwise expressly provided in this Article IX and subject to the limitations stated in this Article IX, Comstock Offshore and Comstock Resources jointly and severally agree to, and shall, defend, indemnify and hold harmless the Company, the New Subsidiary and the BDA Contributors (and their respective officers, directors, employees, agents, shareholders, members and partners) from and against, and shall reimburse the Company, the New Subsidiary and the BDA Contributors (and their respective officers, directors, employees, agents, shareholders, members and partners) for, each and every Loss incurred by the Company, the New Subsidiary and the BDA Contributors (and

their respective officers, directors, employees, agents, shareholders, members and partners), relating to, resulting from or arising out of (including, without limitation, as a result of any allegation by any third party) the following: (a) any inaccuracy in any representation or warranty of either Comstock Party under Articles IV and V of this Agreement; (b) any breach or nonfulfillment of any covenant, agreement or other obligation of either Comstock Party under any provision of this Agreement; or (c) any Tax attributable to a Pre-Effective Period related to the Comstock Properties.

9.5 Notice and Defense of Third-Party Claims. If any judicial, administrative, arbitration or investigatory proceeding or other proceeding, claim or controversy (collectively, a "Proceeding") shall be brought or asserted under this Article IX against an indemnified party or any successor thereto (the "Indemnified Person") in respect of which indemnity may be sought under this Article IX from an indemnifying person or any successor thereto (the "Indemnifying Person"), the Indemnified Person shall give prompt written notice of such Proceeding to the Indemnifying Person who shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Person and the payment of all reasonable expenses; provided, that any delay or failure so to notify the Indemnifying Person shall relieve the Indemnifying Person of its obligations hereunder only to the extent, if at all, that it is materially prejudiced by reason of such delay or failure. In no event shall any Indemnified Person be required to make any expenditure or bring any cause of action to enforce the Indemnifying Person's obligations and Liability under and pursuant to the indemnifications set forth in this Article IX. The Indemnified Person shall have the right to employ separate counsel in any of the foregoing Proceedings and to participate in the defense thereof, but the reasonable fees and expenses of such counsel shall be at the expense of the Indemnified Person unless the Indemnified Person shall in good faith determine that there exist actual or potential conflicts of interest which make representation by the same counsel inappropriate. The Indemnified Person's right to participate in the defense or response to any Proceeding should not be deemed to limit or otherwise modify its rights or obligations under this Article IX. In the event that the Indemnifying Person, within twenty (20) days after notice of any such Proceeding, fails to assume the defense thereof, the Indemnified Person shall have the right to undertake the defense, compromise or settlement of such Proceeding for the account of and at the expense of the Indemnifying Person. Anything in this Article IX to the contrary notwithstanding, the Indemnifying Person shall not, without the Indemnified Person's prior written consent (which consent shall not be unreasonably withheld), settle or compromise any Proceeding or consent to the entry of any judgment with respect to any Proceeding; provided, however, the Indemnified Person's prior written consent is not required if (A) there is no finding or admission of any violation of law, rule, regulation or other legal requirement or any violation of the rights of any person and no effect on any other claims that may be made against the Indemnified Person, (B) the Indemnified Person receives as part of such settlement a legal, binding and enforceable unconditional satisfaction and/or release, in form and substance reasonably satisfactory to it, providing that any claimed liability of the Indemnified Person with respect thereto is being fully satisfied by reason of such compromise or settlement and that the Indemnified Person is being released from any and all obligations or liabilities it may have with respect thereto, and (C) the sole relief provided is monetary damages that are paid in full by the Indemnifying Person.

9.6 Limitations of Liability. In calculating the amount of any Loss for which any Indemnifying Person is liable under this Article IX there shall be taken into consideration the

amount of any insurance recoveries from third-party insurers which the Indemnified Person actually receives as a direct consequence of the circumstances to which the Loss related or from which the Loss resulted or arose, except to the extent such insurance recoveries have or are reasonably anticipated to result in future or retroactive premium increases.

9.7 Specific Performance; Injunctive and Other Equitable Relief. Each Party hereto acknowledges that a violation or attempted violation of any of the covenants and agreements herein will cause such damage to the other Parties as will be irreparable, the exact amount of which would be difficult or impossible to ascertain and for which there will be no adequate remedy at law, agrees that the other Parties hereto shall be entitled as a matter of right to specific performance and injunctive and other equitable relief in case of such violation or attempted violation as well as any injunctive and other equitable relief in case of such violation or attempted violation as well as any and all costs and expenses sustained or incurred in obtaining any such equitable relief, including, without limitation, reasonable attorneys' fees, and agrees to waive any requirement for the securing or posting of any bond or other security in connection with the obtaining of any such injunction or other equitable relief.

9.8 Certain Joinder to Indemnification. Laufer hereby joins in and agrees to be bound by the indemnification obligation of Haro under Section 9.3 to the same extent as Haro is bound thereby.

ARTICLE X
MISCELLANEOUS

10.1 Survival of Representations and Warranties. The Parties agree that all of their respective representations and warranties contained in this Agreement, the Schedules hereto or any certificate, agreement or document delivered under this Agreement shall survive the Closing. Notwithstanding the foregoing, all representations and warranties shall terminate upon consummation of a Financing Transaction.

10.2 Brokers and Finders. All negotiations on behalf of the Parties relating to this Agreement and the transactions contemplated by this Agreement have been carried on by the Parties and their respective agents directly without the intervention of any other person in such manner as to give rise to any claim against any other Party for financial advisory fees, brokerage or commission fees, finder's fees or other like payment in connection with the consummation of the transactions contemplated hereby.

10.3 Entire Agreement; Assignment. This Agreement together with the Ancillary Documents constitute the entire agreement among the Parties with respect to the subject matter hereof, and supersede all other prior agreements and understandings, both written and oral, among the Parties or any of them with respect to the subject matter hereof. This Agreement shall not be assigned (by operation of law or otherwise) by any Party without the prior written consent of all other Parties. No assignment shall relieve the assigning party of any obligation hereunder.

10.4 Amendment and Modification. This Agreement may be amended, modified or supplemented only by written agreement of all of the Parties.

10.5 Further Assurances. From time to time, the Parties shall execute and deliver such further agreements, documents, certificates and other instruments and shall take or cause to be taken such other actions as shall be reasonably necessary or advisable to carry out the purposes of and effect the transactions contemplated by this Agreement.

10.6 Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement, which shall remain in full force and effect.

10.7 Address for Notices. All notices, demands, consents and reports provided for in this Agreement shall be in writing and shall be given to the Parties at the addresses set forth herein or at such other addresses as a Party may hereafter specify in writing. Such notices may be delivered by hand or by telecopy or may be mailed, postage prepaid, by certified or registered mail, by a deposit in a depository for the receipt of mail regularly maintained by the United States Postal Service. All notices which are hand delivered or delivered by telecopy shall be deemed given on the date of delivery. Except as otherwise provided herein, all notices which are mailed in the manner provided above shall be deemed given upon receipt.

if to any BDA Contributor:

c/o Bois d'Arc Resources, Ltd.
600 Travis, Suite 6275
Houston, Texas 77002
Attn: Mr. Gary Blackie
Telecopy: (713) 228-1759

with a copy (which shall not constitute notice) to:

Crady, Jewett & McCulley, L.L.P.
2727 Allen Parkway, Suite 1700
Houston, Texas 77019-2125
Attention: Larry Glenn
Telecopy No.: (713) 739-8403

if to either Comstock Party:

c/o Comstock Resources, Inc.
5300 Town and Country Blvd., Suite 500
Frisco, Texas 75034
Attention: Mr. M. Jay Allison
Telecopy No.: (972) 668-8812

with a copy (which shall not constitute notice) to:

Locke Liddell & Sapp LLP
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201
Attention: Jack E. Jacobsen
Telecopy No.: (214) 756-8553

10.8 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

10.9 Dispute Resolution.

(a) Negotiation. The Parties shall attempt to resolve any dispute arising out of or relating to this Agreement or the termination, breach, or validity of this Agreement, promptly by good faith negotiation among representatives who have authority to resolve the controversy. Any Party may give the other Parties written notice of any dispute not resolved in the normal course of business. Within ten (10) days after delivery of the notice, the receiving Party shall submit to the others a written response. The notice and the response shall include (a) a statement of the Party's concerns and perspectives on the issues in dispute, (b) a summary of supporting facts and circumstances and (c) the identity of the representative who will represent such Party. Within fifteen (15) days after delivery of the original notice, the representatives of the Parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to resolve the dispute. All negotiations pursuant to this clause and clause (b) below are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

(b) Mediation. If a dispute is not resolved by discussion between or among Parties, any Party may by notice to the other Party with whom such dispute exists require mediation of the dispute, which notice shall identify the names of no fewer than three (3) potential mediators. Each Party among whom the dispute exists agrees to participate in mediation of the dispute and will in good faith attempt to agree upon a mediator. If the Parties are unable to agree upon a mediator within fifteen (15) days after such notice or if such dispute shall not have been resolved by mediation within thirty (30) days after such notice, then any such Party may file for arbitration pursuant to subsection (c) below. All expenses of the mediator shall be equally shared by the Parties among whom the dispute exists.

(c) Binding Arbitration.

(i) Any dispute arising out of or relating to this Agreement or the breach, termination, or validity of the Agreement which has not been resolved by mediation within thirty (30) days of the initiation of such procedure, or which has not been resolved prior to the termination of mediation, shall be resolved by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA") in effect on the date of this Agreement. If a party to a dispute fails to participate in mediation, the others may initiate arbitration before expiration of the above period. If the amount of the claim asserted by the

claimant in the arbitration exceeds $1,000,000, the Parties agree that the American Arbitration Association Optional Procedures for Large, Complex Commercial Disputes will be applied to the dispute.

(ii) The AAA shall suggest a panel of arbitrators, each of whom shall be knowledgeable with respect to the subject matter of the dispute. Arbitration shall be before a sole arbitrator if the disputing Parties agree on the selection of a sole arbitrator. If not, arbitration shall be before three independent and impartial arbitrators, all of whom shall be appointed by the American Arbitration Association in accordance with its rules.

(iii) The place of arbitration shall be Houston, Texas.

(iv) The arbitrator(s) are not empowered to award damages in excess of compensatory damages.

(v) The award rendered by the arbitrators shall be in writing and shall include a statement of the factual bases and the legal conclusions relied upon by the arbitrators in making such award. The arbitrators shall decide the dispute in compliance with the applicable substantive law and consistent with the provisions of the Agreement, including limits on damages. The award rendered by the arbitrator(s) shall be final and binding, and judgment upon the award may be entered by any court having jurisdiction thereof.

(vi) All matters relating to the enforceability of the arbitration provisions of this Agreement and any award rendered pursuant to this Agreement shall be governed by the Federal Arbitration Act, 9 U.S.C. § 1-16. The arbitrators shall apply the substantive law of the State of Texas, exclusive of any conflict of law rules.

(vii) Nothing in this Section 10.9 shall limit the rights of the Parties to obtain provisional, ancillary or equitable relief from a court of competent jurisdiction.

(d) Expenses. Each Party shall pay its own expenses of arbitration and the expenses of the arbitrators shall be equally shared; provided, however, if in the opinion of the arbitrators any claim by any party hereunder or any defense or objection thereto by the other party was unreasonable and not made in good faith, the arbitrators may assess as part of the award, all or any part of the arbitration expense (including without limitation reasonable attorneys fees) of the other party and of the arbitrators against the party raising such unreasonable claim, defense or objection. Nothing herein shall prevent the Parties from settling the dispute by mutual agreement at any time.

10.10 Waiver. Each Party waives any right that such Party may have to commence any action in any court with respect to any dispute among the Parties relating to or arising under this Agreement or the rights or obligations of any Party hereunder, other than an action brought to enforce the arbitration provisions of Section 10.9 hereof. The Parties agree that any such action shall be brought (and venue for any such action shall be appropriate) in Dallas, Texas.

10.11 Descriptive Headings. The descriptive headings are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

10.12 Parties in Interest; No Third-Party Beneficiary. This Agreement shall be binding upon and inure solely to the benefit of each Party hereto, and nothing in this Agreement, express or implied, is intended to confer upon any other person, including any party to a Financing Transaction, any rights or remedies of any nature whatsoever under or by reason of this Agreement.

10.13 Counterparts; Facsimile Signatures. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement. The Parties hereto agree that signatures of the Parties and their duly authorized managers and/or officers may be exchanged by facsimile transmission, and that such signatures shall be binding to the same extent, and have the same force and effect, as the exchange of original written signatures. The originals of such signatures shall be sent to the other Parties hereto by overnight courier.

10.14 Incorporation by Reference. Any and all Schedules, Exhibits, annexes, statements, reports, certificates or other documents or instruments referred to herein or attached hereto are incorporated herein by reference hereto as though fully set forth at the point referred to in the Agreement.

10.15 Public Announcements. Each of the Parties agree that, prior to the making of any public announcement or any disclosure to any third party with respect to the transactions contemplated by this Agreement, it will consult with the other Parties hereto and shall either agree upon the text of a joint announcement or obtain the others' prior, written approval of an announcement to be made solely on behalf of such Party. Any of the Parties may make such disclosures or statements as it determines may be required by law, regulation, or rule of any bona fide Governmental Authority (provided that before making any such disclosure or statement, the Party making the disclosure shall discuss the nature and manner of such disclosure with the other Parties).

10.16 Confidentiality. Each Party acknowledges that it will be receiving information that is non-public, confidential and proprietary in nature. Each Party agrees for itself and its affiliates, representatives, employees and agents to keep such information received from the other Party confidential and not to disclose or use such information for any purpose other than with respect to evaluating the transactions contemplated by this Agreement. Each Party further agrees to keep confidential the terms and substance of this Agreement, except for disclosure to such Party's advisors or as may be required by applicable laws, rules or regulations (including, without limitation, SEC and NYSE rules and regulations).

10.17 Certain Definitions. For the purposes of this Agreement, the following terms shall have the meanings specified or referred to below whether or not capitalized when used in this Agreement.

(a) "Affiliate" of any Person shall mean any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under direct or indirect common control with, such first Person. For purposes of this definition, the term "control" (including the correlative meanings of the terms "controls," "controlled by," and "under direct or indirect control with") as used with respect to any Person, shall mean the

possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities, by contract, or otherwise.

(b) “Ancillary Documents” means all agreements, documents and instruments to be executed by any of the Contributors in connection with this Agreement, including without limitation, the Operating Agreement, the Transfer Restriction Company and the Assignments.

(c) “Assignments” means the assignments conveying the BDA Equity Interests (in the form of Exhibit C-1) and the assignments conveying the Properties (in the form of Exhibit C-2).

(d) “Assumed Liabilities” means, collectively, the assumption by the Company from each of the Contributors of the Liabilities set forth opposite each Contributor’s name on Schedule 1.0 and the Ordinary Course Liabilities.

(e) “BDA Controlled Group” means BDAO, BDAOG, any Affiliate of either entity or any other organization that together with either entity is treated as a single employer under Section 414 of the Code.

(f) “BDA Operated Properties” has the meaning set forth in Section 2.5.

(g) “BDA Properties” means the assets and properties to be contributed by the BDA Contributors as set forth on Schedule 1.2.

(h) “BDAO Working Capital” has the meaning set forth in Section 1.8(d).

(i) “Benefit Arrangements” means each and all retirement, savings, bonus, commission, deferred compensation, incentive compensation, holiday, vacation, severance pay, stock option, stock purchase, performance, sick pay, sick leave, disability, tuition refund, service award, company car, scholarship, relocation, patent award, fringe benefit or other employee benefit plans, and contracts, policies, practices or arrangements providing employee or executive compensation benefits to employees, other than the Benefit Plans.

(j) “Benefit Plans” means each and all “employee benefit plans” as defined in Section 3(3) of ERISA, currently or at any time during the past six years maintained or contributed to by the Controlled Group, including (i) any such plans that are “employee welfare benefit plans” as defined in Section 3(1) of ERISA, and (ii) any such plans that are “employee pension benefit plans” as defined in Section 3(2) of ERISA, regardless of whether such Benefit Plans are excluded from ERISA coverage by Section 4 of ERISA.

(k) “Class A Units” means the Class A Units of the Company as provided in the Operating Agreement.

(l) “Class B Units” means the Class B Units of the Company as provided in the Operating Agreement.

(m) “Closing” has the meaning set forth in Section 1.6.

(n) “Closing Date” has the meaning set forth in Section 1.6.

(o) “Code” means the Internal Revenue Code of 1986, as amended.

(p) “Comstock Credit Facility” means the bank credit facility evidenced by the Amended & Restated Credit Agreement dated as of February 25, 2004 by and among Comstock Resources, Bank of Montreal, as agent, and the lenders party thereto.

(q) “Comstock Properties” means the assets and properties to be contributed by Comstock Offshore as set forth on Schedule 1.1.

(r) “Contributions” means collectively the BDA Equity Contributions, the BDA Property Contributions and the Comstock Contribution.

(s) “Contributor” means each of the BDA Contributors and Comstock Offshore.

(t) “Distributee” has the meaning set forth in Section 1.8(e).

(u) “Effective Time” means (i) 7:00 a.m. (C.D.T.) on July 1, 2004 with respect to (1) the transfer of interests in crude oil and (2) the transfer of the BDA Equity Interests, and (ii) 9:00 a.m. (C.D.T.) on July 1, 2004 with respect to the transfer of interests in natural gas.

(v) “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

(w) “Exploration Agreement” means the Exploration Agreement dated as of July 31, 2001, among Comstock Resources, Comstock Offshore, BDAR, BDAO, Laufer and Blackie.

(x) “Financing Transaction” has the meaning set forth in the Operating Agreement.

(y) “GAAP” means generally accepted United States accounting principles, consistently applied.

(z) “Good and Marketable Title” means (1) with respect to the BDA Contributors, such title that: (i) is deducible of record (from the records of the applicable parish or county or (A) in the case of federal leases, from the records of the applicable office of the Minerals Management Service or Bureau of Land Management, and (B) in the case of state leases, from the records of the applicable state land office) or is assignable to the BDA Contributors out of an interest of record (as so defined) by reason of the performance by the BDA Contributors of all operations required to earn an enforceable right to such assignment; (ii) entitles the BDA Contributors to receive not less than the interest set forth on Schedule 1.2 with respect to each proved property evaluated therein under the caption “Net Revenue Interest” or “NRI” without reduction during the life of such property except as stated on Schedule 1.2; (iii) obligates the BDA Contributors to pay costs and expenses relating to each such proved

property in an amount not greater than the interest set forth under the caption "Working Interest" or "WI" on Schedule 1.2 with respect to such property without increase over the life of such property except as shown on Schedule 1.2; and (iv) does not restrict the ability of the BDA Contributors to utilize the properties as currently intended; except in each case where deficiencies referenced in clauses (i) through (iv) would reasonably be expected to have a Material Adverse Effect on the value of such properties; and (2) with respect to Comstock Offshore, such title that: (w) is deducible of record (from the records of the applicable parish or county or (A) in the case of federal leases, from the records of the applicable office of the Minerals Management Service or Bureau of Land Management, and (B) in the case of state leases, from the records of the applicable state land office) or is assignable to Comstock Offshore out of an interest of record (as so defined) by reason of the performance by Comstock Offshore of all operations required to earn an enforceable right to such assignment; (x) entitles Comstock Offshore to receive not less than the interest set forth on Schedule 1.1 with respect to each proved property evaluated therein under the caption "Net Revenue Interest" or "NRI" without reduction during the life of such property except as stated on Schedule 1.1; (y) obligates Comstock Offshore to pay costs and expenses relating to each such proved property in an amount not greater than the interest set forth under the caption "Working Interest" or "WI" on Schedule 1.1 with respect to such property without increase over the life of such property except as shown on Schedule 1.1; and (z) does not restrict the ability of the Comstock Offshore to utilize the properties as currently intended; except in each case where deficiencies referenced in clauses (w) through (z) would reasonably be expected to have a Material Adverse Effect on the value of such properties.

(aa) "Governmental Authority" means the governments of the United States and any state or county, city, and political subdivisions, and any agency, department, board, or other instrumentality thereof.

(bb) "Indenture" means the Indenture by and among Comstock Resources, the guarantors named therein, and the Bank of New York Trust Company, N.A., trustee, dated as of February 25, 2004, with respect to Comstock Resources' 6-7/8% Senior Notes due 2012, as amended and supplemented from time to time.

(cc) "Knowledge" An individual shall be deemed to have "Knowledge" of a particular fact or other matter if the individual has current, actual knowledge of such fact or other matter. An entity shall be deemed to have "Knowledge" of a particular fact or other matter if any general partner, manager, director or executive officer of such entity or such entity's general partner or any member (as applicable) has current, actual knowledge of such fact or other matter.

(dd) "Liability" means any debt, obligation, duty or liability of any nature (including any undisclosed, unliquidated, unsecured, unmatured, unaccrued, unasserted, contingent, conditional or secondary liability), regardless of whether such debt, obligation, duty or liability would be required to be disclosed on a balance sheet prepared in accordance with GAAP.

(ee) "Liens" means any mortgage, pledge, hypothecation, claim, assignment, encumbrance lien, charge or preference, or other security interest of any kind or nature whatsoever.

(ff) “Losses” means claims, actions, demands, penalties, damages, costs and expenses, including without limitation, reasonable attorneys’ fees.

(gg) “Material Adverse Effect” means (1) with respect to any BDA Contributor, a material adverse effect (either individually or in the aggregate) on the condition (financial or otherwise), liabilities, business, assets, or results of operations of the BDA Properties or the applicable BDA Contributor, other than any effects arising out of or resulting from changes affecting the economy or financial conditions generally or from the transactions contemplated hereby, and (2) with respect to Comstock Offshore, a material adverse effect (either individually or in the aggregate) on the condition (financial or otherwise), liabilities, business, assets, or results of operations of the Comstock Properties or Comstock Offshore, other than any effects arising out of or resulting from changes affecting the economy or financial conditions generally or from the transactions contemplated hereby.

(hh) “Operating Agreement” means the Operating Agreement of the Company dated as of July 1, 2004 and in the form of Exhibit A attached hereto.

(ii) “Ordinary Course Liabilities” means all liabilities and obligations that arise in the ordinary course with respect to ownership of the Properties that accrue from and after the Effective Time, including without limitation, the obligation to plug and abandon wells and remove production facilities.

(jj) “Person” means any natural person, corporation, joint venture, partnership, limited partnership, limited liability company, trust, estate, business trust, association, Governmental Authority, or any other juristic entity.

(kk) “Pre-Effective Period” means all Tax periods ending on or before the Effective Time and the portion of any Straddle Period ending on the Effective Time.

(ll) “Properties” means collectively, the BDA Properties and the Comstock Properties.

(mm) “Rule 144” means Rule 144, promulgated under the authority of the Securities Act, as amended as of the date hereof.

(nn) “Securities Act” means the Securities Act of 1933, as amended as of the date hereof.

(oo) “Straddle Period” means all Tax periods beginning on or before and ending after the Effective Time.

(pp) “Tax” or “Taxes” means any federal, foreign, state, county and local income, gross receipts, franchise, estimated, alternative minimum, add-on minimum, sales, use, transfer, real property gains, registration, value added, excise, natural resources, severance, stamp, occupation, premium, windfall profit, environmental, customs, duties, real property, personal property, capital stock, social security, unemployment, disability, payroll, license, employee or other withholding, or other tax, of any kind whatsoever, including any interest, penalties or additions to tax or additional amounts in respect of the foregoing; the foregoing shall

include any transferee or secondary liability for a Tax and any liability assumed by agreement or arising as a result of being (or ceasing to be) a member of any affiliated group (whether federal, state, or local) or being included (or required to be included) in any Tax Return relating thereto.

(qq) "Tax Return" means any return, declaration, report, claim for refund, information return or other document (including any related or supporting schedule, statement or information) filed or required to be filed in connection with the determination, assessment or collection of any Tax of any party or the administration of any laws, regulations or administrative requirements relating to any Tax.

(rr) "Transfer Restriction Agreement" means the Transfer Restriction Agreement among the Company and the members of the Company in the form of Exhibit B attached hereto.

(ss) "Units" means collectively the Class A Units and the Class B Units.

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed on its behalf as of the date first above written.

THE COMPANY:

BOIS D'ARC ENERGY, LLC

By: /s/ GARY W. BLACKIE
Name: Gary W. Blackie
Title: President

THE NEW SUBSIDIARY:

BOIS D'ARC PROPERTIES, LP

By: Bois d'Arc Holdings, LLC,
its general partner

By: /s/ WAYNE L. LAUFER
Name: Wayne L. Laufer
Title: CEO of Bois d'Arc Energy, LLC - Sole Member

BDA CONTRIBUTORS:

BOIS D'ARC RESOURCES, LTD.

By: Bois d'Arc Interests LLC,
its general partner

/s/ WAYNE L. LAUFER
Wayne L. Laufer, Manager

/s/ GARY W. BLACKIE
Gary W. Blackie, Manager

/s/ WAYNE L. LAUFER
WAYNE L. LAUFER

/s/ GARY W. BLACKIE
GARY W. BLACKIE

COMSTOCK OFFSHORE, LLC

	/s/ ROLAND O. BURNS
Name:	Roland O. Burns
Title:	Senior Vice President

BOIS D'ARC RESOURCES, LTD.

By: Bois d'Arc Interests, LLC,
General Partner

By: /s/ WAYNE L. LAUFER
Wayne L. Laufer, Manager

By: /s/ GARY W. BLACKIE
Gary W. Blackie, Manager

/s/ M. JAY ALLISON

M. JAY ALLISON

/s/ ROLAND O. BURNS

ROLAND O. BURNS

/s/ WAYNE L. LAUFER

WAYNE L. LAUFER

/s/ GAYLE LAUFER

GAYLE LAUFER

/s/ GARY W. BLACKIE

GARY W. BLACKIE

HARO INVESTMENTS LLC

By: /s/ WAYNE L. LAUFER
Its: Sole Member

BETS WEST INTERESTS, L.P.

/s/ SALLY L. BLACKIE
Title: President

CADE OIL INVESTMENTS, INC.

/s/ WILLIAM W. CADE
Title: President

/s/ GEORGE FENTON

/s/ JOCELYN FENTON

/s/ CHIALING YOUNG

/s/ D. MICHAEL HARRIS

/s/ WILLIAM HOLMAN

JAY PETROLEUM OF LA, LLC

/s/ WILLIAM C. LANGFORD

Title: Managing Partner

/s/ STEVE KNECHT

/s/ GREGORY T. MARTIN

/s/ KERRY W. STEIN

PEGASUS ENERGY, LLC

/s/ NICHOLAS J. ARTHUR

Title: Manager

Exhibit 10.3

SERVICES AGREEMENT

This SERVICES AGREEMENT (this "Agreement") is dated as of July 16, 2004 (the "Formation Date"), by and between Comstock Resources, Inc., a Nevada corporation ("Comstock"), and Bois d'Arc Energy, LLC, a Nevada limited liability company ("Bois d'Arc"). Unless otherwise defined herein, capitalized terms have the meaning assigned to them in the Contribution Agreement (defined herein).

WHEREAS, pursuant to the Contribution Agreement, Comstock and certain other parties have formed Bois d'Arc by the contribution of certain oil and gas properties and other assets and properties in exchange for membership interests in Bois d'Arc; and

WHEREAS, the Contribution Agreement contemplates the execution of this Agreement pursuant to which Comstock will provide certain accounting, human resources and other services to Bois d'Arc for a period of time and otherwise on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Description of Services**.

(a) Effective as of the Formation Date, Comstock shall, subject to the terms and provisions of this Agreement, provide Bois d'Arc with accounting and other financial services as generally described on Schedule 1.1 and human resources services as generally described on Schedule 1.2, and such other services as may reasonably be requested by Bois d'Arc from time to time, such services to be rendered by Comstock's internal staff.

(b) This Agreement does not apply to, and the services to be provided hereunder do not include, any services that M. Jay Allison or Roland O. Burns may provide to Bois d'Arc in their roles as members of Bois d'Arc's board of managers or any other activity related to such board of managers. Mr. Allison and Mr. Burns shall not receive any salary or cash compensation from Bois d'Arc nor shall any portion of their compensation paid by Comstock be charged or allocated to Bois d'Arc.

(c) It is the intent of the parties hereto that Comstock provide only the services requested by Bois d'Arc in connection with routine functions related to the ongoing operations of Bois d'Arc and not with respect to special projects, including corporate investments, acquisitions and divestitures. The parties hereto contemplate that the services rendered in connection with the conduct of Bois d'Arc's business will be on a scale compared to that existing on the effective date of this Agreement, adjusted for internal corporate growth or contraction, but not for major corporate acquisitions or divestitures, and that adjustments may be required to the terms of this Agreement in the event of such major corporate acquisitions, divestitures or special projects. Bois d'Arc will continue to bear all other costs required for outside services including, but not

limited to, the outside services of attorneys, auditors, trustees, consultants, transfer agents and registrars, and it is expressly understood that Comstock assumes no liability for any expenses or services other than those stated in Section 1(a).

2. Consideration for Services. Bois d'Arc shall pay Comstock an amount equal to $20,000 per month for the services to be provided under Section 1(a) (the "Fee"). In addition, Bois d'Arc will reimburse Comstock for any out-of-pocket costs paid to a third party incurred by Comstock in rendering such services; provided, that any such costs in excess of $5,000 shall be approved in advance by the Chief Executive Officer or President of Bois d'Arc.

3. Terms of Payment. The monthly Fee will be paid in arrears and due on the 1st day of the month following the month for which the Fee accrued.

4. Method of Payment. All amounts payable by Bois d'Arc for the services rendered by Comstock pursuant to this Agreement shall be remitted to Comstock in United States dollars in the form of a check or wire transfer.

5. Warranties. THIS IS A SERVICE AGREEMENT. EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, THERE ARE NO WARRANTIES OR GUARANTIES, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, TITLE AND FITNESS FOR A PARTICULAR PURPOSE.

6. Termination.

(a) The term of this Agreement will be for a period of six (6) months commencing on the Formation Date. Thereafter, this Agreement shall automatically renew for successive three (3) month terms. Notwithstanding the foregoing, either party may, at its option, upon not less than seventy-five (75) days prior written notice to the other party (or such other period as the parties may mutually agree in writing), terminate or elect to not renew this Agreement, effective as of the end of a calendar quarter.

(b) Notwithstanding Section 6(a) above, this Agreement may be terminated in accordance with the following:

(i) Upon written agreement of the parties;

(ii) By either Comstock or Bois d'Arc upon a material breach hereof by the other party if the breach is not cured within thirty (30) days after written notice of breach is delivered to the breaching party; or

(iii) By either Comstock or Bois d'Arc, upon written notice to the other party if the non-terminating party shall become insolvent or shall make an assignment of substantially all of its assets for the benefit of creditors, or shall be placed in receivership, reorganization, liquidation or bankruptcy.

(c) Upon any termination of this Agreement as provided herein, neither party shall have any further obligations to the other party except for fees and expenses accrued through the date of termination.

7. Limitation of Liability. In providing its services hereunder, Comstock shall have a duty to act, and to cause its agents to act, in a reasonably prudent manner, but neither Comstock nor any officer, director, employee or agent of Comstock or its affiliates shall be liable to Bois d'Arc for any error of judgment or mistake of law or for any loss incurred by Bois d'Arc in connection with the matter to which this Agreement relates, except a loss resulting from willful misfeasance, bad faith or gross negligence on the part of Comstock.

8. Indemnification of Comstock by Bois d'Arc. Bois d'Arc shall indemnify and hold harmless Comstock, its affiliates and their respective officers, directors and employees from and against any and all losses, liabilities, claims, damages, costs and expenses (including reasonable attorneys' fees and other expenses of litigation) to which Comstock or any such person may become subject arising out of the services provided by Comstock to Bois d'Arc hereunder, provided that such indemnity shall not protect any person against any liability to which such person would otherwise be subject by reason of willful misfeasance, bad faith or gross negligence on the part of such person.

9. General.

(a) *Force Majeure.* Any delays in or failure of performance by Comstock or Bois d'Arc shall not constitute a default hereunder if and to the extent such delay or failure of performance is caused by occurrences beyond the reasonable control of Comstock or Bois d'Arc, as the case may be, including, but not limited to: acts of God or a public enemy; compliance with any order or request of any governmental authority; acts of war; riots or strikes or other concerted acts of personnel; or any other causes beyond the reasonable control of Comstock or Bois d'Arc, whether or not of the same class or kind as those specifically named above.

(b) *Confidentiality.* Except as otherwise required by applicable law, each of the parties agrees that it will maintain in confidence all confidential information regarding the other party supplied to it in the course of the performance of this Agreement.

(c) *Notices.* All notices and other communications to any party hereunder shall be in writing (including telecopy or similar writing) and, except as noted, shall be deemed given when received addressed as follows:

If to Comstock, to:

Comstock Resources, Inc.
5300 Town and Country Blvd., Suite 500
Frisco, Texas 75034
Facsimile No.: 972-668-8812

Attention: Roland O. Burns

If to Bois d'Arc, to:

Bois d'Arc Energy, LLC
600 Travis, Suite 6275
Houston, Texas 77022
Attention: Wayne L. Laufer

(d) *Amendments; No Waivers.*

(i) Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by Comstock and Bois d'Arc, or in the case of a waiver, by the party against whom the waiver is to be effective.

(ii) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

(e) *Entire Agreement.* This Agreement together with the Contribution Agreement and all other documents executed in connection therewith constitute the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements, understandings and negotiations, both written and oral, between the parties with respect to the subject matter hereof and thereof. No representation, inducement, promise, understanding, condition or warranty not set forth herein has been made or relied upon by any party hereto. Neither this Agreement nor any provision hereof is intended to confer upon any Person other than the parties hereto any rights or remedies hereunder. To the extent that the provisions of this Agreement are inconsistent with the provisions of the Contribution Agreement or any other Ancillary Document, the provisions of this Agreement shall prevail.

(f) *Successors and Assigns.* The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided that neither party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of the other party hereto.

(g) *Governing Law.* This Agreement shall be construed in accordance with and governed by the law of the State of Texas, without regard to the conflicts of laws rules thereof.

(h) *Counterparts; Effectiveness.* This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the

signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other parties hereto.

(i) *Jurisdiction.* Any Action seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby may be brought in the United States District Court for the Southern District of Texas or any other Texas state court sitting in Houston or Harris County, and each of the parties hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient form. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 9(c) shall be deemed effective service of process on such party.

(j) *Severability.* If any one or more of the provisions contained in this Agreement should be declared invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Agreement shall not in any way be affected or impaired thereby so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a declaration, the parties shall modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner so that the transactions contemplated hereby are consummated as originally contemplated to the fullest extent possible.

(k) *Captions.* The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof.

[signature page follows]

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the date first above written.

COMSTOCK RESOURCES, INC.

/s/ ROLAND O. BURNS

Name: Roland O. Burns

Title: Senior Vice President, Chief Financial Officer, Secretary and Treasurer

BOIS D'ARC ENERGY LLC

/s/ WAYNE L. LAUFER

Name: Wayne L. Laufer

Title: Chief Executive Officer

Schedule 1.1

FINANCIAL ACCOUNTING SERVICES

Maintenance of general ledger for Company and subsidiaries

Processing of oil and gas revenue receipts and distribution to other royalty and working interests owners

Preparation and filings of severance tax reports and MMS royalty reports

Preparation and filings of 1099s as required

Processing joint interest costs, billing and collection of amounts due from working interest partners

Preparation of necessary reports for income tax returns

Preparation of current, quarterly and annual reports and proxy statements for filing with the Securities and Exchange Commission

Preparation of press release and other investor relations material

Schedule 1.2

HUMAN RESOURCES SERVICES

General human resources advisory services involving the evaluation or development of payroll, benefits and compensation programs and systems

Payroll services

Development of employee handbook and pertinent policies

Development of effective human resources practices

Consultation on setting up proper controls to insure human resources compliance with various federal and state employee relations regulations

Development of human resources forms and documents

Other general human resources related services

Day-to-day administration of the 401(k) plan sponsored by Bois d'Arc (including plan administration responsibilities)

Day-to-day administration of the group medical plan, dental and group term life insurance benefits sponsored by Comstock Resources, Inc., in which Bois d'Arc employees will participate

Day-to-day administration of the Bois d'Arc Energy LLC Long Term Incentive Plan

Exhibit 10.4

LOAN AGREEMENT

Dated as of July 16, 2004

by and between

COMSTOCK RESOURCES, INC.,
as the Lender

and

BOIS D'ARC ENERGY, LLC,
BOIS D'ARC PROPERTIES, LP

and
BOIS D'ARC OFFSHORE, LTD.
collectively as the Borrower

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EXHIBITS

	Form of
A	Notice of Advance
B	Note
C	Compliance Certificate
D	Subsidiary Guaranty
E	Security Agreement

LOAN AGREEMENT

This LOAN AGREEMENT is entered into as of July _____, 2004, by and between COMSTOCK RESOURCES, INC., a Nevada corporation ("Lender"), and BOIS D'ARC ENERGY, LLC, a Nevada limited liability company ("BDA Energy"), BOIS D'ARC PROPERTIES, LP, a Nevada limited partnership ("Properties, LP"), and BOIS D'ARC OFFSHORE, LTD., a Texas limited partnership ("BDA Offshore," and together with BDA Energy and Properties, LP, the "Borrower").

PRELIMINARY STATEMENTS

The Lender, the Borrower and certain other parties are party to the Contribution Agreement of even date herewith (the "Contribution Agreement") pursuant to which the parties thereto have formed and capitalized the Borrower through the contribution of certain oil and gas properties. Under the Contribution Agreement, the Lender has agreed to make loans available to the Borrower from time to time to fund Borrower's operations.

It is in the best interest of each of the Guarantors to execute and deliver a Guaranty as each Guarantor will receive substantial benefits as a result of the Borrower entering into this Agreement with the Lender.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I.
DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.1 Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

"Affiliate" means, as to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. A Person shall be deemed to be "controlled by" any other Person if such other Person possesses, directly or indirectly, the power (a) to vote 10% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managing general partners; or (b) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"Agreement" means this Loan Agreement, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"Base Rate" means the then current Base Rate under the CRI Credit Agreement.

"Base Rate Loan" means a Loan that bears interest based on the Base Rate.

"Base Rate Spread" means, with respect to any Base Rate Loan for any time prior to the Maturity Date, 0.750% per annum.

"Borrower" has the meaning set forth in the introductory paragraph hereto.

"Borrowing" means a borrowing consisting of simultaneous Loans of the same Type and having the same Interest Period made by the Lender pursuant to Section 2.1.

"Business Day" means any day that is deemed a Business Day under the CRI Credit Facility.

"Closing Date" means the first date all the conditions precedent in Section 4.1 are satisfied or waived in accordance with Section 4.1 (or, in the case of Section 4.1(b), waived by the Person entitled to receive the applicable payment).

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated thereunder.

"Commitment" means the Lender's obligation to make Loans to the Borrower pursuant to Section 2.1 in an aggregate principal amount at any one time outstanding not to exceed $200,000,000; provided, however, that the Lender shall not be required to make any Loan when it does not have any excess borrowing availability, or is prohibited from borrowing, under, the CRI Credit Facility.

"Compliance Certificate" means a certificate substantially in the form of Exhibit C.

"Comstock Indenture" means that certain Indenture dated as of February 25, 2004, by and between the Lender and The Bank of New York Trust Company, N.A., as trustee, as supplemented by the First Supplemental Indenture dated as of February 25, 2004, and related documentation entered into in connection therewith pursuant to which the 2004 Senior Notes shall have been issued, as the same may be amended, restated, modified or supplemented from time to time.

"Comstock Notes" means those certain 6 7/8% senior unsecured notes due 2012, issued by the Lender in an aggregate principal amount of $175,000,000 on the date of issuance thereof under the Comstock Indenture.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"CRI Credit Agreement" means that certain Amended and Restated Credit Agreement, dated as of February 25, 2004 among Comstock Resources, Inc., as borrower, Bank of Montreal, as administrative agent and issuing bank, Bank of America, N.A., as syndication agent, Comerica Bank, Fortis Capital Corp. and Union Bank of California, N.A., a co-documentation agents, the other lenders party thereto and Harris Nesbitt Corp., as arranger, as amended from time to time.

"CRI Credit Facility" means the revolving credit facility provided under the CRI Credit Agreement.

"CRI Debt Documents" means (a) the Indenture Debt Documents, and (b) the CRI Credit Agreement and all documents related to or delivered in connection therewith or in connection with any refinancings, refundings, renewals or extensions of the CRI Credit Facility.

"Debtor Relief Laws" means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States of America or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Default" means any event that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means an interest rate equal to (a) the Base Rate plus (b) the Base Rate Spread, if any, applicable to Base Rate Loans plus (c) 2% per annum; provided, however, that with respect to a LIBO Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including the LIBOR Spread) otherwise applicable to such Loan plus 2% per annum, in each case to the fullest extent permitted by applicable Laws.

"Dollar" and "$" means lawful money of the United States of America.

"Event of Default" means any of the events or circumstances specified in Section 8.1.

"GAAP" means generally accepted accounting principles and practices that are recognized as such by the Financial Accounting Standards Board (or any generally recognized successor).

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, administrative tribunal, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

"Guarantors" means Bois d'Arc Oil & Gas Company, LLC, a Texas limited liability company, Bois d'Arc Holdings, LLC, a Nevada limited liability company, and each other Subsidiary of the Borrower that shall have executed and delivered a Guaranty to the Lender.

"Guaranty" means (a) each Subsidiary Guaranty dated as of the date hereof made by each of the Guarantors in favor of the Lender, substantially in the form of Exhibit D and (b) each other guaranty (which shall also be substantially in the form of Exhibit D) in favor of the Lender delivered in accordance with this Agreement.

"Guaranty Obligation" shall have the meaning set forth in the CRI Credit Agreement.

"Highest Lawful Rate" has the meaning given to it in Section 9.9.

"Indebtedness" shall have the meaning set forth in the CRI Credit Agreement.

“Indemnified Liabilities” has the meaning set forth in Section 9.5.

“Indemnitees” has the meaning set forth in Section 9.5.

“Indenture Debt” means all present and future Indebtedness and other liabilities owing pursuant to the Indenture Debt Documents.

“Indenture Debt Documents” means the Comstock Indenture and any documents related to or delivered in connection with any refinancings, refundings, renewals or extensions of the facilities described in the Comstock Indenture.

“Interest Payment Date” means, (a) as to any Loan other than a Base Rate Loan, the last day of each Interest Period applicable to such Loan; provided, however, that if any Interest Period for a LIBO Rate Loan exceeds three months, the respective date every three months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan, the last Business Day of each March, June, September and December and the Maturity Date.

“Interest Period” means as to each LIBO Rate Loan, the period commencing on the date such LIBO Rate Loan is disbursed or (in the case of any Base Rate Loan) converted to or continued as a LIBO Rate Loan and ending on the date that falls immediately prior to the date that is one, two, three or six months thereafter, as selected by the Borrower in its Notice of Advance; provided that:

(i) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless, in the case of a LIBO Rate Loan, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(ii) any Interest Period pertaining to a LIBO Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the penultimate Business Day of the calendar month at the end of such Interest Period; and

(iii) no Interest Period shall extend beyond the scheduled Maturity Date.

“Laws” means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“Lender” has the meaning set forth in the introductory paragraph hereto.

"LIBO Rate" means, with respect to each particular Borrowing comprised of LIBO Rate Loans, the then current Adjusted LIBO Rate under the CRI Credit Agreement.

"LIBO Rate Loan" means a Loan that bears interest at the LIBO Rate.

"LIBOR Spread" means with respect to any LIBO Rate Loan for any time prior to the Maturity Date, 2.000% per annum.

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of any financing statement under the Uniform Commercial Code or comparable Laws of any jurisdiction), including the interest of a purchaser of accounts receivable.

"Loan" has the meaning set forth in Section 2.1.

"Loan Documents" means this Agreement, the Note, each Notice of Advance, each of the Security Documents, each Compliance Certificate, each Guaranty, each Subordination Agreement and all other written agreements, certificates, documents, instruments and writings at any time delivered in connection herewith or therewith and any Hedging Agreement now or hereafter existing between the Borrower or any Guarantor and any Lender or any Affiliate of any Lender.

"Loan Parties" means, collectively, the Borrower and each Guarantor.

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, or condition (financial or otherwise) of the Borrower and its Subsidiaries taken as a whole; (b) a material impairment of the ability of any Loan Party to perform its obligations under any Loan Document to which it is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party or upon the rights and remedies of the Lender under any Loan Document.

"Maturity Date" means (a) December 31, 2005, or (b) such earlier date upon which (i) the Commitment may be terminated in accordance with the terms hereof or (ii) the CRI Credit Facility is terminated.

"Maximum Loan Amount" means $200,000,000 as such amount may be reduced from time to time pursuant to Section 2.4.

"Mortgage" means each Mortgage, Deed of Trust, Security Agreement, Financing Statement and Fixture Filing which is executed and delivered pursuant to Section 6.10, as the same is amended, supplemented, restated or otherwise modified from time to time.

"Note" means the promissory note made by the Borrower in favor of the Lender evidencing Loans made hereunder, substantially in the form of Exhibit B.

"Notice of Advance" means a notice, which, if in writing, shall be substantially in the form of Exhibit A, of (a) a Borrowing, (b) a conversion of Loans from one Type to the other, or (c) a continuation of Loans as the same Type, pursuant to Section 2.2(a).

"Obligations" means all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest that accrues after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding.

"Organization Documents" means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws; (b) with respect to any limited liability company, the articles of formation and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation with the secretary of state or other department in the state of its formation, in each case as amended from time to time.

"Outstanding Amount" means with respect to Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any Borrowings and prepayments or repayments of Loans occurring on such date.

"Person" means any individual, trustee, corporation, general partnership, limited partnership, limited liability company, joint stock company, trust, unincorporated organization, bank, business association, firm, joint venture or Governmental Authority.

"Responsible Officer" means the Chief Financial Officer of BDA Energy.

"Security Agreement" means each Security Agreement executed and delivered in favor of the Lender pursuant to Section 6.10 and substantially in the form of Exhibit E.

"Security Documents" means any Security Agreement, Mortgage, pledges, guaranties, financing statements, continuation statements, extension agreements and other agreements or instruments delivered by any Person to the Lender pursuant to Section 6.10 or otherwise to secure or guarantee the payment of all or any part of the Obligations.

"Senior Indebtedness" means all present and future Indebtedness and other liabilities owing pursuant to the CRI Debt Documents.

"Senior Lenders" means the Lenders under the CRI Credit Agreement.

"Subsidiary" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests

having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Type" means with respect to a Loan, its character as a Base Rate Loan or a LIBO Rate Loan.

SECTION 1.2 Other Interpretive Provisions.

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) (i) The words "herein" and "hereunder" and words of similar import when used in any Loan Document shall refer to such Loan Document as a whole and not to any particular provision thereof.

(i) Unless otherwise specified herein, Article, Section, Exhibit and Schedule references are to this Agreement.

(ii) The term "including" is by way of example and not limitation.

(iii) The term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced.

(c) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(d) Section headings herein and the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

(e) Pronouns in masculine, feminine and neuter genders shall be construed to include any other gender, and words in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires.

SECTION 1.3 References to Agreements and Laws. Unless otherwise expressly provided herein, (a) references to agreements (including the Loan Documents) and other contractual instruments shall be deemed to include all subsequent amendments, restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, extensions, supplements and other modifications are not prohibited by any Loan Document; and (b) references to any Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Law.

ARTICLE II.
THE COMMITMENT

SECTION 2.1 Loans. Subject to the terms and conditions set forth herein, Lender agrees to make loans (each such loan, a "Loan") to the Borrower from time to time on any Business Day during the period from the Closing Date to the Maturity Date, in an aggregate amount not to exceed at any time outstanding the amount of the Commitment. Within the limits of the Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.1, prepay under Section 2.3 and reborrow under this Section 2.1.

SECTION 2.2 Borrowings, Conversions and Continuations of Loans.

(a) Each Borrowing, each conversion of Loans from one Type to the other, and each continuation of Loans as the same Type shall be made upon the Borrower's irrevocable prior written notice to the Lender in the form of a Notice of Advance. Each such notice must be received by the Lender not later than 12:00 p.m., central time, (i) four (4) Business Days prior to the requested date of any Borrowing of, conversion to or continuation of LIBO Rate Loans or of any conversion of LIBO Rate Loans to Base Rate Loans, and (ii) on the day prior to the requested date of any Borrowing of Base Rate Loans. Each Notice of Advance shall be appropriately completed and signed by a Responsible Officer. Each Borrowing of, conversion to or continuation of LIBO Rate Loans shall be in a principal amount of $1,000,000 or a whole multiple of $1,000,000 in excess thereof. Each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof. Each Notice of Advance shall specify (i) whether the Borrower is requesting a Borrowing, a conversion of Loans from one Type to the other, or a continuation of Loans as the same Type, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be borrowed, converted or continued, (iv) the Type of Loans to be borrowed or to which existing Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a Type of Loan in a Notice of Advance or if the Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Loans shall be made or continued as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable LIBO Rate Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of LIBO Rate Loans in any such Notice of Advance, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

(b) Upon satisfaction of the applicable conditions set forth in Section 4.2 (and, if such Borrowing is the initial Loan, Section 4.1), the Lender shall make all funds available to the Borrower by wire transfer of such funds, in each case in accordance with instructions provided to the Lender by the Borrower in the Notice of Advance.

(c) Except as otherwise provided herein, a LIBO Rate Loan may be continued or converted only on the last day of the Interest Period for such LIBO Rate Loan. During the existence of a Default or Event of Default, no Loans may be requested as, converted to or continued as LIBO Rate Loans.

(d) The Lender shall promptly notify the Borrower of the interest rate applicable to any LIBO Rate Loan upon determination of such interest rate. The determination of the LIBO Rate by the Lender shall be conclusive in the absence of manifest error. The Lender shall notify the Borrower of any change in Bank of Montreal's prime rate used in determining the Base Rate promptly following the public announcement of such change.

(e) After giving effect to all Borrowings, all conversions of Loans from one Type to the other, and all continuations of Loans as the same Type, there shall not be more than three (3) LIBO Interest Periods in effect with respect to Loans.

SECTION 2.3 Prepayments.

2.3.1 Voluntary Prepayments. The Borrower may, upon notice to the Lender, at any time or from time to time voluntarily prepay Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Lender not later than 12:00 p.m., central time, (A) four (4) Business Days prior to any date of prepayment of LIBO Rate Loans, and (B) on the date immediately prior to any prepayment of Base Rate Loans; (ii) any prepayment of LIBO Rate Loans shall be in a principal amount of $1,000,000 or a whole multiple of $1,000,000 in excess thereof; and (iii) any prepayment of Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a LIBO Rate Loan shall be accompanied by all accrued interest thereon, together with any additional amounts required pursuant to Section 3.4.

2.3.2 Mandatory Prepayments. The Borrower shall make prepayments of the Loans if for any reason the Outstanding Amount of all Loans at any time exceeds the Commitment then in effect, the Borrower shall first immediately prepay Loans.

SECTION 2.4 Reduction or Termination of Commitment and Maximum Loan Amount. The Borrower may, upon notice to the Lender, terminate the Commitment and Maximum Loan Amount, or permanently reduce the Commitment and Maximum Loan Amount to an amount not less than the then Outstanding Amount of all Loans; provided that (i) any such notice shall be received by the Lender not later than 10:00 a.m., central time two (2) Business Days prior to the date of termination or reduction, and (ii) any such partial reduction shall be in an aggregate amount of $5,000,000 or any whole multiple of $1,000,000 in excess thereof. Once reduced in accordance with this Section, the Commitment may not be increased.

SECTION 2.5 Repayment of Loans. The Borrower shall repay to the Lender on the Maturity Date the aggregate principal amount of Loans outstanding on such date.

SECTION 2.6 Interest.

(a) Subject to the provisions of subsection (b) below, (i) each LIBO Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the LIBO Rate for such Interest Period plus the LIBOR Spread; and (ii) each

Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Base Rate Spread.

(b) While any Event of Default exists or after acceleration, the Borrower shall pay interest on the principal amount of all outstanding Obligations at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Law. Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

SECTION 2.7 Computation of Interest and Fees. Computation of interest on Base Rate Loans and Commitment Fees shall be calculated on the basis of a year of 365 or 366 days, as the case may be, and the actual number of days elapsed. Computation of all other types of interest and all fees shall be calculated on the basis of a year of 360 days and the actual number of days elapsed, which results in a higher yield to the payee thereof than a method based on a year of 365 or 366 days. Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall bear interest for one day.

SECTION 2.8 Notes and Other Evidence of Debt. The obligation of the Borrower to repay the aggregate amount of all Loans, together with interest accruing in connection therewith, shall be evidenced by a single promissory note made by the Borrower in the amount of the Maximum Loan Amount payable to the order of the Lender substantially in the form of Exhibit B. The Lender may record the date, Type (if applicable), amount and maturity of the applicable Loans and payments with respect thereto in one or more schedules to its Note or on one or more accounts or records maintained by the Lender in the ordinary course of business. The accounts or records maintained by the Lender shall be conclusive absent manifest error of the amount of the Loans made by the Lender to the Borrower and the interest and payments thereon. Any failure so to record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Loans.

SECTION 2.9 Payments Generally.

(a) All payments to be made by the Borrower shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Lender, at the Lender's Office in Dollars and in immediately available funds not later than 10:00 a.m., central time, on the date specified herein. All payments received by the Lender after 10:00 a.m., central time, shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue.

(b) Subject to the definition of "Interest Period," if any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(c) Nothing herein shall be deemed to obligate the Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by the Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

ARTICLE III.
TAXES AND ILLEGALITY

SECTION 3.1 Taxes.

(a) Any and all payments by the Borrower to or for the account of the Lender under any Loan Document shall be made free and clear of and without deduction for any and all present or future taxes, duties, levies, imposts, deductions, assessments, fees, withholdings or similar charges, and all liabilities with respect thereto, excluding, in the case of the Lender, taxes imposed on or measured by its net income, and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the Laws of which the Lender is organized (all such non-excluded taxes, duties, levies, imposts, deductions, assessments, fees, withholdings or similar charges, and liabilities being hereinafter referred to as "Taxes"). If the Borrower shall be required by any Laws to deduct any Taxes from or in respect of any sum payable under any Loan Document to the Lender, (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section), the Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions, (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable Laws, and (iv) within 30 days after the date of such payment, the Borrower shall furnish to the Lender the original or a certified copy of a receipt evidencing payment thereof.

(b) In addition, the Borrower agrees to pay any and all present or future stamp, court or documentary taxes and any other excise or property taxes or charges or similar levies which arise from any payment made under any Loan Document or from the execution, delivery, performance, enforcement or registration of, or otherwise with respect to, any Loan Document (hereinafter referred to as "Other Taxes").

(c) If the Borrower shall be required to deduct or pay any Taxes or Other Taxes from or in respect of any sum payable under any Loan Document to the Lender, the Borrower shall also pay to the Lender, at the time interest is paid, such additional amount that the Lender specifies as necessary to preserve the after-tax yield (after factoring in all taxes, including taxes imposed on or measured by net income) such Lender would have received if such Taxes or Other Taxes had not been imposed.

(d) The Borrower agrees to indemnify the Lender for (i) the full amount of Taxes and Other Taxes (including any Taxes or Other Taxes imposed or asserted by any jurisdiction on

amounts payable under this Section) paid by the Lender, (ii) amounts payable under Section 3.1(c) and (iii) any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, in each case whether or not such Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. Payment under this subsection (d) shall be made within 30 days after the date the Lender makes a demand therefor.

SECTION 3.2 Unavailability of LIBO Rate Loans. If LIBO Rate Loans are unavailable to the Lender under the CRI Credit Facility, any obligation of the Lender to make or continue LIBO Rate Loans or to convert Base Rate Loans to LIBO Rate Loans shall be suspended until such time as LIBO Rate Loans become available to Lender under the CRI Credit Facility.

SECTION 3.3 Increased Cost and Reduced Return; Capital Adequacy. If Lender is required to compensate the Senior Lenders in accordance with Section 3.4 of the CRI Credit Agreement, the Borrower shall likewise reimburse Lender for its proportionate share of any such amounts with respect to the LIBO Rate Loans made hereunder.

SECTION 3.4 Funding Losses. If Lender is required to compensate the Senior Lenders in accordance with Section 3.5 the CRI Credit Agreement, the Borrower shall likewise reimburse Lender for its proportionate share of any such amounts with respect to the LIBO Rate Loans made hereunder.

SECTION 3.5 Survival. All of the Borrower's obligations under this Article III shall survive termination of the Commitment and of this Agreement and payment in full of all the other Obligations.

ARTICLE IV.
CONDITIONS PRECEDENT TO LOANS

SECTION 4.1 Conditions of Initial Loan. The obligation of the Lender to make the initial Loan hereunder is subject to receipt of the following:

(a) executed counterparts of this Agreement, a Guaranty from each of the Guarantors, the Security Agreement from each of the Loan Parties (if requested by the Lender), and each Mortgage (if requested by the Lender);

(b) the Note executed by the Borrower in favor of the Lender;

(c) a certificate of insurance of the Borrower and its Subsidiaries;

(d) proper financing statements (form UCC-1), to be filed on or promptly after the date of the initial Borrowing, naming the Borrower as debtor and the Lender as secured party, describing all of the Collateral in which the Borrower has granted or purported to grant an interest; and

(e) such other certificates, documents, or consents as the Lender reasonably may require.

SECTION 4.2 Conditions to all Loans. The obligation of the Lender to honor any Notice of Advance is subject to the following conditions precedent:

(a) the representations and warranties of the Borrower contained in Article V, or which are contained in any document furnished at any time under or in connection herewith, shall be true and correct on and as of the date of such Loan, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date.

(b) no Default or Event of Default shall exist, or would result from such proposed Loan.

(c) the Lender shall have received a Notice of Advance in accordance with the requirements hereof.

(d) the Lender shall have received, in form and substance satisfactory to it, such other certificates, documents or consents related to the foregoing as the Lender reasonably may require.

ARTICLE V.
REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lender that:

SECTION 5.1 Existence, Qualification and Power; Compliance with Laws. Each Loan Party (a) is a corporation, partnership or limited liability company duly organized or formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all governmental licenses, authorizations, consents and approvals to own its assets, carry on its business and to execute, deliver, and perform its obligations under the Loan Documents to which it is a party, (c) is duly qualified and is licensed and in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license, and (d) is in compliance with all Laws, except in each case referred to in clause (c) or this clause (d), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.2 Authorization; No Contravention. The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is a party, have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of any of such Person's Organization Documents; (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, any Contractual Obligation to which such Person is a party or any order, injunction, writ or decree of any Governmental Authority to which such Person or its property is subject; or (c) violate any Law.

SECTION 5.3 Governmental Authorization; Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental

Authority or any other Person or entity (including, without limitation, any creditor or stockholder of the Borrower or any Guarantor) is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document.

SECTION 5.4 Binding Effect. This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Loan Party that is a party thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is a party thereto in accordance with its terms except as such enforceability may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally and by general principles of equity.

SECTION 5.5 Litigation. There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Borrower, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against the Borrower or any of its Subsidiaries or against any of their properties or revenues that (a) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby, or (b) if determined adversely, could reasonably be expected to have a Material Adverse Effect.

SECTION 5.6 No Default. Neither the Borrower nor any Subsidiary is in default under or with respect to any Contractual Obligation that could be reasonably expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

SECTION 5.7 Direct Benefit. The Loans hereunder are for the direct benefit of the Borrower. The Borrower and the Guarantors are engaged as an integrated group in the business of oil and gas exploration and related fields, and any benefits to the Borrower or any Guarantor is a benefit to all of them, both directly or indirectly, inasmuch as the successful operation and condition of the Borrower and the Guarantors is dependent upon the continued successful performance of the functions of the integrated group as a whole.

SECTION 5.8 Solvency. Each of the following is true for the Borrower, each Guarantor and the Borrower and the Guarantors on a consolidated basis: (a) the fair saleable value of its or their property is (i) greater than the total amount of its liabilities (including contingent liabilities), and (ii) greater than the amount that would be required to pay its probable aggregate liability on its then existing debts as they become absolute and matured; (b) its or their property is not unreasonable in relation to its business or any contemplated or undertaken transaction; and (c) it or they do not intend to incur, or believe that it or they will incur, debts beyond its or their ability to pay such debts as they become due.

SECTION 5.9 CRI Debt Documents. Before and after giving effect to the Loans contemplated hereunder, all representations and warranties of the Borrower or any Guarantor contained in any CRI Debt Document are true and correct in all material respects (except to the extent such representations or warranties relate or refer to a specified, earlier date). Before and

after giving effect to the Loans contemplated hereunder, there is no event of default or event or condition that could become an event of default with notice or lapse of time or both, under any of the CRI Debt Documents.

ARTICLE VI.
AFFIRMATIVE COVENANTS

So long as the Lender shall have any Commitment hereunder, or any Loan or other Obligation shall remain unpaid or unsatisfied, the Borrower shall, and shall cause each of its Subsidiaries to:

SECTION 6.1 Financial Statements. Deliver to the Lender, in form and detail satisfactory to the Lender:

(a) as soon as available, but in any event within 90 days after the end of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, and certified by a Responsible Officer of the Borrower as fairly presenting the financial condition, results of operations and cash flows of the Borrower and its Subsidiaries in accordance with GAAP, subject only to the absence of footnotes; and

(b) as soon as available, but in any event within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal quarter, and the related consolidated statements of income and cash flows for such fiscal quarter and for the portion of the Borrower's fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail and certified by a Responsible Officer of the Borrower as fairly presenting the financial condition, results of operations and cash flows of the Borrower and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes.

SECTION 6.2 Notices. Promptly notify the Lender of the occurrence of any Default or Event of Default.

SECTION 6.3 Payment of Obligations. Pay and discharge as the same shall become due and payable, all its obligations and liabilities, including (a) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings and adequate reserves in accordance with GAAP are being maintained by the Borrower or such Subsidiary; (b) all lawful claims which, if unpaid, would by law become a Lien upon its property; and (c) all Indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness.

SECTION 6.4 Preservation of Existence, Etc. Preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its

organization; take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, and preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect.

SECTION 6.5 Maintenance of Properties. (a) Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted; (b) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) use the standard of care typical in the industry in the operation and maintenance of its facilities.

SECTION 6.6 Maintenance of Insurance. Maintain with financially sound and reputable insurance companies not Affiliates of the Borrower, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons.

SECTION 6.7 Compliance with Laws. Comply in all material respects with the requirements of all Laws applicable to it or to its business or property, except in such instances in which (i) such requirement of Law is being contested in good faith or a bona fide dispute exists with respect thereto; or (ii) the failure to comply therewith could not be reasonably expected to have a Material Adverse Effect.

SECTION 6.8 Books and Records. (a) Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of the Borrower or its Subsidiaries, as the case may be; and (b) maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over the Borrower or any Subsidiary, as the case may be.

SECTION 6.9 Inspection Rights. Permit representatives and independent contractors of the Lender to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at the expense of the Borrower and at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Borrower; provided, however, that when an Event of Default exists the Lender (or any of its representatives or independent contractors) may do any of the foregoing at the expense of the Borrower at any time during normal business hours and without advance notice.

SECTION 6.10 Execution of Ancillary Documents. Upon the request of the Lender, the Borrower shall, and shall cause the Guarantors (as applicable) to, within one (1) Business Day, execute and deliver the Security Agreement and Mortgages covering all of the assets owned by the Borrower and the Guarantors, in a form suitable for recording by the Lender.

ARTICLE VII.
NEGATIVE COVENANTS

So long as the Lender shall have any Commitment hereunder, any Loan or other Obligation shall remain unpaid or unsatisfied, the Borrower shall not, and the Borrower shall not permit any Subsidiary to, directly or indirectly:

SECTION 7.1 Liens. Create, incur, assume or suffer to exist, any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a) Liens existing pursuant to any Loan Document;

(b) Liens pursuant to the CRI Credit Facility; and

(c) any other Liens permitted under the CRI Credit Agreement.

SECTION 7.2 Indebtedness. Create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness under the Loan Documents;

(b) the Senior Indebtedness and any refinancings, refundings, renewals or extensions thereof; and

(c) any other Indebtedness permitted under the CRI Credit Agreement.

SECTION 7.3 Compliance with CRI Debt Documents. Violate, breach, contravene, conflict with or result in the creation of a Lien under, any of the CRI Debt Documents.

ARTICLE VIII.
EVENTS OF DEFAULT AND REMEDIES

SECTION 8.1 Events of Default. Any of the following shall constitute an Event of Default:

(a) Non-Payment. The Borrower fails to pay within two (2) Business Days after the same becomes due any amount of principal of any Loan, or any interest on any Loan, or any other amount payable hereunder or under any other Loan Document; or

(b) Specific Covenants. The Borrower fails to perform or observe any term, covenant or agreement contained in any of Sections 6.2, 6.4, 6.6, 6.9 or Article VII; or

(c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for 30 days after written notice to the Borrower; or

(d) Representations and Warranties. Any representation or warranty made or deemed made by the Borrower or any other Loan Party herein, in any other Loan Document, or in any certificate or document delivered in connection herewith or therewith proves to have been incorrect in any material respect when made or deemed made; or

(e) Cross-Default. Any default occurs under any of the CRI Debt Documents; or

(f) Insolvency Proceedings, Etc. Any Loan Party institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Loan Party and the appointment continues undischarged or unstayed for 30 calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any part of its property is instituted without the consent of such Person and continues undismissed or unstayed for 30 calendar days, or an order for relief is entered in any such proceeding; or

(g) Inability to Pay Debts; Attachment. (i) Any Loan Party becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Loan Party and is not released, vacated or fully bonded within 30 days after its issue or levy; or

(h) Judgments. There is entered against the Borrower or any Guarantor (i) one or more final judgments or orders for the payment of money which together with other such judgments or orders exceeds the aggregate amount of $5,000,000 (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage), or (ii) any non-monetary final judgment that has, or would reasonably be expected to have, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of 30 consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(i) Event of Default Under Other Loan Document. Any event of default described in any Security Document or any other Loan Document shall have occurred and be continuing, or any material provision of any Security Agreement or any other Loan Document shall at any time for any reason cease to be valid, binding and enforceable against any Loan Party that is an obligor thereunder; or

(j) Invalidity of Loan Documents. Any Loan Document, at any time after its execution and delivery and for any reason other than the agreement of the Lender or satisfaction in full of all the Obligations, ceases to be in full force and effect, or is declared by a court of competent jurisdiction to be null and void, invalid or unenforceable in any respect; or any Loan Party denies that it has any or further liability or obligation under any Loan Document, or purports to revoke, terminate or rescind any Loan Document; or

(k) Material Adverse Effect. There occurs any event or circumstance that has a Material Adverse Effect which Material Adverse Effect shall not have been cured within 30 days following notice from the Lender.

SECTION 8.2 Remedies Upon Event of Default. If any Event of Default occurs, the Lender may:

(a) declare the commitment of the Lender to make Loans to be terminated, whereupon such commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower; and

(c) exercise all rights and remedies available to it and the Lender under the Loan Documents or applicable law, including, without limitation, the enforcement of the Lender's rights either by suit in equity, or by action at law, or by other appropriate proceedings, whether for the specific performance (to the extent permitted by law) of any covenant or agreement contained in this Agreement or in the Note or any Security Document or in aid of the exercise of any power granted in this Agreement or in the then outstanding Note or any Security Document;

provided, however, that upon the occurrence of any event specified in subsection (f) of Section 8.1, the obligation of the Lender to make Loans shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, in each case without further act of the Lender.

SECTION 8.3 Distribution of Proceeds. All proceeds of any realization on the Collateral received by the Lender pursuant to the Security Documents or any payments on any of the liabilities secured by the Security Documents received by the Lender upon and during the continuance of any Event of Default shall be allocated and distributed as follows (and with respect to any contingent obligation shall be held as cash collateral for application as follows):

(a) First, to the payment of all costs and expenses, including without limitation, all attorneys' fees, of the Lender in connection with the enforcement of the Security Documents and otherwise this Agreement;

(b) Second, to the Lender with respect to the Loans including principal and interest; and

(c) Third, to the Borrower or such other Person as may be legally entitled thereto.

ARTICLE IX.
MISCELLANEOUS

SECTION 9.1 Amendments, Etc. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower or

any other Loan Party therefrom, shall be effective unless in writing signed by the Lender and the Borrower and acknowledged and agreed by each other Loan Party, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 9.2 Notices. Unless otherwise expressly provided herein, all notices and other communications provided for hereunder shall be in writing (including by facsimile transmission) and mailed, faxed or delivered, to the address, facsimile number or (subject to subsection (c) below) electronic mail address specified for notices on the signature pages hereto. All such notices and other communications shall be deemed to be given or made upon the earlier to occur of (i) actual receipt by the intended recipient and (ii) (A) if delivered by hand or by courier, when signed for by the intended recipient; (B) if delivered by mail, four Business Days after deposit in the mails, postage prepaid; (C) if delivered by facsimile, when sent and receipt has been confirmed by telephone; and (D) if delivered by electronic mail (which form of delivery is subject to the provisions of subsection (c) below), when delivered; provided, however, that notices and other communications to the Lender pursuant to Article II shall not be effective until actually received by the Lender.

SECTION 9.3 No Waiver; Cumulative Remedies. No failure by the Lender to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein or therein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

SECTION 9.4 Attorney Costs, Expenses and Taxes. The Borrower agrees (a) to pay or reimburse the Lender for all costs and expenses, including reasonable attorneys fees, incurred in connection with the execution and delivery of any Security Documents or any amendment, waiver, consent or other modification of this Agreement or any other Loan Document, and (b) to pay or reimburse the Lender for all costs and expenses incurred in connection with the enforcement, attempted enforcement, or preservation of any rights or remedies under this Agreement or the other Loan Documents (including all such costs and expenses incurred during any “workout” or restructuring in respect of the Obligations and during any legal proceeding, including any proceeding under any Debtor Relief Law), including all reasonable attorney fees. The foregoing costs and expenses shall include all search, filing, recording, title insurance and appraisal charges and fees and taxes related thereto, and other out-of-pocket expenses incurred by the Lender and the cost of independent public accountants and other outside experts retained by the Lender. The agreements in this Section shall survive the termination of the Commitments and repayment of all the other Obligations.

SECTION 9.5 Indemnification by the Borrower. Whether or not the transactions contemplated hereby are consummated, the Borrower agrees to indemnify, defend, save and hold harmless, the Lender and their respective Affiliates, directors, officers, employees, counsel, agents and attorneys-in-fact (collectively the “Indemnitees”) from and against: (a) any and all claims, demands, actions or causes of action that are asserted against any Indemnitee by any

Person (other than the Lender) relating directly or indirectly to a claim, demand, action or cause of action that such Person asserts or may assert against any Loan Party, any Affiliate of any Loan Party or any of their respective officers or directors; (b) any and all claims, demands, actions or causes of action that may at any time (including at any time following repayment of the Obligations) be asserted or imposed against any Indemnitee, arising out of or relating to, the Loan Documents, any predecessor loan documents, the Commitment, the use or contemplated use of the proceeds of any Loan, or the relationship of any Loan Party, the Lender under this Agreement or any other Loan Document; (c) any administrative or investigative proceeding by any Governmental Authority arising out of or related to a claim, demand, action or cause of action described in subsection (a) or (b) above; and (d) any and all liabilities (including liabilities under indemnities), losses, costs or expenses (including Attorney Costs) that any Indemnitee suffers or incurs as a result of the assertion of any foregoing claim, demand, action, cause of action, litigation or proceeding, or as a result of the preparation of any defense in connection with any foregoing claim, demand, action, cause of action, litigation or proceeding, in all cases, **WHETHER OR NOT ARISING OUT OF THE NEGLIGENCE OF AN INDEMNITEE**, and whether or not an Indemnitee is a party to such claim, demand, action, cause of action, litigation or proceeding (all the foregoing, collectively, the "Indemnified Liabilities"); provided that no Indemnitee shall be entitled to indemnification for any claim caused by its own gross negligence or willful misconduct or for any loss asserted against it by another Indemnitee. The agreements in this Section shall survive the termination of the Commitments and repayment of all the other Obligations.

SECTION 9.6 Payments Set Aside. To the extent that the Borrower makes a payment to the Lender, or the Lender exercises its right of set-off, and such payment or the proceeds of such set-off or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such set-off had not occurred.

SECTION 9.7 Successors and Assigns; Assignments. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void); and provided that the Borrower hereby acknowledges and consents to the pledge or assignment of the Loan Agreement and other Loan Documents as security for the CRI Credit Agreement pursuant to the terms of certain Security Documents (as defined in the CRI Credit Agreement) delivered from time to time by the Lender. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Indemnitees) any legal or equitable right, remedy or claim under or by reason of this Agreement.

SECTION 9.8 Set-off. In addition to any rights and remedies of the Lender provided by law, upon the occurrence and during the continuance of any Event of Default, the Lender is authorized at any time and from time to time, without prior notice to the Borrower or any other Loan Party, any such notice being waived by the Borrower (on its own behalf and on behalf of each Loan Party) to the fullest extent permitted by law, to set off and apply any and all indebtedness at any time owing by the Lender to or for the credit or the account of the respective Loan Parties against any and all Obligations owing to the Lender, now or hereafter existing, irrespective of whether or not the Lender shall have made demand under this Agreement or any other Loan Document and although such Obligations may be contingent or unmatured. The Lender agrees promptly to notify the Borrower after any such set-off and application made by such Lender; provided, however, that the failure to give such notice shall not affect the validity of such set-off and application.

SECTION 9.9 Interest Rate Limitation. It is the intention of the parties hereto to conform strictly to applicable usury laws and, anything herein to the contrary notwithstanding, the obligations of the Borrower to the Lender under this Agreement shall be subject to the limitation that payments of interest shall not be required to the extent that receipt thereof would be contrary to provisions of law applicable to the Lender limiting rates of interest which may be charged or collected by the Lender. Accordingly, if the transactions contemplated hereby would be usurious under applicable law (including the Federal and state laws of the United States of America, or of any other jurisdiction whose laws may be mandatorily applicable) with respect to the Lender then, in that event, notwithstanding anything to the contrary in this Agreement, it is agreed as follows: (i) the provisions of this Section 9.9 shall govern and control; (ii) the aggregate of all consideration which constitutes interest under applicable law that is contracted for, charged or received under this Agreement, or under any of the other aforesaid agreements or otherwise in connection with this Agreement by the Lender shall under no circumstances exceed the maximum amount of interest allowed by applicable law (such maximum lawful interest rate, if any, with respect to the Lender herein called the “Highest Lawful Rate”), and any excess shall be credited to the Borrower by the Lender (or, if such consideration shall have been paid in full, such excess promptly refunded to the Borrower); (iii) all sums paid, or agreed to be paid, to the Lender for the use, forbearance and detention of the indebtedness of the Borrower to the Lender hereunder shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of such indebtedness until payment in full so that the actual rate of interest is uniform throughout the full term thereof; and (iv) if at any time the interest provided pursuant to Article II together with any other fees payable pursuant to this Agreement and deemed interest under applicable law, exceeds that amount which would have accrued at the Highest Lawful Rate, the amount of interest and any such fees to accrue to the Lender pursuant to this Agreement shall be limited, notwithstanding anything to the contrary in this Agreement to that amount which would have accrued at the Highest Lawful Rate, but any subsequent reductions, as applicable, shall not reduce the interest to accrue to the Lender pursuant to this Agreement below the Highest Lawful Rate until the total amount of interest accrued pursuant to this Agreement and such fees deemed to be interest equals the amount of interest which would have accrued to the Lender if a varying rate per annum equal to the interest provided pursuant to Article II had at all times been in effect, plus the amount of fees which would have been received but for the effect of this Section 9.9. For purposes of Tex. Fin. Code Ann. Ch. 303, as amended, to the extent, if any, applicable to the Lender, the Borrower agrees that the Highest Lawful Rate

shall be the "weekly ceiling" as defined in said Article, provided that the Lender may also rely, to the extent permitted by applicable laws, on alternative maximum rates of interest under other laws applicable to the Lender if greater. Tex. Fin. Code Ann. Ch. 346 (which regulates certain revolving credit loan accounts and revolving tri-party accounts) shall not apply to this Agreement or the Note.

SECTION 9.10 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

SECTION 9.11 Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Lender, regardless of any investigation made by the Lender or on their behalf and notwithstanding that the Lender may have had notice or knowledge of any Default or Event of Default at the time of any Loan, and shall continue in full force and effect as long as any Loan or any other Obligation shall remain unpaid or unsatisfied.

SECTION 9.12 Severability. Any provision of this Agreement and the other Loan Documents to which the Borrower is a party that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions thereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 9.13 Governing Law.

(a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF TEXAS APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE (WITHOUT GIVING EFFECT TO THE PRINCIPLES THEREOF RELATING TO CONFLICT OF LAW).

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF TEXAS SITTING IN HOUSTON OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF SUCH STATE, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, THE BORROWER AND THE LENDER CONSENT, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. THE BORROWER AND THE LENDER IRREVOCABLY WAIVE ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM *NON CONVENIENS*, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF ANY LOAN DOCUMENT OR OTHER DOCUMENT RELATED THERETO. THE BORROWER AND THE LENDER WAIVE PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS,

WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY THE LAW OF SUCH STATE.

SECTION 9.14 Waiver of Right to Trial by Jury. EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER ANY LOAN DOCUMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO ANY LOAN DOCUMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

SECTION 9.15 Consents to Renewals, Modifications and Other Actions and Events. This Agreement and all of the obligations of the Borrower hereunder shall remain in full force and effect without regard to and shall not be released, affected or impaired by: (a) any amendment, assignment, transfer, modification of or addition or supplement to the Obligations, this Agreement, the Note or any other Loan Document; (b) any extension, indulgence, increase in the Obligations or other action or inaction in respect of any of the Loan Documents or otherwise with respect to the Obligations, or any acceptance of security for, or guaranties of, any of the Obligations or Loan Documents, or any surrender, release, exchange, impairment or alteration of any such security or guaranties including without limitation the failing to perfect a security interest in any such security or abstaining from taking advantage or of realizing upon any guaranties or upon any security interest in any such security; (c) any default by the Borrower under, or any lack of due execution, invalidity or unenforceability of, or any irregularity or other defect in, any of the Loan Documents; (d) any waiver by the Lender or any other Person of any required performance or otherwise of any condition precedent or waiver of any requirement imposed by any of the Loan Documents, any guaranties or otherwise with respect to the Obligations; (e) any exercise or non-exercise of any right, remedy, power or privilege in respect of this Agreement or any of the other Loan Documents; (f) any sale, lease, transfer or other disposition of the assets of the Borrower or any consolidation or merger of the Borrower with or into any other Person, corporation, or entity, or any transfer or other disposition by the Borrower or any other holder of any shares of capital stock or other ownership interest of the Borrower; (g) any bankruptcy, insolvency, reorganization or similar proceedings involving or affecting the Borrower; (h) the release or discharge of the Borrower from the performance or observance of any agreement, covenant, term or condition under any of the Obligations or contained in any of the Loan Documents by operation of law; or (i) any other cause whether similar or dissimilar to the foregoing which, in the absence of this provision, would release, affect or impair the Obligations, covenants, agreements and duties of the Borrower hereunder, including without limitation any act or omission by the Lender or any other Person which increases the scope of the Borrower's risk; and in each case described in this paragraph whether or not the Borrower shall

have notice or knowledge of any of the foregoing, each of which is specifically waived by the Borrower. The Borrower warrants to the Lender that it has adequate means to obtain from the Guarantors on a continuing basis information concerning the financial condition and other matters with respect to the Guarantors and it is not relying on the Lender to provide such information either now or in the future.

SECTION 9.16 ENTIRE AGREEMENT. This Agreement, together with the other Loan Documents, comprises the complete and integrated agreement of the parties on the subject matter hereof and thereof and supersedes all prior agreements, written or oral, on such subject matter. **THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

LENDER:

COMSTOCK RESOURCES, INC.

/s/ ROLAND O. BURNS

Name: Roland O. Burns
Title: Senior Vice President, Chief Financial Officer and Treasurer

ADDRESS FOR NOTICES:

5300 Town and Country Blvd.
Suite 500
Frisco, TX 75034
Attn: Roland D. Burns
Facsimile: (972) 668-8812
Email: rburns@comstockresources.com

BORROWER:

BOIS D'ARC ENERGY, LLC

/s/ GARY W. BLACKIE

Name: Gary W. Blackie

Title: President

BOIS D'ARC PROPERTIES, LP

By: Bois d'Arc Holdings, LLC,
its general partner

By: /s/ GARY W. BLACKIE

Name: Gary W. Blackie

Title: President of Bois d'Arc Energy, LLC, Sole Member

BOIS D'ARC OFFSHORE, LTD.

By: Bois d'Arc Oil and Gas Company, LLC
its general partner

/s/ GARY W. BLACKIE

Name: Gary W. Blackie

Title: President of Bois d'Arc Energy, LLC, Sole Member

Address for Notices:

600 Travis, Suite 6275
Houston, Texas 77002
Attn: Gary W. Blackie

Facsimile: 713-228-1759

Email: gblackie@boisdarcoffshorel.com

Exhibit 10.5

NOTE

$200,000,000 July 16, 2004

FOR VALUE RECEIVED, the undersigned (the "Borrower"), hereby promises to pay to the order of Comstock Resources, Inc., a Nevada corporation (the "Lender"), on the Maturity Date (as defined in the Loan Agreement referred to below) the principal amount of Two Hundred Million Dollars ($200,000,000), or such lesser principal amount of Loans (as defined in such Loan Agreement) due and payable by the Borrower to the Lender on the Maturity Date under that certain Loan Agreement, dated as of July 16, 2004 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Loan Agreement"; the terms defined therein being used herein as therein defined), by and between COMSTOCK RESOURCES, INC., a Nevada corporation (the "Lender"), and BOIS D'ARC ENERGY, LLC, a Nevada limited liability company ("BDA Energy"), BOIS D'ARC PROPERTIES, LP, a Nevada limited partnership ("Properties, LP") and BOIS D'ARC OFFSHORE, LTD., a Texas limited partnership ("BDA Offshore," and together with BDA Energy and Properties, LP, the "Borrower").

The Borrower promises to pay interest on the unpaid principal amount of each Loan from the date of such Loan until such principal amount is paid in full, at such interest rates, and at such times as are specified in the Loan Agreement. All payments of principal and interest shall be made to the Lender in Dollars in immediately available funds at the Lender's principal executive office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Loan Agreement.

This Note is the Note referred to in the Loan Agreement, is entitled to the benefits thereof and is subject to optional and mandatory prepayment in whole or in part as provided therein. This Note is also entitled to the benefits of the Guarantees and is secured by certain collateral more particularly described in the Security Documents. Upon the occurrence of one or more of the Events of Default specified in the Loan Agreement, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable all as provided in the Loan Agreement. Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Note and endorse thereon the date, amount and maturity of its Loans and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

Exhibit 10.5

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS (WITHOUT GIVING EFFECT TO THE PRINCIPLES THEREOF RELATING TO CONFLICTS OF LAW).

BOIS D'ARC ENERGY, LLC

/s/ WAYNE L. LAUFER

Name: Wayne L. Laufer

Title: Chief Executive Officer

BOIS D'ARC PROPERTIES, LP

By: Bois d'Arc Holdings, LLC,
its general partner

/s/ WAYNE L. LAUFER

Name: Wayne L. Laufer

Title: CEO of Bois d'Arc Energy, LLC, Sole Member

BOIS D'ARC OFFSHORE, LTD.

By: Bois d'Arc Oil and Gas Company, LLC,
its general partner

/s/ WAYNE L. LAUFER

Name: Wayne L. Laufer

Title: CEO of Bois d'Arc Energy, LLC, Sole Member

Address for Notices:

600 Travis, Suite 6275
Houston, Texas 77002

Attn: GARY BLACKIE

Facsimile: 713-228-1759

Email: gblackie@boisdarcoffshorel.com

Pay to the order of Bank of Montreal, Comstock Resources, Inc.

By /s/ ROLAND O. BURNS

Roland O. Burns, Senior Vice
President, Chief Financial Officer
and Treasurer

Exhibit 10.6

OPERATING AGREEMENT
OF BOIS D'ARC ENERGY, LLC

THE MEMBERSHIP INTERESTS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY JURISDICTION. NO MEMBERSHIP INTEREST MAY BE SOLD OR OFFERED FOR SALE (WITHIN THE MEANING OF ANY SECURITIES LAW) UNLESS A REGISTRATION STATEMENT UNDER ALL APPLICABLE SECURITIES LAWS WITH RESPECT TO THE INTEREST IS THEN IN EFFECT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THOSE LAWS IS THEN APPLICABLE TO THE INTEREST. A MEMBERSHIP INTEREST ALSO MAY NOT BE TRANSFERRED OR ENCUMBERED UNLESS THE APPLICABLE PROVISIONS OF THIS AGREEMENT AND THE TRANSFER RESTRICTION AGREEMENT ARE SATISFIED.

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OPERATING AGREEMENT
OF BOIS D'ARC ENERGY, LLC

This Operating Agreement of Bois d'Arc Energy, LLC dated as of July 16, 2004 (the "Effective Date"), is entered into by and among those Persons executing this Agreement as evidenced by the signature pages attached hereto. Each of such Persons is a "Member" and, collectively, they are sometimes referred to as the "Members."

W I T N E S S E T H

WHEREAS, effective June 17, 2004, the Articles of Organization (the "Articles") have been filed in the office of the Secretary of State of Nevada for the formation of Bois d'Arc Energy, LLC, a Nevada limited liability company (the "Company");

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree to form the Company upon the terms and conditions set forth herein:

I. DEFINITIONS

Section 1.1. Definitions. The following terms shall have the following meanings when used in this Agreement:

"AAA" shall have the meaning set forth in Section 19.14 hereof.

"Act" shall mean the Nevada Limited Liability Company Act (Nev. Rev. Stat. § 86.011, et seq.) and any successor statute, as amended from time to time.

"Actual Depletion Deductions" shall mean with respect to any Member, such Member's actual depletion allowance with respect to such Member's share of production from the oil and gas properties owned by the Company or its subsidiaries; provided that, for purposes of this Agreement and computing a Member's Capital Account, such Member's Actual Depletion Deductions with respect to any single oil or gas property shall not exceed the adjusted basis of such oil or gas property allocated to such Member (or its predecessor in interest) pursuant to Code Section 613A(c)(7)(D). If the Board of Managers elects to use Actual Depletion Deductions pursuant to Section 1.704-1(b)(2)(iv)(k) of the Treasury Regulations, each Member shall notify the Company of the amount of its Actual Depletion Deductions within ninety (90) days of the end of each Fiscal Year.

"Actual Gains or Actual Losses" means with respect to any Member (i) the excess, if any, of such Member's share of the total amount realized from the disposition of any oil or gas property over such Member's remaining adjusted tax basis in such property or (ii) the excess, if any, of such Member's remaining adjusted tax basis in such property over such Member's share of the total amount realized from the disposition of such property. A Member's share of the total

amount realized from the disposition of an oil or gas property shall be determined pursuant to Treasury Regulations Section 1.704-1(b)(4)(v).

"Affiliate" shall mean, with respect to any Person, (i) any Person directly or indirectly controlling, controlled by or under common control with such Person, (ii) any Person owning or controlling ten percent (10%) or more of the outstanding voting interests of such Person, (iii) any officer, director, member, manager or general partner of such Person, or (iv) any Person who is an officer, director, general partner, trustee, member, manager or holder of ten percent (10%) or more of the voting interests of any Person described in clauses (i) through (iii) of this sentence.

"Affiliate Transfer" shall have the meaning assigned that term in the Transfer Restriction Agreement.

"Agreement" shall mean this Operating Agreement of Bois d'Arc Energy, LLC.

"Appointed Managers" shall have the meaning set forth in Section 8.3(a) hereof.

"Appointing Group" shall mean either the Comstock Member or the Bois d'Arc Members.

"Articles" shall have the meaning set forth in the recitals to this Agreement.

"Blackie" shall mean Gary W. Blackie.

"Board of Managers" shall mean the Board of Managers for the Company as established and operated pursuant to this Agreement.

"Bois d'Arc Members" shall mean those Members designated as Bois d'Arc Members on Schedule A.

"Book Value" shall mean with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(i) the initial Book Value of any asset contributed (or deemed contributed, including as a result of the constructive termination of the Company pursuant to Code Section 708(b)(1)(B)) to the Company shall be such asset's gross fair market value at the time of such contribution;

(ii) the Book Value of all Company assets shall be adjusted to equal their respective gross fair market values at the times specified in Treasury Regulations under Section 704(b) of the Code if required by the Code or the Treasury Regulations or if the Company so elects if not required; and

(iii) if the Book Value of an asset has been determined pursuant to clause (i) or (ii), such Book Value shall thereafter be adjusted in the same manner as would the asset's adjusted basis for federal income tax purposes, except that depreciation deductions shall be computed in accordance with subparagraph (iv) of the definition of Net Profit and Net Loss.

The Book Value of assets contributed to the Company pursuant to the Contribution Agreement shall be those values set forth on Schedules 1.1 and 1.2 of the Contribution Agreement.

"Business Day" shall mean any day other than Saturday or Sunday or any other day upon which banks in Houston, Texas are permitted or required by law to close.

"Capital Account" shall have the meaning set forth in Section 13.4 hereof.

"Capital Contributions" shall mean the Initial Capital Contributions, Subsequent Capital Contributions, and any amount paid by a Member upon the exercise of an option on Class A Units and Class B Units.

"Capital Transaction" means the sale, exchange or other disposition of all or any portion of the property of the Company other than in the ordinary course of business of the Company. Capital Transactions include the financing or refinancing of Company property which creates excess funds not needed for the operation of the Company's business and which funds, in the opinion of the Board of Managers, are available for distribution to the Members.

"Class A Unit" shall mean an Ownership Interest in the Company that represents an interest in the capital of the Company (the return of which capital shall receive priority upon a Capital Transaction or liquidation of the Company pursuant to the provisions in Section 14.2(a) and Section 17.2) but no interest in the profits of the Company, with respect to which the Ownership Percentage is zero (0), and having the approval rights set forth in Section 6.6.

"Class B Unit" shall mean an Ownership Interest in the Company that represents an interest in the capital and profits of the Company (the return of which capital shall receive priority upon a Capital Transaction or liquidation of the Company pursuant to the provisions of Section 14.2(a) and Section 17.2), and having no voting, approval, disapproval, or any other decision-making rights except as required under the Act.

"Class C Unit" shall mean an Ownership Interest in the Company that upon issuance represents an interest only in the profits of the Company, and having no voting, approval, disapproval, or any other decision-making rights except as required under the Act.

"Code" shall mean the Internal Revenue Code of 1986, as amended, or its successor.

"Company" shall mean the limited liability company formed by this Agreement.

"Company Minimum Gain" shall mean the amount computed under Treasury Regulations Section 1.704-2(d)(1) with respect to the Company's nonrecourse liabilities as determined under Treasury Regulations Section 1.752-1(a)(2).

"Company Nonrecourse Deductions" shall mean any loss, deduction, or Code Section 705(a)(2)(B) expenditure (or item thereof) that is attributable to nonrecourse liabilities (as defined in Treasury Regulations Section 1.752-1(a)(2)) of the Company and characterized as "nonrecourse deductions" pursuant to Treasury Regulations Section 1.704-2(b)(1) and Section 1.704-2(c).

“Comstock Member” shall mean Comstock Offshore, LLC.

“Contribution Agreement” shall mean that certain Contribution Agreement dated as of July 16, 2004 by and among the Company, the Bois d’Arc Members, the Comstock Member, and other parties thereto.

“Covered Person” shall have the meaning set forth in Section 12.1 hereof.

“CRI” shall mean Comstock Resources, Inc.

“Depletable Property” means interests in oil, gas or other minerals eligible for depletion under Code Section 613 or 613A.

“Disabling Conduct” shall mean (i) conduct that is outside the scope of conduct permitted in this Agreement or is in breach of any Governance Agreement or any other agreement between the Company and the Person whose conduct is in question if such conduct continues for thirty (30) days (or breach is not cured within thirty (30) days) after such Person has been given written notice thereof by the Board of Managers or (ii) conduct that constitutes fraud, willful misconduct, bad faith or gross negligence.

“Effective Date” shall have the meaning set forth in the preamble to this Agreement.

“Employment Agreements” mean the Employment Agreements of even date herewith between the Company and each of Blackie and Laufer.

“Event of Dissolution” shall have the meaning set forth in Section 17.1 hereof.

“Familial Transfer” shall have the meaning assigned that term in the Transfer Restriction Agreement.

“Financing Transaction” shall mean any financing transaction including an initial public offering, or issuance of equity or debt generating net proceeds sufficient to repay all amounts outstanding under the Revolving Note.

“Fiscal Year” shall mean the fiscal year of the Company as set forth in Section 16.3 hereof.

“Governance Agreements” shall mean this Agreement and the Transfer Restriction Agreement.

“Gross Income” shall mean for each Fiscal Year or other period, an amount equal to the Company’s gross income as determined for federal income tax purposes for such Fiscal Year or period but computed with the adjustments specified in subparagraphs (i) and (iii) of the definition of Net Profit and Net Loss.

“Initial Capital Contributions” shall have the meaning set forth in Section 5.1.

“Laufer” shall mean Wayne L. Laufer.

“Loan Agreement” shall mean the Loan Agreement of even date herewith between the Company and CRI.

“Loan Documents” shall mean the Loan Agreement, the Revolving Note, the Security Documents and all other documents and instruments contemplated thereby.

“Managers” shall mean the Appointed Managers and “Manager” shall mean an Appointed Manager.

“Member” or “Members” shall mean one or more of those Persons executing this Agreement as a member of the Company and any assignee of all or any part of their respective interests in the Company who is admitted to the Company as a Member in conformity with the provisions of this Agreement and the Transfer Restriction Agreement.

“Member Nonrecourse Debt” shall mean any nonrecourse debt of the Company which meets the requirements of “partner nonrecourse debt” set forth in Treasury Regulations Section 1.704-2(b)(4).

“Member Nonrecourse Debt Minimum Gain” shall mean the partner nonrecourse debt minimum gain attributable to “partner nonrecourse debt” as determined under Treasury Regulations Section 1.704-2(i)(3).

“Member Nonrecourse Deductions” shall mean any loss, deduction, or Code Section 705(a)(2)(B) expenditure, or item thereof, that is attributable to a Member Nonrecourse Debt, as determined by Treasury Regulations Section 1.704-2(i)(2).

“Net Proceeds of a Capital Transaction” means the net proceeds received by the Company in connection with a Capital Transaction after payment of all costs and expenses incurred by the Company in connection with such Capital Transaction, including, without limitation, brokers’ commissions, loan fees, other closing costs, the cost of any alteration, improvement, restoration or repair of Company assets necessitated by or incurred in connection with such Capital Transaction, any reserves determined by the Board of Managers and the payment of any loans that should be appropriately paid, as determined by the Board of Managers.

“Net Profit” and “Net Loss” shall mean for each Fiscal Year or other period, an amount equal to the Company’s taxable income or loss for such Fiscal Year or other period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss) with the following adjustments:

(i) any income of the Company that is exempt from federal income tax or not otherwise taken into account in computing Net Profit or Net Loss shall be added to such taxable income or loss;

(ii) any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures under Code Section 704(b), and not

otherwise taken into account in computing Net Profit or Net Loss, shall be subtracted from such taxable income or loss;

(iii) gain or loss resulting from any disposition of Company property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Book Value of such property rather than its adjusted tax basis;

(iv) in lieu of the depletion, depreciation, amortization and other cost recovery deductions taken into account in computing taxable income or loss, there shall be taken into account depreciation, amortization or other cost recovery deductions on the assets' respective Book Values for such Fiscal Year or other period determined in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(g);

(v) the amount of any Gross Income allocated to the Members pursuant to Sections 13.2(d), 13.2(e), 13.2(f), 13.2(j), 13.2(k), 13.2(l) and 13.2(m) shall not be included as income or revenue; and

(vi) any amount allocated to the Members pursuant to Sections 13.2(h), 13.2(i), 13.2(j), 13.2(k) and 13.2(l) shall not be included as a loss, deduction or Code Section 705(a)(2)(B) expenditure.

"Operating Cash Flow" means all cash funds generated from the operation of the business of the Company on hand or on deposit from time to time after (i) payment of all operating expenses payable as of the date in question, (ii) provision for payment of all outstanding and unpaid Company obligations due and payable as of the date in question or within sixty (60) days thereafter and (iii) the establishment of such reasonable reserves as the Board of Managers deems appropriate for the operating needs of the Company. Operating Cash Flow shall not include or reflect any proceeds received or expenses incurred in connection with a Capital Transaction.

"Ownership Interest" shall mean the interest in the Company held by a Member.

"Ownership Percentage" shall mean the percentages for the Members set forth on Schedule A attached hereto until adjusted in accordance with this Agreement.

"Person" shall mean an individual person, partnership, limited partnership, limited liability company, trust, corporation or other entity or organization.

"Prime Rate" means the fluctuating rate per annum as in effect from time to time equal to the rate of interest announced publicly by Citibank, N.A, in New York, New York as its base rate.

"Revolving Note" shall mean that certain revolving note executed by the Company in favor of CRI in the maximum principal amount of $200,000,000, which note will be subject to the terms of the Loan Agreement and secured by the Security Documents.

“Security Documents” shall mean the security agreements, deeds of trust, mortgages, pledges, guarantees, financing statements, continuation statements and other agreements or instruments delivered by the Company and its Subsidiaries in favor of CRI to secure the indebtedness under the Loan Agreement and the Revolving Note.

“Services Agreement” shall have the meaning set forth in Section 6.3(b).

“Simulated Depletion Deductions” means the simulated depletion allowance computed by the Company with respect to its oil and gas properties pursuant to Section 1.704-1(b)(2)(iv)(k)(2) of the Treasury Regulations. In computing such amounts, the Board of Managers shall have complete and absolute discretion to make any and all permissible elections.

“Simulated Gains” or “Simulated Losses” means the simulated gains or simulated losses computed by the Company with respect to its oil and gas properties pursuant to Section 1.704-1(b)(2)(iv)(k)(2) of the Treasury Regulations. In computing such simulated gains or losses, the Board of Managers shall have complete and absolute discretion to make any and all permissible elections.

“Subsequent Capital Contributions” shall have the meaning set forth in Section 5.2.

“Subsidiary” shall mean with respect to a Person a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body are at the time beneficially owned, or the management of which is otherwise controlled, directly or indirectly, through one or more intermediaries or both, by such Person.

“Tax Matters Partner” shall have the meaning set forth in Section 16.7 hereof.

“Transfer Restriction Agreement” shall mean the Transfer Restriction Agreement of even date herewith by and among the Company and the Members.

“Treasury Regulations” shall mean the Income Tax Regulations, including Temporary Regulations, promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

“Units” shall mean Class A Units, Class B Units or Class C Units.

“Unreturned Equity” shall mean the Capital Contributions of a Member holding Class A Units and Class B Units less any distributions to such Member pursuant to Section 14.2(a).

II. NAME, PRINCIPAL OFFICE, REGISTERED OFFICES AND AGENTS, TERM, STATUS OF MEMBERS AND TAX STATUS

Section 2.1. Name of Company. The name of the Company is Bois d’Arc Energy, LLC.

Section 2.2. Principal Office. The location of the principal office of the Company where records are to be kept or made available shall be 600 Travis, Suite 6275, Houston, Texas 77022. The principal office of the Company may be changed by the Board of Managers.

Section 2.3. Registered Offices and Agents. The location of the registered office of the Company in the State of Nevada shall be c/o National Registered Agents Inc. of NV, 1000 East Williams Street, Carson City, Nevada 89701. The Board of Managers shall establish such other registered offices and appoint such other registered agents as it deems necessary or appropriate for the business of the Company. The registered offices and agents of the Company may be changed from time to time by the Board of Managers.

Section 2.4. Term. The Company shall have perpetual existence unless an Event of Dissolution (as defined in Section 17.1 hereof) shall occur prior to such time and the Company is not continued as hereinafter provided.

Section 2.5. Status of Members. Upon the Effective Date the Members shall constitute all of the members of the Company.

Section 2.6. Tax Status. The Company shall be operated such that it will be classified as a “partnership” for federal and, as determined by the Board of Managers, state income tax purposes.

III. CHARACTER OF BUSINESS

Section 3.1. Purpose of the Company. The business and purpose of the Company shall be to conduct and engage in any activities that are permitted under the provisions of the Act.

IV. FORMATION, FOREIGN REGISTRATION AND NO PARTNERSHIP

Section 4.1. Organization and Formation. The Company was organized as a Nevada limited liability company by the filing of the Articles under and pursuant to the Act with the Secretary of State of the State of Nevada on June 17, 2004. The Company was formed effective July 16, 2004.

Section 4.2. Foreign Registration. The Company shall register to conduct business in such states and jurisdictions as the Board of Managers deems appropriate.

Section 4.3. No Partnership. The Members intend that the Company not be a partnership (including, without limitation, a limited partnership) or joint venture, and that no Member be a partner or joint venturer of any other Member with regard to the activities of the Company for any purposes other than federal and, if applicable, state tax purposes, and this Agreement may not be construed to suggest otherwise.

V. CAPITAL CONTRIBUTIONS

Section 5.1. Initial Capital Contributions. Upon the execution of this Agreement, each Member shall make initial capital contributions as provided in the Contribution Agreement in

exchange for such number of Class A Units and Class B Units (collectively the "Initial Capital Contributions") as provided on Schedule A.

Section 5.2. Subsequent Capital Contributions**.** If the Board of Managers determines that additional capital is needed by the Company as provided in Section 9.7, the Board of Managers shall provide written notice to all Members holding Class B Units of the need for such additional capital and each of such Members shall make a contribution (collectively the "Subsequent Capital Contributions") to the Company equal to the product of (i) a fraction the numerator of which is the Ownership Percentage of such Member attributable to the Member's Class B Units and the denominator of which is the sum of all the Ownership Percentages of the Members holding Class B Units attributable to their Class B Units and (ii) the total additional capital required by the Company as set forth in the above notice. Each of the Members shall make such Subsequent Capital Contribution within ten (10) days of the above notice. If any Member fails to make such Subsequent Capital Contribution ("Defaulting Member"), any other Member may make such contribution on behalf of such Defaulting Member, which shall be considered a loan to such Defaulting Member secured by a security interest in such Defaulting Member's Ownership Interest and any distributions that would otherwise be made to the Defaulting Member shall be paid to the Member making such loan until such loan has been paid in full plus interest at the Prime Rate. Any such distribution shall be treated as made to the Defaulting Member and then paid by the Defaulting Member in repayment of the loan. The Members holding Class A Units and/or Class C Units shall have no obligation to make any Subsequent Capital Contribution to the Company in respect of such Units.

Section 5.3. Return of Contributions. Except as specifically required in this Agreement, a Member is not entitled to the return of any part of its capital contributions or to be paid interest in respect of either its Capital Account or its capital contributions, an unrepaid capital contribution is not a liability of the Company or of any Member and a Member is not required to contribute or to lend any cash or property to the Company.

Section 5.4. Advances by Members. If the Company does not have sufficient cash to pay its obligations, any Member(s) may agree, but shall not be required, to advance all or part of the needed funds to or on behalf of the Company if approval of the Board of Managers pursuant to Section 9.7 is obtained. An advance described in this Section 5.4 constitutes a loan from the Member to the Company, bears interest at the Prime Rate from the date of the advance until the date of repayment, and is not a capital contribution.

VI. RIGHTS, POWERS AND OBLIGATIONS OF MEMBERS

Section 6.1. Members' Fees. Except as otherwise provided in Section 6.3 hereof, the Members shall not be paid any fees or other compensation whatsoever for services, whether ordinary or extraordinary, foreseen or unforeseen, rendered to or for the benefit of the Company. Nothing contained in this Section 6.1 is intended to affect the Ownership Interest or Ownership Percentage of any Member or the amount that may be payable to any Member by reason of its interest in the Company.

Section 6.2. Duties of Members/Other Activities. The relationship existing pursuant to this Agreement shall not prohibit any Manager, any Member or any Person which is a member,

manager, officer, director, parent, Subsidiary or Affiliate of a Member or Manager, or any Person in which a Member, a Manager or the members, managers, officers, directors, parent, subsidiaries or Affiliates of a Member or Manager may have an interest, from engaging in any other business, investment or profession. Neither the Company nor any of the Members shall have any rights by virtue of this Agreement in or to any of such businesses, professions or investments, or in or to any income or profit derived therefrom.

Section 6.3. Dealing with Related Persons.

(a) Subject to the provisions of Section 9.7 hereof, the Company may employ or retain a Member, a Manager or an Affiliate of a Member or Manager to render or perform a service, may contract to buy property or services from or sell property or services to a Member, a Manager or any such Affiliate, and may otherwise deal with such Member, Manager or any such Affiliate; provided, however, that if the Company employs, retains or contracts with a Member, Manager or an Affiliate thereof, the charges made for services rendered and materials furnished by such Member, Manager or Affiliate shall be a reasonable amount comparable to the amount that would have been charged by others in the same line of business and not so related, and such relationship and charges shall be promptly disclosed in writing to the other Members.

(b) Effective as of the Effective Date, the Company will enter into a services agreement with CRI pursuant to which CRI will provide accounting, financial reporting, human resources and certain other services to the Company ("Services Agreement").

(c) CRI will advance funds to the Company pursuant to the terms of the Revolving Note. The indebtedness under the Revolving Note will be subject to the Loan Agreement and secured by the Security Documents.

(d) Effective as of the Effective Date, the Company will enter into Employment Agreements.

Section 6.4. Liability of Members. No Member shall be liable, responsible, or accountable in damages or otherwise to any other Member or the Company for any act performed by it except with respect to Disabling Conduct.

Section 6.5. No Resignation. Except for assignments, sales or other transfers of a Member's entire Ownership Interest made in compliance with the Transfer Restriction Agreement and Article XV hereof, no Member shall have the right to resign or withdraw as a Member of the Company prior to the dissolution and winding up of the Company, without approval of the Board of Managers. Any Member who resigns or withdraws as a Member of the Company in violation of the foregoing provision, or who has resigned or withdrawn as a Member of the Company in a manner not expressly permitted herein, shall be liable to the Company and the Members for any damages sustained by reason of such resignation or withdrawal. This Section 6.5 shall not affect any right a Member may have to resign from its position as a Manager, officer or employee of the Company.

Section 6.6. Power, Voting and Consent. Notwithstanding the fact that the Company is to be managed by its Board of Managers pursuant to Section 8.1 hereof, the Members holding

Class A Units shall, with respect to such Class A Units, have the right and obligation to vote on the following matters and any other matters requiring Member vote or consent pursuant to the Act or submitted by the Managers to the holders of Class A Units for a vote:

(a) Any amendment of this Agreement;

(b) Any merger, combination, conversion, consolidation, restructuring, reorganization, recapitalization or any other major transaction involving the structure, ownership or voting of the Company (or any Subsidiary of the Company) including the conversion contemplated by Section 17.6; and

(c) The sale, lease or other disposition of all or substantially all of the assets of the Company (or any Subsidiary of the Company) other than in the ordinary course of business.

Any such matter shall be approved if holders of at least 75% of the outstanding Class A Units vote in favor or consent to such matter. The Members hereby delegate to the Board of Managers all other decisions relating to the Company.

Notwithstanding any provision in this Agreement to the contrary, no Member shall have voting, approval, disapproval, or any other decision-making right with respect to Class B Units or Class C Units held by the Member except to the extent provided by the Act. No Member has the authority to bind the Company unless the Member is expressly granted such authority by the Board of Managers by a vote pursuant to Section 9.7.

VII. MEETINGS OF THE MEMBERS

Section 7.1. Annual Meeting. An annual meeting of the Members shall be held on the date of each year determined by the Board of Managers. The annual meeting shall be held at the Company's principal office or such other location agreed to by all the Members. At such meeting the Members may transact such business as properly may be brought before the meeting and that is within the scope of the permitted decisions specified in Section 6.6 hereof.

Section 7.2. Special Meetings. Special meetings of the Members may be called by the Chairman of the Board of Managers, the Board of Managers or any group of Members that hold an aggregate Ownership Percentage of at least 20%.

Section 7.3. Notice of Annual or Special Meeting. Written or printed notice stating the location, day and hour of the meeting and, in case of a special meeting, the general purpose or purposes for which the meeting is called, shall be delivered in accordance with Article X not less than ten (10) days before the date of the meeting, either personally or by telefax communication (which shall be deemed given at the time the sender receives confirmation of delivery), by or at the direction of the Chairman of the Board of Managers, the Secretary, or the Members calling the meeting, to each Member.

Section 7.4. Business at Special Meeting. The business transacted at any special meeting of the Members shall be limited to such business that is within the scope of the permitted decisions specified in Section 6.6 hereof and that is stated in the notice thereof, and no

unrelated business shall be conducted at such special meeting beyond the general scope identified in the notice unless all Members, whether such Member is present or not, agree in writing to consider and vote upon addition unrelated business.

Section 7.5. Quorum of Members. Unless otherwise provided by applicable law, the Articles, or this Agreement, the presence of 75% of the Members based on Class A Units and represented in person or by proxy, shall constitute a quorum at a meeting of the Members. The Members present at a duly organized meeting may continue to transact business until adjournment, and the departure of any Member from the meeting prior to adjournment of the meeting or the refusal of any Member to vote shall not affect the presence of a quorum at the meeting.

Section 7.6. Proxies. At any meeting of the Members, each Member having the right to vote shall be entitled to vote either in person or by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. Proxies shall be valid until revoked or superseded by a subsequently dated proxy. Except as provided in Section 17.6(a) and except in connection with any pledge or grant by the Comstock Member of a security interest in its Units pursuant to Section 3.3 of the Transfer Restriction Agreement, each proxy shall be revocable whether or not coupled with an interest unless made irrevocable by law.

Section 7.7. Action by Written Consent Without a Meeting and Telephonic Meetings. Any action required or permitted by applicable law, the Articles, or this Agreement to be taken at a meeting of the Members may be taken without a meeting, without prior notice, and without a vote, if a consent in writing, setting forth the action so taken, is signed by Members having not less than the minimum number of votes that would be necessary to take such action at a meeting at which Members entitled to vote on the action were present and voting. Every written consent must bear the date of signature of each Member who signs the consent. No written consent shall be effective to take the action that is the subject of the consent unless, within sixty (60) days after the date of the earliest dated consent delivered to the Company in the manner required by this Section 7.7, a consent or consents signed by Members having not less than the minimum number of votes that would be necessary to take the action that is the subject of the consent are delivered to the Company by delivery to its registered office, its principal place of business, or an officer or agent of the Company having custody of the books in which proceedings of meetings of Members are recorded. Delivery shall be by hand or certified or registered mail, return receipt requested or confirmed telefax communication. Delivery to the Company’s principal place of business shall be addressed to the Board of Managers of the Company. Prompt notice of the taking of any action by Members without a meeting by less than unanimous written consent shall be given by the Company to those Members who did not consent in writing to the action. With prior Member Consent, Members may participate in and hold a meeting of the Members by conference telephone or similar communications equipment by means of which all Persons participating in the meeting can hear each other, and participation in such a meeting shall constitute presence in person at such meeting, except where a Person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

VIII. BOARD OF MANAGERS

Section 8.1. Powers. The business and affairs of the Company shall be managed by or under the direction of its Board of Managers, which may exercise all such powers of the Company and do all such lawful acts and things as are not by non-waivable provisions of the Act or by the Articles or by this Agreement directed or required to be exercised and done by the Members. No individual Manager has the authority to bind the Company unless the Manager is granted such authority by the Board of Managers.

Section 8.2. Number of Managers. The Board of Managers shall consist of four (4) Managers.

Section 8.3. Election and Term.

(a) Initial Managers. The Comstock Member shall appoint two (2) Managers and the Bois d'Arc Members shall collectively appoint two (2) Managers (each Manager, an "Appointed Manager" and collectively, the "Appointed Managers"). The initial Appointed Managers shall be as set forth on Schedule B.

(b) Term. Each Appointed Manager shall serve until the earlier of his death, resignation or removal from office which may be with or without cause by the Appointing Group that appointed such Manager. In the event of a vacancy on the Board of Managers, then the Appointing Group that appointed the Appointed Manager whose failure to continue to serve as a Manager has created the vacancy shall fill such vacancy by delivery of written notice to the Company and each Member designating a replacement Manager to fill such vacancy. Upon receipt of such written notice by the Company, the replacement Appointed Manager shall be appointed as a Manager hereunder. Managers need not be residents of the State of Nevada or Members of the Company.

(c) Appointing Group. Actions by an Appointing Group to remove or replace a Manager shall be by a majority vote among the Member(s) of such Appointing Group holding Class A Units determined in accordance with Class A Units.

Section 8.4. Resignation and Removal. Any Manager may resign at any time upon giving written notice to the Company. Any Appointed Manager may be removed only by his Appointing Group in accordance with Section 8.3.

Section 8.5. Compensation of Managers. The Managers may be paid their expenses of attendance at each meeting of the Board of Managers; however, Managers shall not receive any compensation for serving as a Manager or as a member of any committee of the Board of Managers, except pursuant to the Company's Long-term Incentive Plan adopted in accordance with Section 8.7(b). This provision shall not preclude any Manager from serving as an officer of the Company or in any other capacity and receiving compensation therefor.

Section 8.6. Chairman of the Board of Managers. One Manager shall serve as Chairman of the Board of Managers. The Chairman of the Board of Managers shall preside at all meetings of the Board of Managers and shall have such other powers and duties as usually

pertain to such position or as may be delegated to him by the Board of Managers. The Chairman of the Board of Managers shall serve as such until the earlier of his death, resignation or removal from office by the Board of Managers. The initial Chairman of the Board of Managers shall be M. Jay Allison. Any subsequent Chairman of the Board of Managers shall be determined by majority vote of the Board of Managers; provided, however, that any such Chairman of the Board of Managers shall not, in such capacity, be an officer of the Company.

Section 8.7. Overriding Royalty Interest Incentive Plan; Long-term Incentive Plan.

(a) The Board of Managers is authorized to establish an Overriding Royalty Interest Incentive Plan in substantially the form attached hereto as Exhibit A.

(b) The Board of Managers shall establish a Long-term Incentive Plan in substantially the form attached hereto as Exhibit B.

IX. MEETINGS OF THE BOARD OF MANAGERS

Section 9.1. Annual Meeting. An annual meeting of the Board of Managers shall be held immediately following the annual meeting of the Members, and no notice of such meeting shall be necessary in order legally to constitute the meeting, provided a quorum shall be present.

Section 9.2. Regular Meetings. The Board of Managers shall schedule regular meetings of the Board of Managers at such intervals as the Board of Managers shall determine to be appropriate.

Section 9.3. Special Meetings. Upon not less than twenty-four (24) hours prior written notice, special meetings of the Board of Managers may be called by any two Managers.

Section 9.4. Location of and Business at Regular or Special Meeting. Meetings of the Board of Managers shall be held at the principal office of the Company, or at such other place or places as shall be agreed upon by the Board of Managers. Neither the business to be transacted at, nor the purpose of, any regular meeting of the Board of Managers need be specified. The business to be transacted at, and the general purpose of any special meeting shall be identified in the notice or waiver of notice of such meeting. No business other than that so identified shall be conducted by the Board of Managers at such special meeting beyond the general scope of the business and purpose identified in the notice and waiver unless 75% of Managers agree in writing to conduct such additional business.

Section 9.5. Quorum of Managers. Four Managers shall constitute a quorum for the transaction of business by the Board of Managers.

Section 9.6. Votes. Each Manager on the Board of Managers shall have one vote. Managers shall not have the authority to permit voting by proxy.

Section 9.7. Act of Managers' Meeting. The act of a majority of the total number of Managers, at a meeting at which a quorum is present, shall be the act of the Board of Managers, unless the act of a greater number is required by law, the Articles, or this Agreement. Tie votes

do not constitute a majority. Notwithstanding the foregoing, the following actions shall require the consent of all four of the Managers:

(a) Any Financing Transaction;

(b) A call for Subsequent Capital Contributions pursuant to Section 5.2;

(c) The issuance of any additional Units or any other voting or equity security of the Company (or any Subsidiary of the Company) or the issuance of any rights, warrants, options, convertible securities or indebtedness, exchangeable securities or indebtedness or other rights, exercisable for or convertible or exchangeable into Units or such other equity security of the Company (or any Subsidiary of the Company), in each case other than pursuant to Section 8.7;

(d) The direct or indirect redemption, purchase or other acquisition of any membership interest or other equity security of the Company (or any Subsidiary of the Company);

(e) Any amendment of this Agreement (which shall also require the vote or consent of the Members in accordance with Section 6.6(a));

(f) Any merger, combination, conversion, consolidation, restructuring, reorganization, recapitalization or any other major transaction involving the structure, ownership or voting of the Company (or any Subsidiary of the Company) (which shall also require the vote or consent of the Members in accordance with Section 6.6(b));

(g) The sale, lease or other disposition of all or substantially all of the assets of the Company (or any Subsidiary of the Company) other than in the ordinary course of business (which shall also require the vote or consent of the Members in accordance with Section 6.6(c));

(h) Any acquisition by the Company (or any Subsidiary of the Company) of the equity ownership or all or a substantial portion of the assets of any other entity;

(i) The filing by the Company (or any Subsidiary of the Company) of a petition under federal bankruptcy laws or any other insolvency law, or the admission in writing by the Company (or any Subsidiary of the Company) of its insolvency or general inability to pay its debts as they become due;

(j) Any election to dissolve the Company (or any Subsidiary of the Company) except as provided in Section 17.7;

(k) Except for the Loan Documents, the Services Agreement and the Employment Agreements, any transaction or entering into any agreement between the Company (or any Subsidiary of the Company) and a Member or Manager or an Affiliate of a Member or Manager;

(l) Any action or decision that is inconsistent with the purposes of the Company as set forth in Section 3.1 hereof;

(m) The submission to a vote of the Members of any other matter which does not under the Act or this Agreement require the approval of the Members;

(n) The resignation or withdrawal of a Member from the Company pursuant to Section 6.5; and

(o) Any Tax Distributions (but not Tax Loans) pursuant to Section 14.1.

Section 9.8. Action by Unanimous Written Consent Without a Meeting and Telephonic Meetings. Any action required or permitted to be taken at a meeting of the Board of Managers or committee thereof under the provisions of any applicable law, the Articles, or this Agreement may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all members of the Board of Managers. Such consent shall have the same force and effect as a unanimous vote of the Board of Managers or committee thereof. Managers may elect to participate in any meeting of the Board of Managers and meetings of the Board of Managers may be held by conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such a meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 9.9. Committees. The Board of Managers, by resolution adopted by a majority of the full Board of Managers, may designate one or more committees from among the Managers, each of which, to the extent provided in such resolution or in this Agreement, shall have and may exercise all the authority of the Board of Managers, subject to the limitations imposed by applicable law, the Articles, and this Agreement.

X. NOTICES

Section 10.1. Methods of Giving Notice. Whenever any notice is required to be given to any Member or Manager under the provisions of any applicable law, the Articles, or this Agreement, it shall be given in writing and delivered personally or delivered by facsimile communication ("telefax") (or, with the approval of all such Members or Managers, via telephone or electronic mail) to such Member or Manager at such address (and at such member facsimile) as appears on the books of the Company, and such notice shall be deemed to be given at the time the recipient actually receives the notice in the case of personal delivery, when the sender receives electronic confirmation of delivery with respect to any notice given by facsimile communication, when the sender actually speaks to the recipient in the case of telephonic notice or when the recipient reads the message in the case of electronic mail.

Section 10.2. Waiver of Notice. Whenever any notice is required to be given to any Member or Manager under the provisions of any applicable law, the Articles, or this Agreement, a waiver thereof in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 10.3. Attendance as Waiver. Attendance of a Member or Manager at a meeting shall constitute a waiver of notice of such meeting, except where a Member or Manager attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, a meeting need be specified in any written waiver unless required by any applicable law, the Articles, or this Agreement.

XI. OFFICERS

Section 11.1. Officers. The Board of Managers may appoint officers of the Company as provided in this Agreement. The officers of the Company shall initially consist of a Chairman (who initially shall be M. Jay Allison), a Chief Executive Officer (who initially shall be Laufer), a President (who initially shall be Blackie), a Chief Financial Officer (who initially shall be Roland O. Burns), and a Secretary (who initially shall be Roland O. Burns) to serve at the pleasure of the Board of Managers and who shall hold their offices for such terms and shall exercise such power and perform such duties as shall be determined from time to time by the Board of Managers. The Board of Managers may appoint such additional officers with such duties as the Board of Managers shall determine.

Section 11.2. Election and Qualification. The Board of Managers shall choose the Chief Executive Officer, the President, the Chief Financial Officer, the Secretary and such other officers as the Board of Managers shall determine and such officers shall continue to hold their offices until their death, resignation or removal.

Section 11.3. Salaries. Any officer appointed by the Board of Managers shall receive such compensation in such person’s capacity as an appointed officer of the Company as the Board of Managers shall determine.

Section 11.4. Term, Removal and Vacancies. Each officer of the Company shall hold office until his successor is chosen and qualified or until his death, resignation, or removal. Any officer may resign at any time upon giving written notice to the Company. Any officer may be removed by the Board of Managers, with or without cause, but such removal shall be without prejudice to the contract or other legal rights, if any, of the person so removed. Election or appointment of an officer shall not of itself create contract rights. Any vacancy occurring in any office of the Company by death, resignation, removal or otherwise shall be filled by the Board of Managers.

Section 11.5. Chairman. The Chairman shall have such powers and duties as are set forth in Section 8.6.

Section 11.6. Chief Executive Officer. The Chief Executive Officer shall have general powers of oversight, supervision and management of the business and affairs of the Company, and shall see that all orders and resolutions of the Board of Managers are carried into effect. The Chief Executive Officer shall have such other powers and duties as usually pertain to such office or as may be delegated by the Board of Managers.

Section 11.7. President. The President shall have such general powers of oversight, supervision and management of the business and officers of the Company as are not delegated to

the Chief Executive Officer and such other powers and duties as usually pertain to such office or as the Board of Managers shall prescribe.

Section 11.8. Chief Financial Officer. The Chief Financial Officer shall have the charge of the funds and the financial condition of the Company and shall have such other powers and duties as usually pertain to such office or as the Board of Managers shall prescribe or as the Chief Executive Officer shall delegate.

Section 11.9. Secretary. The Secretary shall act as the secretary of the Board of Managers and shall have such other powers and duties as usually pertain to such office or as the Board of Managers shall prescribe or as the Chief Executive Officer shall delegate.

XII. INDEMNIFICATION

Section 12.1. Right to Indemnification. Subject to the limitations and conditions set forth in this Article XII, each Person who was or is made a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative (a "Proceeding"), or any appeal in such a Proceeding or any inquiry or investigation that could lead to such a Proceeding, by reason of the fact that he or she, or a Person of whom he or she is the legal representative, is or was a Member, Manager or officer of the Company or while a Member, Manager or officer of the Company is or was serving at the request of the Company as a partner, director, officer, manager, member, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic limited liability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise (a "Covered Person"), shall be indemnified by the Company to the fullest extent permitted by the Act, as the same exists or may be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than said law permitted the Company to provide prior to such amendment) against judgments, penalties (including excise and similar taxes and punitive damages), fines, settlements and reasonable expenses (including, without limitation, attorneys' fees) actually incurred by such Person in connection with such Proceeding, and indemnification under this Section 12.1 shall continue as to a Person who has ceased to serve in the capacity that initially entitled such Person to indemnity under this Section. Such actions covered by such indemnification shall include those brought by a Member or the Company. The rights granted pursuant to this Article XII shall be deemed contract rights, and no amendment, modification or repeal of this Article XII shall have the effect of limiting or denying any such rights with respect to actions taken or Proceedings arising prior to any such amendment, modification or repeal. **IT IS EXPRESSLY ACKNOWLEDGED THAT THE INDEMNIFICATION PROVIDED IN THIS ARTICLE XII COULD INVOLVE INDEMNIFICATION FOR NEGLIGENCE OR UNDER THEORIES OF STRICT LIABILITY**; provided, however, that notwithstanding the foregoing or any other provision of this Agreement, the Company shall not provide indemnification to any Person in respect of any Disabling Conduct. The negative disposition of any Proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere, or its equivalent, shall not, of itself, create a presumption that the Covered Person acted in a manner contrary to the standard set forth in this Section.

Section 12.2. Advance of Expenses. The right to indemnification conferred in this Article XII shall include the right to be paid or reimbursed by the Company the reasonable expenses incurred by a Person of the type entitled to be indemnified under Section 12.1 or 12.3 who was, is or is threatened to be made a named defendant or respondent in a Proceeding in advance of the final disposition of the Proceeding and without any determination as to the Person's ultimate entitlement to indemnification; provided, however, that the payment of such expenses incurred by any such Person in advance of the final disposition of a Proceeding shall be made only upon the delivery to the Company of a written affirmation by such Person of his good faith belief that he has met the standard of conduct necessary for indemnification under Section 12.1 or 12.3 and a written undertaking, by or on behalf of such Person, to repay all amounts so advanced if it shall ultimately be determined that such indemnified Person is not entitled to be indemnified under Section 12.1 or 12.3.

Section 12.3. Indemnification of Employees and Agents. The Company may indemnify and advance expenses to any employee or agent of the Company to the same extent permitted under Section 12.1 for Covered Persons. In addition, the Company may (by a resolution of the Members) indemnify and advance expenses to any Person whether or not he is an employee or agent of the Company but who is or was serving at the request of the Company as a member, manager, director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic limited liability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise against any liability asserted against him and incurred by him in such a capacity or arising out of his status as such a Person, to the same extent permitted under Section 12.1 for Covered Persons.

Section 12.4. Appearance as a Witness. Notwithstanding any other provision of this Article XII the Company may pay or reimburse expenses incurred by a Member, Manager, officer, employee or agent in connection with his appearance as a witness or other participation in a Proceeding at a time when he is not a named defendant or respondent in the Proceeding.

Section 12.5. Non-Exclusivity of Rights. The right to indemnification and the advancement and payment of expenses conferred in this Article XII shall not be exclusive of any other right a Person indemnified pursuant to this Article XII may have or may acquire under any law (common or statutory), any provision of the Articles or this Agreement, a vote of Members or Managers or otherwise.

Section 12.6. Insurance. The Company may purchase and maintain insurance, to the extent and in such amounts as the Board of Managers shall, in its sole discretion, deem reasonable, to protect itself, the Company and/or any Covered Persons or other Persons indemnifiable under the provisions of this Article XII against any expense, liability or loss, whether or not the Company would have the power to indemnify such Person against such expenses, liability or loss under this Article XII.

Section 12.7. No Personal Liability. In no event may any Covered Person subject the Members to personal liability by reason of any indemnification of an Covered Person under this Agreement or otherwise.

Section 12.8. Interest in Transaction. A Covered Person shall not be denied indemnification in whole or in part under this Article XII because the Covered Person had an interest in the transaction with respect to which the indemnification applies if the transaction is otherwise permitted by the terms of the Governance Agreements.

Section 12.9. Successors and Assigns. The provisions of this Article XII are for the benefit of the Covered Persons and their heirs, successors, assigns, administrators and personal representatives and shall not be deemed to be for the benefit of any other Persons. The provisions of this Section 12.9 shall not be amended in any way that would diminish the rights of Covered Persons under this Article XII without the approval of the Members.

Section 12.10. Savings Clause. If all or any portion of this Article XII shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify and hold harmless any Person indemnified pursuant to this Article XII as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, to the fullest extent permitted by any applicable portion of this Article XII that shall not have been invalidated and, subject to this Article XII, to the fullest extent permitted by applicable law.

Section 12.11. Exculpation. The following exculpatory provisions shall apply to this Agreement:

(a) General. Notwithstanding any other terms of this Agreement, whether express or implied, or obligation or duty at law or in equity, no Covered Person nor any officer, employee, representative or agent of the Company or its Affiliates shall be liable to the Company or any Member for any act or omission (in relation to the Company, this Agreement, any related document or any transaction or investment contemplated hereby or thereby) taken or omitted in good faith by such Person and in the reasonable belief that such act or omission is in or is not contrary to the best interests of the Company and is within the scope of authority granted to such Person by this Agreement or the other Governance Agreement except in the following circumstances: (i) such act or omission constitutes Disabling Conduct or (ii) with respect to liability that may arise under any other agreement, such act or omission constitutes a breach of that agreement.

(b) Reliance. A Covered Person or other officer, employee, representative or agent of the Company may rely and shall incur no liability in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, paper, document, signature or writing reasonably believed by it to be genuine, and may rely on a certificate signed by an officer of any Person in order to ascertain any fact with respect to such Person or within such Person's knowledge and may rely on an opinion of counsel selected by such Covered Person or other officer, employee, representative or agent of the Company with respect to legal matters unless such Covered Person acts in bad faith.

XIII. ALLOCATIONS

Section 13.1. Consent to Allocations. Each Member as a condition of becoming a Member expressly consents to the following allocations as set forth in this Article XIII.

Section 13.2. Distributive Shares for Tax Purposes. There shall be allocated to each Member for federal income tax purposes a separate distributive share of all Company income, gain, loss, deduction and credit as follows:

(a) Except as otherwise provided in this Article XIII, Net Profit, if any, of the Company (and each item thereof) for each Fiscal Year or other period shall be allocated among the Members as follows:

(i) First, to the Members holding Class B Units and the Members holding Class C Units until the cumulative Net Profit allocated pursuant to this Section 13.2(a)(i) equals the Net Loss allocated to such Members pursuant to Section 13.2(b)(iii);

(ii) Second, to the Members holding Class A Units and Class B Units until the cumulative Net Profit allocated pursuant to this Section 13.2(a)(ii) equals the Net Loss allocated to such Members pursuant to Section 13.2(b)(ii); and

(iii) Third, to the Members holding Class B Units and the Members holding Class C Units pro rata in accordance with their Ownership Percentages; provided, however, the allocation of Net Profit to the Members holding Class C Units shall be reduced by any reduction in their distributions pursuant to the second proviso contained in Section 14.2 and the allocation of Net Profit to the Members holding Class B Units shall be increased accordingly.

(b) Except as otherwise provided in this Article XIII, Net Loss, if any, of the Company (and each item thereof) for each Fiscal Year or other period shall be allocated to the Members as follows:

(i) First, to the Members holding Class B Units and the Members holding Class C Units until the Net Loss allocated pursuant to this Section 13.2(b)(i) equals the Net Profit allocated to such Members pursuant to Section 13.2(a)(iii);

(ii) Second, to the Members holding Class A Units and Class B Units until the cumulative Net Loss allocated pursuant to this Section 13.2(b)(ii) equals the amounts of their Unreturned Equity; and

(iii) Third, to the Members holding Class B Units and the Members holding Class C Units pro rata in accordance with their Ownership Percentages.

(c) The provisions of this Agreement relating to the allocation of Gross Income, Net Profit and Net Loss are intended to comply with the Treasury Regulations

under Section 704(b) of the Code and shall be interpreted and applied in a manner consistent with such Treasury Regulations.

(d) Notwithstanding any other provision of this Agreement to the contrary, if in any Fiscal Year or other period there is a net decrease in the amount of the Company Minimum Gain, then each Member shall first be allocated items of Gross Income for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in such minimum gain during such year (as determined under Treasury Regulations Section 1.704-2(g)(2)); provided, however, if there is insufficient Gross Income in a year to make the allocation specified above for all Members for such year, the Gross Income shall be allocated among the Members in proportion to the respective amounts they would have been allocated above had there been an unlimited amount of Gross Income for such year.

(e) Notwithstanding any other provision of this Agreement to the contrary other than Section 13.2(d), if in any year there is a net decrease in the amount of the Member Nonrecourse Debt Minimum Gain, then each Member shall first be allocated items of Gross Income for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in such minimum gain during such year (as determined under Treasury Regulations Section 1.704-2(i)(4)); provided, however, if there is insufficient Gross Income in a Fiscal Year to make the allocation specified above for all Members for such year, the Gross Income shall be allocated among the Members in proportion to the respective amounts they would have been allocated had there been an unlimited amount of Gross Income for such Fiscal Year.

(f) Notwithstanding any other provision of this Agreement to the contrary (except Sections 13.2(d) and 13.2(e) which shall be applied first), if in any Fiscal Year or other period a Member unexpectedly receives an adjustment, allocation or distribution described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Gross Income shall first be allocated to Members with negative Capital Account balances (adjusted in accordance with Section 13.4(e)), in proportion to such negative balances, until such balances are increased to zero.

(g) Notwithstanding the provisions of Section 13.2(b), Net Loss (or items thereof) shall not be allocated to a Member if such allocation would cause or increase a negative balance in such Member's Capital Account (adjusted in accordance with Section 13.4(e)) and shall be reallocated to the other Members, subject to the limitations of this Section 13.2(g).

(h) Any Member Nonrecourse Deductions shall be allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such deductions are attributable.

(i) Company Nonrecourse Deductions shall be allocated to the Members pro rata in accordance with their Ownership Percentages.

(j) In the event that any Gross Income, Net Loss (or items thereof) or deductions are allocated pursuant to Sections 13.2(d) through 13.2(i), subsequent Gross Income, Net Profit or Net Loss (or items thereof) will first be allocated (subject to Sections 13.2(d) through 13.2(i)) to the Members in a manner which will result in each Member having a Capital Account balance equal to that which would have resulted had the original allocation of Gross Income, Net Loss (or items thereof) or deductions pursuant to Sections 13.2(d) through 13.2(i) not occurred; provided, however, no allocations pursuant to this Section 13.2(j), which are intended to offset allocations pursuant to Section 13.2(h) and Section 13.2(i), shall be made prior to the Fiscal Year during which there is a net decrease in Member Nonrecourse Debt Minimum Gain or Company Minimum Gain, and then only to the extent necessary to avoid any potential economic distortions caused by such net decrease in Member Nonrecourse Debt Minimum Gain or Company Minimum Gain, and no such allocation pursuant to this Section 13.2(j) shall be made to the extent that the Board of Managers reasonably determines that it is likely to duplicate a subsequent mandatory allocation pursuant to Section 13.2(d) or Section 13.2(e).

(k) Unless the Board of Managers elects to adjust Capital Accounts to reflect Actual Depletion Deductions pursuant to Section 1.704-1(b)(2)(iv)(k)(3) of the Treasury Regulations, the portion of the total amount realized by the Company upon the taxable disposition of a Depletable Property that represents recovery of its simulated adjusted tax basis therein will be allocated to the Members in the same proportion as the aggregate adjusted tax basis of such property was allocated to such Members (or their predecessors in interest). If the Board of Managers elects to use Actual Depletion Deductions pursuant to Section 1.704-1(b)(2)(iv)(k)(3) of the Treasury Regulations, the portion of the total amount realized by the Company upon a taxable disposition of such property that equals the Members' aggregate remaining adjusted basis therein will be allocated to the Members in proportion to their respective remaining adjusted tax bases in such property. Any amount realized in excess of the above amounts shall be allocated among the Members in accordance with their Ownership Percentages.

(l) Notwithstanding the other provisions of this Section 13.2 (other than 13.2(d), (e), (f), (g), (h), (i) and (j)), the Net Profit or Net Loss (and, if necessary, Gross Income and items included in Net Profit and Net Loss) of the Company for the taxable year of liquidation of the Company shall be allocated to the extent possible, in a manner such that the Capital Accounts of the Members prior to the liquidating distributions pursuant to Section 17.2 or Section 17.7 will to the maximum extent possible, be in the same amounts as the distributions to be made pursuant to the Members in accordance with Section 17.2 or Section 17.7.

(m) If an interest in the Company is transferred, the Gross Income, Net Profit or Net Loss allocable to the holder of such Company interest for the then Fiscal Year shall be allocated proportionately between the assignor and the assignee based on the number of calendar days during such Fiscal Year for which each party was the owner of the transferred interest in the Company or upon some other reasonable method.

Section 13.3. Code Section 704(c). In accordance with Code Section 704(c) and the Treasury Regulations thereunder, depletion, depreciation, amortization, income, gain and loss, as determined for tax purposes, with respect to any property whose Book Value differs from its adjusted basis for federal income tax purposes shall, for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its Book Value. Such allocations shall be made in accordance with the following principles:

(a) In general, the Company shall utilize such method to eliminate book-tax disparities attributable to a contributed property or adjusted property as shall be determined by the Board of Managers.

(b) The Company shall account for book-tax differences with respect to contributed oil and gas properties under the principles set forth in this paragraph, unless the Board of Managers determines that another method more accurately accounts for book-tax disparities with respect to such properties or is required to comply with Treasury Regulations or rulings or other guidance issued by the Internal Revenue Service subsequent to the formation of the Company. Under Code Section 613A(c)(7)(D), tax depletion on oil and gas property held by the Company shall be computed separately by each Member with respect to its Class B Units based on the Member's share of the Company's adjusted basis in the depletable properties. Gain or loss on the disposition of a depletable property shall be computed separately by each Member with respect to its Class B Units based on its share of the Company's amount realized and adjusted tax basis in the property. The adjusted tax basis of each oil and gas property contributed to the Company shall be allocated to the Member that contributed such property. All depletion deductions with respect to such oil and gas property shall be allocated to such Member with respect to its Class B Units. Gain or loss on the disposition of such property shall be allocated to the contributing Member with respect to its Class B Units to the extent of any remaining pre-contribution gain or loss.

Allocations pursuant to this Section 13.3 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Net Profit, Net Loss, other items, or distributions pursuant to any provision of this Agreement.

Section 13.4. Capital Accounts. A separate capital account ("Capital Account") shall be maintained for each Member, as follows:

(a) There shall be credited to each Member's Capital Account the amount of any cash actually contributed by such Member to the capital of the Company (or deemed contributed pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(c)), the fair market value of any property contributed by such Member to the capital of the Company (net of any liabilities secured by such property that the Company is considered to assume or to take subject to under Code Section 752), such Member's share of the Gross Income and Net Profit (and all items thereof) of the Company, and such Member's share of Simulated Gain or, if the Board of Managers elects to use Actual Depletion Deductions pursuant to Section 1.704-1(b)(2)(iv)(k)(3) of the Treasury Regulations, such Member's

Actual Gains. There shall be charged against each Member's Capital Account the amount of all cash distributed to such Member by the Company (or deemed distributed pursuant to Treasury Regulations Section 1.704-1(b) (2) (iv) (c)), the fair market value of any property distributed to such Member by the Company (net of any liability secured by such property that the Member is considered to assume or take subject to under Code Section 752), such Member's share of the Net Loss (and all items thereof) of the Company, and either such Member's distributive share of Simulated Losses and Simulated Depletion Deductions or, if the Board of Managers elects to use Actual Depletion Deductions pursuant to Section 1.704-1(b)(2)(iv)(k)(3) of the Treasury Regulations, such Member's Actual Losses and Actual Depletion Deductions.

(b) If the Company at any time distributes any of its assets in-kind to any Member, the Capital Account of each Member shall be adjusted to account for that Member's allocable share (as determined under this Article XIII) of the Net Profit or Net Loss that would have been realized by the Company had it sold the assets that were distributed at their respective fair market values immediately prior to their distribution, but only to the extent not previously reflected in the Members' Capital Accounts.

(c) Any adjustments to the tax basis (or Book Value) of Company property under Code Sections 732, 734 or 743 will be reflected as adjustments to the Capital Accounts of the Members, only in the manner and to the extent provided in Treasury Regulations Section 1.704-1(b)(2)(iv)(m).

(d) Upon the decision of the Board of Managers, the Capital Accounts of the Members shall be adjusted to reflect a revaluation of Company property to its fair market value on the date of adjustment upon the occurrence of any of the following events:

(i) An increase in any new or existing Member's Ownership Interest resulting from the contribution of money or property by such Member to the Company,

(ii) Any reduction in a Member's Ownership Interest resulting from a distribution to such Member in redemption of all or part of its Ownership Interest, unless such distribution is pro rata to all Members in accordance with their respective Ownership Interests, and

(iii) Whenever otherwise allowed under Treasury Regulations Section 1.704-1(b)(2)(iv)(f).

The adjustments to Capital Accounts shall reflect the manner in which the unrealized Net Profit or Net Loss inherent in the property would be allocated if there were a disposition of the Company's property at its fair market value on the date of adjustment.

(e) For purposes of Sections 13.2(d) through 13.2(i) a Member's Capital Account shall be reduced by the net adjustments, allocations and distributions described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6) which, as of the end of the Company's taxable year are reasonably expected to be made to such Member, and

shall be increased by the sum of (i) any amount which the Member is required to restore to the Company upon liquidation of its Ownership Interest in the Company (or which is so treated pursuant to Treasury Regulations Section 1.704-1(b)(2)(ii)(c)) pursuant to the terms of this Agreement or under state law, (ii) the Member's share (as determined under Treasury Regulations Section 1.704-2(g)(1)) of Company Minimum Gain, (iii) the Member's share (as determined under Treasury Regulations Section 1.704-2(i)(5)) of Member Nonrecourse Debt Minimum Gain and (iv) the Member's share (as determined under Section 752 of the Code) of any recourse indebtedness of the Company to the extent that such indebtedness could not be repaid out of the Company's assets if all of the Company's assets were sold at their respective Book Values as of the end of the Fiscal Year or other period and the proceeds from the sales were used to pay the Company's liabilities. For the purposes of clause (iv) above, the amounts computed pursuant to clause (i) above for each Member shall be considered to be proceeds from the sale of the assets of the Company to the extent such amounts would be available to satisfy (directly or indirectly) the indebtedness specified in clause (iv).

(f) For purposes of computing the Members' Capital Accounts, Simulated Depletion Deductions and Simulated Losses shall be allocated among the Members in the same proportions as they (or their predecessors in interest) were allocated the basis of Company oil and gas properties pursuant to Code Section 613A(c)(7)(D), the Treasury Regulations thereunder, and Section 1.704-1(b)(4)(v) of the Treasury Regulations. Simulated Gains shall be allocated among the Members in accordance with their Ownership Percentages, subject however to Section 13.2(l). In accordance with Code Section 613A(c)(7)(D) and the Treasury Regulations thereunder and Section 1.704-1(b)(4)(v) of the Treasury Regulations, the adjusted basis of all oil and gas properties shall be shared by the Members in proportion to the Ownership Percentages; provided, however, that in the case of the Company's share of the basis of oil and gas properties contributed or deemed to be contributed by the Members to the Company pursuant to the Contribution Agreement, the adjusted basis of such oil and gas properties shall be allocated among the Members in amounts equal to their respective shares of such basis in the properties so contributed.

(g) Notwithstanding anything in this Agreement to the contrary (including, without limitation, Section 13.4(d)), upon the exercise of any option to purchase Class B Units, the Members' Capital Accounts shall be adjusted immediately after the exercise of the option to reflect a revaluation of the Company's assets to their fair market values on the date of adjustment.

(h) It is the intention of the Members that the Capital Accounts of the Company be maintained strictly in accordance with the Capital Account maintenance requirements of Treasury Regulations Section 1.704-1(b). The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulations Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such regulations and any amendment or successor provision thereto. The Members agree to make any appropriate modifications if events might otherwise cause this Agreement not to comply with Treasury Regulations Section 1.704-1(b).

(i) A deficit in a Member's Capital Account shall not be considered an asset of the Company, and no Member shall be obligated to restore or otherwise be responsible for a deficit or negative balance in such Member's Capital Account.

Section 13.5. Compliance with the Code. It is intended that the tax allocations in this Article XIII effect an allocation for federal income tax purposes in a manner consistent with Sections 704 and 706 of the Code and comply with any limitations or restrictions therein. The Board of Managers shall have complete discretion to make the allocations pursuant to this Article XIII and the allocations and adjustments to Capital Accounts in any manner consistent with Sections 704 and 706 of the Code. The Board of Managers, in its sole discretion, may determine whether payments to Members, other than those distributions pursuant to Article XIV, shall be treated by the Company as payments governed by Section 707(c) of the Code. The Board of Managers shall have complete discretion to make such allocations and adjustments to Capital Accounts as shall be required to comply with such Section.

XIV. DISTRIBUTIONS

Section 14.1. Distribution of Operating Cash Flow.

(a) Except as provided in Article XVII, Operating Cash Flow, if any, shall be distributed to the Members holding Class B Units and the Members holding Class C Units pro rata in accordance with their Ownership Percentages at such time or times as determined by the Board of Managers; provided, however, in no event shall any distribution of Operating Cash Flow (other than pursuant to Section 14.1(b)) be made to the Members until the Revolving Note and all Member advances made pursuant to Section 5.4 are repaid in full.

(b) At a minimum, provided that funds are available therefor, Operating Cash Flow shall be distributed in an amount sufficient to pay the federal income tax liability of the Members attributable to any Net Profit allocated to such Members pursuant to this Agreement based on the highest marginal federal individual tax rate in effect at the time of such allocation ("Tax Distributions"), unless such Tax Distributions are prohibited by law or any restrictions contained in agreements to which the Company or CRI is a party. If the Board of Managers determines that the Company cannot make Tax Distributions because of restrictions under such agreements, the Company shall make loans to the Members in the amount of such distributions ("Tax Loans") which loans shall provide for interest at such rate as shall be determined by the Board of Managers. Tax Distributions or Tax Loans shall be made quarterly or on another basis in a manner reasonably determined by the Board of Managers to enable the Members to satisfy both estimated and final tax payment requirements. The amount of any Tax Distributions or Tax Loans made to a Member pursuant to this Section 14.1(b) shall be deducted or repaid from the amount of any future distributions that would otherwise be made to such Member pursuant to this Section 14.1, Section 14.2 or Article XVII.

Section 14.2. Distribution of Net Proceeds of a Capital Transaction. Except as provided in Article XVII, Net Proceeds of a Capital Transaction shall be distributed at such times as shall be determined by the Board of Managers to the Members as follows:

(a) First, to the Members holding Class A Units and Class B Units in proportion to and to extent of their Unreturned Equity; and

(b) Second, to the Members holding Class B Units and the Members holding Class C Units pro rata in accordance with their Ownership Percentages;

provided, however, in no event shall any distribution of Net Proceeds of a Capital Transaction be made to the Members until the Revolving Note is repaid in full in cash and provided, further, however in no event shall the distributions to the Members holding Class C Units exceed one half of the distribution to the holders to Class B Units on a per unit basis and such excess shall be distributed to the holders of the Class B Units pro rata in accordance with their Ownership Percentage.

Section 14.3. Amount Withheld. Notwithstanding any other provision of this Agreement to the contrary, the Board of Managers is authorized to take any action that it determines to be necessary or appropriate to cause the Company to comply with any withholding or other payment requirements established under the Code or any other federal, state or local law including, without limitation, pursuant to Sections 1441, 1442, 1445 and 1446 of the Code. To the extent that the Company is required to pay to any governmental authority any amount resulting from either the allocation of income or gain or a distribution to any Member (including, without limitation, by reason of Sections 1441, 1442, 1445 or 1446 of the Code), the amount so paid shall be treated as a distribution of cash to the Member and any future distributions to which such Member is entitled shall be reduced to the extent of any amount treated as a distribution pursuant to this Section 14.3. The Capital Account of the Member for which amounts are paid over to a governmental authority pursuant to this Section 14.3 shall be decreased by such amount paid over to the governmental authority. A Member who has had amounts paid over to a governmental authority pursuant to this Section 14.3 shall be entitled to receive any refund of any such tax, penalty, interest or other amount received by the Company on account of amounts paid on behalf of the Member pursuant to this Section 14.3; provided, however, that the amount due such Member shall be reduced by any expenses of the Company incurred in connection with the payment or refund of such tax, penalty, interest or other amount. The Company shall have no duty or obligation to seek to obtain or collect any refund or expend any amount to reduce the amount of any withholding, penalty, interest or other amount otherwise payable to any governmental authority; provided, however, upon request by a Member, the Company shall take reasonable steps to cooperate with the Member on a refund request provided that the Company is reimbursed by the Member for the Company's costs and expenses arising from such cooperation. If at any time a Member's interest in the Company is transferred or assigned, the proposed assignee shall certify to non-foreign status prior to the transfer or assignment of the interest. Such certifications shall be made on a form to be provided by the Board of Managers. Each Member shall notify the Company if it becomes either a "Foreign Person", as defined in Code Section 1445, or a "Foreign Partner", as defined in Code Section 1446, within thirty (30) calendar days of such change.

XV. TRANSFER OF INTERESTS

Section 15.1. Transfer Restriction Agreement. Each Member as of the date of this Agreement is also a party to the Transfer Restriction Agreement. As a condition to being

admitted as a Member, any other Person must become a party to the Transfer Restriction Agreement, in accordance with the procedures set forth therein. The Transfer Restriction Agreement, a copy of which is attached hereto as Exhibit C, is incorporated by reference in this Agreement as if fully set forth herein and forms a part of this Agreement.

Section 15.2. Transfers of Interests and Admission of New Members. No Member may assign, sell or otherwise transfer by operation of law or otherwise, any of its right, title or interest or any portion thereof in the Company unless such Member shall first comply with the provisions of the Transfer Restriction Agreement applicable to the proposed assignment, sale or transfer. In the event of foreclosure of the Comstock Member's Ownership Interest in connection with a pledge or grant of such interest pursuant to Section 3.3 of the Transfer Restriction Agreement, the foreclosing party shall be substituted for the Comstock Member automatically upon such foreclosure without the consent of the Members, and shall have all the rights of the Comstock Member under this Agreement. In the event an Affiliate Transfer or a Familial Transfer results in the entirety of a Member's Ownership Interest in the Company being transferred, then such transferee shall be substituted for that Member automatically upon such transfer without the consent of the Members, and shall have all the rights of such Member under this Agreement. In the event of an Affiliate Transfer or a Familial Transfer of the entirety of a Member's Ownership Interest divided between or among more than one transferee, only one such transferee may become a substituted Member and the remainder of such transferees shall be treated as and have the rights of assignees under the Act. The transferor shall designate in a written notice to the Company and to each other Member which such transferee shall become the substituted Member, and such designated transferee shall be substituted for the transferor Member automatically upon such transfer without the consent of the Members with respect to the Ownership Interest transferred to such transferee, and shall have all the rights of such transferring Member under this Agreement. In the event of an Affiliate Transfer or a Familial Transfer of less than the entirety of a Member's Ownership Interest, such transferee shall not be a substituted Member; but the transferring Member shall remain a Member and retain all rights as a Member under this Agreement. Any other transferee of a Member's Ownership Interest in the Company shall be admitted to the Company as a substituted Member only if (i) the assignment, sale or other transfer pursuant to which the transferee acquired such Ownership Interest was effected in accordance with the Transfer Restriction Agreement and (ii) "Holder Consent" (as defined in the Transfer Restriction Agreement) of such assignment, sale or other transfer has been obtained. If such a transferee is not admitted as a substituted Member under this Article XV, it shall have none of the powers of a Member hereunder but shall, subject to the further provisions hereof, have only such rights of an assignee under the Act as are consistent with this Agreement. Such assignee shall have no voting rights or consent rights (and shall have no power to remove or replace Managers pursuant to Section 8.3(c)) or any other power to participate in the management of the Company, but shall be subject to the provisions of the Transfer Restriction Agreement including, without limitation, the obligations under Articles II, IV and V thereof, but shall not be entitled to exercise the rights of a party thereto, including, without limitation, under Article III or VI thereof. In the event of any permitted transfer of an interest in the Company pursuant to this Article XV and the Transfer Restriction Agreement, the interest so transferred shall remain subject to all terms and provisions of this Agreement and the Transfer Restriction Agreement, and the transferee shall be deemed, by accepting the interest so transferred, to have assumed all the liabilities and unperformed obligations, under this Agreement, the Transfer Restriction Agreement or otherwise, which are appurtenant to the

interest so transferred; shall hold such interest subject to all unperformed obligations of the transferor Member hereunder and under the Transfer Restriction Agreement; and shall agree in writing to the foregoing if requested by the Board of Managers or the Members and shall join in and be bound by the terms of this Agreement. No assignment shall relieve the assignor from its obligations prior to this Agreement or the Transfer Restriction Agreement, except that if the transferee is admitted as a Member, the assignor shall be relieved of obligations hereunder and under the Transfer Restriction Agreement accruing after the admission of the transferee as a Member.

Section 15.3. Securities Laws Restrictions. Notwithstanding any other provision of this Article XV, no transfer of an interest in the Company may be made if the transfer would violate federal or state securities laws.

XVI. BOOKS OF ACCOUNT AND COMPANY RECORDS

Section 16.1. Books of Account. At all times during the continuance of the Company, the Managers shall keep or cause to be kept, full and true books of account in which shall be entered fully and accurately all transactions of the Company.

Section 16.2. Inspection. All of the books of account of the Company, together with an executed copy of this Agreement and any amendments hereto, shall at all times be maintained at the principal office of the Company and shall be open to the inspection and examination of the Members or their representatives. Any Member may, at any time and from time to time, at its own expense, cause an audit of the books of the Company to be made by a certified public accountant or other person designated by such Member.

Section 16.3. Fiscal Year and Accounting Method. The fiscal year of the Company shall end on December 31 in each year, and the books of the Company shall be kept on an accrual method of accounting by the Board of Managers.

Section 16.4. Financial Reports. For each Fiscal Year during the term hereof, the Board of Managers shall deliver to all the Members, as soon as reasonably practicable after the expiration of such Fiscal Year, an audited financial report of the Company, including a balance sheet, profit and loss statement, and a statement showing distributions to the Members and the allocation among the Members of taxable income, gains, losses, deductions and credits of the Company. In addition, the Board of Managers shall cause to be delivered to all the Members monthly unaudited statements of profit and loss prepared on an accrual basis, such statements to reflect profit and loss on both a monthly and year-to-date basis. Each such monthly statement shall be so delivered within thirty (30) days after the end of the month to which the statement pertains. An accounting of all items of receipt, income, profit, cost, expense and loss shall also be prepared made by the Board of Managers upon the dissolution of the Company.

Section 16.5. Tax Returns. The Company shall cause all income tax returns to be prepared or reviewed in compliance with this Agreement (in particular the tax allocations in Article XIII hereof) by such firm of independent certified public accountants as shall be selected by the Board of Managers, shall cause such tax returns to be timely filed with the appropriate authorities and shall cause copies thereof and all related matters needed by any Member for the

preparation of its tax returns to be promptly delivered to all Members. Copies of such tax returns shall be kept at the principal office of the Company and shall be available for inspection by any Member during normal business hours. The income tax documentation to be generated hereunder shall include any additional information reasonably requested by a Member for the preparation of its return.

Section 16.6. Tax Elections.

(a) In the event of a transfer of all or part of an interest of a Member authorized by this Agreement, the Company shall, upon the request of the transferee, elect pursuant to Section 754 of the Code to adjust the basis of Company property, and any basis adjustment relating to such transfer, whether made under Section 754 of the Code or otherwise, shall be allocated solely to the transferee; provided, however, that each transferee shall pay the additional bookkeeping and accounting costs which result from the basis adjustment pertaining to such transferee. Each of the Members shall supply to the Company upon request the information necessary properly to give effect to such election.

(b) All other federal income tax elections required or permitted to be made by the Company shall be made in such manner as may be agreed upon by the Board of Managers. No Member shall take any action or refuse to take any action which would cause the Company to forfeit the benefits of any tax election previously made or agreed to be made.

Section 16.7. Tax Matters Partner. Comstock Offshore, LLC is hereby designated as the “Tax Matters Partner” of the Company within the meaning of Section 6231(a)(7) of the Code and shall have the power to manage and control, on behalf of the Company, any administrative proceeding at the Company level with the Internal Revenue Service relating to the determination of any item of Company income, gain, loss, deduction, or credit for federal income tax purposes. The Tax Matters Partner shall comply with all statutory provisions of the Code applicable to a “tax matters partner” and shall, without limitation, within thirty (30) calendar days of the receipt of any notice from the Internal Revenue Service in any administrative proceeding at the Company level relating to the determination of any Company item of income, gain, loss, deduction, or credit, mail a copy of such notice to each Member.

Section 16.8. Bank Accounts. The funds of the Company shall be deposited in the name of the Company in such bank accounts and with such signatories as shall be selected by the Board of Managers. All deposits, including security deposits, funds required to be escrowed and other funds not currently distributable or needed in the operation of the Company business shall, to the extent permitted by law, be deposited in such interest-bearing bank accounts or invested in such financial instruments (including, without limitation, hedge contracts and commodity contracts) as shall be approved by the Board of Managers.

XVII. DISSOLUTION, WINDING UP AND DISTRIBUTION

Section 17.1. Events of Dissolution. The Company shall be dissolved upon the occurrence of any of the following events (an “Event of Dissolution”):

(a) upon an election by the Board of Managers to dissolve the Company;

(b) the sale of substantially all of the assets of the Company;

(c) as provided in Section 17.7; or

(d) upon the entry of a decree of judicial dissolution of the Company under Section 86.495 of the Act.

The death, retirement, resignation, expulsion, bankruptcy or dissolution of any Member or the occurrence of any other event that terminates the continued membership of any Member shall not cause the Company to be dissolved or its affairs to be wound up.

Section 17.2. Dissolution and Winding Up. Notwithstanding any other provision of this Agreement, upon the dissolution of the Company, the Board of Managers (which term, for purposes of this Section 17.2 and Section 17.4 shall include the respective trustee, receiver or successor, if any, of either or both thereof) shall have the responsibility for expeditiously dissolving and liquidating the Company. They shall promptly proceed to wind up the affairs of the Company and, after payment (or making provision for payment) of liabilities owing to creditors, shall set up such reserves as they deem reasonably necessary or appropriate for any contingent or unforeseen liabilities or obligations of the Company. Said reserves may be paid over to a bank or an attorney-at-law, to be held in escrow for the purpose of paying any such contingent or unforeseen liabilities or obligations. After paying such liabilities and setting up such reserves, the Board shall cause the remaining net assets of the Company to be paid or distributed to the Members or their assigns in accordance with the provisions of Section 14.2. At the expiration of such period as the Board of Managers may deem advisable, any remaining reserves shall be paid or distributed to the Members or their assigns in the same manner as the preceding sentence. No Member shall receive any additional compensation for any services performed pursuant to this Article XVII.

Section 17.3. Final Statement. Upon the dissolution of the Company, a final certified statement of its assets and liabilities shall be prepared by the Company’s certified public accountants and furnished to the Members within ninety (90) days after such dissolution.

Section 17.4. Distribution In-Kind. If all the Members agree that it shall be impractical to liquidate part or all the assets of the Company, then assets which they agree are not suitable for liquidation may be distributed to the Members in-kind, subject to the order of priority set forth in Section 17.2 hereof and, further, subject to such conditions relating to the management and disposition of the assets distributed as the Board of Managers deems reasonable and equitable. If Company assets are to be distributed in-kind, then prior to any such distribution, the Capital Accounts of the Members shall be adjusted to reflect the manner in which the unrealized taxable income, gain, loss and deduction inherent in such property (to the extent that such items have not been previously reflected in the Capital Accounts) would be allocated among the Members if there were a taxable disposition of such property on the date of its distribution for its then fair market value determined mutually by the Members.

Section 17.5. Deemed Distribution and Recontribution. Notwithstanding any other provision of this Article XVII, in the event the Company is liquidated within the meaning of

Regulations Section 1.704-1(b)(2)(ii)(g) but no Event of Dissolution has occurred, the assets of the Company shall not be liquidated, the Company's liabilities shall not be paid or discharged, and the Company's affairs shall not be wound up. Instead, the Company shall be deemed to have contributed its assets in-kind to a new limited liability company, which shall be deemed to have assumed and taken all Company assets subject to all Company liabilities. Immediately thereafter, the Company shall be deemed to have liquidated and distributed the interests in the new limited liability company in-kind to the Members.

Section 17.6. Financing Transaction. If the Board of Managers approves a Financing Transaction and in connection with such Financing Transaction it is necessary or appropriate (as determined by the Board of Managers) to convert to a "C" corporation under Nevada law:

(a) Each Member hereby appoints M. Jay Allison and Laufer, and each of them, the lawful attorneys and proxies of such Member, each with several powers of substitution, to at any time vote all Class A Units, Class B Units and Class C Units held by such Member, with all of the powers such Member would possess if voting personally, in favor of approval and adoption of the Plan of Conversion of the Company, in substantially the form attached hereto as Exhibit D, with such changes therein as the executing person may approve, and the transactions contemplated thereby, including but not limited, to the adoption of the Articles of Incorporation of the converted corporation in substantially the form attached thereto as Exhibit A, with such changes as the executing person may approve. Such proxy is coupled with an interest and is irrevocable.

(b) The Company shall purchase and the Members holding Class A Units shall sell to the Company all outstanding Class A Units for $1.00 per Class A Unit. The Class B Units and Class C Units shall be converted into shares of the converted corporation and allocated among the Members pursuant to the provisions of Schedule C.

(c) Upon such conversion the resulting corporation shall have nine (9) directors, five of which shall be elected or appointed by the Comstock Member and four of which will be elected or appointed by the Bois d'Arc Members.

Section 17.7. Failure to Complete Financing Transaction. If the Company does not consummate a Financing Transaction by December 1, 2004 (or such later date as shall be determined by a unanimous vote of the Board of Managers), the following actions shall be taken:

(a) First, the Company shall purchase and the Comstock Member shall sell to the Company for a total purchase price of $1.00 per Class A Unit the minimum number of Class A Units held by the Comstock Member that will result in the Comstock Member owning less than fifty percent (50%) of the total outstanding Class A Units outstanding; and

(b) Then the Company shall be dissolved and liquidated in the following manner:

(i) to the extent possible, each asset of the Company that was contributed to the Company by a Member shall be distributed in-kind to such Member free and clear of any liens or encumbrances placed on the asset by the Company;

(ii) each Member shall repay any debt that the Company assumed from such Member pursuant to the Contribution Agreement;

(iii) each Member that received cash from the Company pursuant to the Contribution Agreement shall contribute such cash to the Company;

(iv) each Member holding Class C Units shall be required to sell to the Company all such Class C Units for a total purchase price of one dollar ($1), and any outstanding options to acquire Class B Units shall be cancelled without payment of consideration to the holders thereof; and

(v) the Company shall endeavor to put the Members in a position as near as possible to the same economic position that the Members would have been in if the Members had never formed the Company and instead had continued to own their respective properties individually, and the Company shall make such distributions of cash and such allocations of taxable income, gain, loss and expense as shall be reasonably required to accomplish the foregoing.

In accordance with (i) above, and without limitation thereof, all interests in Bois d'Arc Offshore, Ltd. and Bois d'Arc Oil & Gas Company, LLC shall be distributed in-kind to Blackie and Laufer in the same percentages as they owned such entities prior to the formation of the Company. Such distribution shall include the exclusive right to such entities' names. In making the determination pursuant to (v) above the Company shall allocate revenue and expenses during the period of the Company's existence to the properties contributed by the Members and to the extent any revenue and expenses cannot be allocated to such properties the Company shall allocate such revenue and expenses in accordance with the Ownership Percentages.

(c) The Exploration Agreement dated as of July 31, 2001 among CRI Comstock Member, Bois d'Arc Resources, Ltd., Bois d'Arc Offshore, Ltd, Blackie and Laufer and any joint operating agreements relating to the oil and gas properties that were contributed to the Company pursuant to the Contribution Agreement and that were terminated upon such contribution shall be reinstated upon the dissolution and liquidation of the Company.

XVIII. CERTIFICATES

Section 18.1. Form of Certificates. The ownership of the Company shall be evidenced by certificates (collectively, "Certificates," and each individually, a "Certificate"). Each Certificate shall be substantially in the form set forth in Exhibit "E."

Section 18.2. Terms of Certificates. Each Certificate shall be dated the date of its issuance and shall specify the interest in the Company of the holder thereof. The Chief Financial Officer hereby is authorized, empowered and directed, for and on behalf of the Company, to

execute and deliver a Certificate to each Member admitted to the Company pursuant to this Agreement.

Section 18.3. Ownership of Certificates. The Company may deem and treat the person in whose name any Certificate shall have been registered by the Company as the absolute owner and holder of such Certificate for the purpose of receiving payment of all amounts payable by the Company with respect to such Certificate and for all other purposes.

Section 18.4. Registration of Transfers; Exchanges. The Company shall maintain at its office a register for the purpose of registering transfers and exchanges of Certificates. A holder of a Certificate intending to transfer any or all of the Certificates held by such holder to a new holder shall surrender such Certificate or Certificates to the Company at the Company's offices, together with a written request from the holder surrendering such Certificate or Certificates for the issuance of a new Certificate or Certificates, in the same aggregate original face amount and dated the same date or dates as the Certificate or Certificates surrendered.

Section 18.5. Mutilated, Lost or Stolen Certificates. If any Certificate shall become mutilated, destroyed, lost or stolen, the Company shall, upon the written request of the holder of such Certificate, execute and deliver in replacement thereof a new Certificate, dated the same date as the Certificate so mutilated, destroyed, lost or stolen. If the Certificate being replaced has become mutilated, such Certificate shall be surrendered to the Company and cancelled. If the Certificate being replaced has been destroyed, lost or stolen, the holder of such Certificate shall furnish to the Company (a) such security or indemnity as may be required by the Board of Managers to save the Company harmless and (b) evidence satisfactory to the Board of Managers of the destruction, loss or theft of such Certificate and of the ownership thereof.

XIX. MISCELLANEOUS

Section 19.1. Execution in Counterparts. This Agreement may be executed in counterparts, all of which taken together shall be deemed one original.

Section 19.2. Address and Notice. The address of each Member for all purposes shall be as set forth on Schedule A or such other address or addresses of which any Member shall have given the other Members notice. Any notice shall be in accordance with Section 10.1.

Section 19.3. Partition. The Members hereby agree that no Member shall have the right while this Agreement remains in effect to have the assets of the Company partitioned, or to file a complaint or institute any proceeding at law or in equity to have any Company asset partitioned, and each Member hereby waives any such right. It is the intention of the Members that during the term of this Agreement, the rights of the Members as among themselves shall be governed by the terms of this Agreement.

Section 19.4. Further Assurances. Each Member hereby covenants and agrees to execute and deliver such instruments as may be reasonably requested by any other Member to convey any interest or to take any other action required or permitted under this Agreement.

Section 19.5. Titles and Captions. All article, section, or subsection titles or captions contained in this Agreement or the table of contents hereof are for convenience only and shall not be deemed part of the context of this Agreement.

Section 19.6. Number and Gender of Pronouns. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the Person or Persons may require.

Section 19.7. Entire Agreement. This Agreement contains the entire understanding between and among the Members and supersedes any prior understandings and agreements between and among them respecting the subject matter of this Agreement.

Section 19.8. Amendment and Power of Attorney. This Agreement may be amended or modified only by approval of the Board of Managers pursuant to Section 9.7 and the consent of the Members pursuant to Section 6.6. Each Member other than the Comstock Member, by its execution of this Agreement, hereby makes, constitutes and appoints the Chief Executive Officer as its true and lawful agent and attorney-in-fact, with full power of substitution and full power and authority in its name, place and stead to make, execute, sign, and acknowledge all instruments that the Chief Executive Officer deems appropriate to reflect any amendment or modification of this Agreement or to comply with the provisions of Section 17.6 or 17.7. The power of attorney granted by this Section 19.8 shall be considered coupled with an interest and shall survive any disability of a Member.

Section 19.9. Exhibits and Schedules. All exhibits and schedules referred to herein are attached hereto and made a part hereof for all purposes.

Section 19.10. Agreement Binding. This Agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the Members.

Section 19.11. Waiver. No failure by any Member to insist upon the strict performance of any covenant, duty, agreement, or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant, agreement, term, or condition. Any Member by the issuance of written notice may, but shall be under no obligation to, waive any of its rights or any conditions to its obligations hereunder, or any duty, obligation or covenant of any other Member. No waiver shall affect or alter the remainder of this Agreement but each and every covenant, agreement, term, and condition of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

Section 19.12. Remedies. The rights and remedies of the Members set forth in this Agreement shall not be mutually exclusive or exclusive of any right, power or privilege provided by law or in equity or otherwise and the exercise of one or more of the provisions hereof shall not preclude the exercise of any other provisions hereof or of any legal, equitable or other right. Each of the Members confirms that damages at law may be an inadequate remedy for a breach or threatened breach of any provision hereof. The respective rights and obligations hereunder shall be enforceable by specific performance, injunction, or other equitable remedy, but nothing herein contained is intended to, or shall limit or affect any rights at law or by statute or otherwise of any

Member aggrieved as against another Member for a breach or threatened breach of any provision hereof, it being the intention of this section to make clear the agreement of the Members that the respective rights and obligations of the Members hereunder shall be enforceable in equity as well as at law or otherwise.

Section 19.13. GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED, ENFORCED, AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEVADA (WITHOUT REGARD TO ITS CHOICE OF LAW PRINCIPLES).

Section 19.14. DISPUTE RESOLUTION.

(a) NEGOTIATION. THE MEMBERS SHALL ATTEMPT TO RESOLVE ANY DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TERMINATION, BREACH, OR VALIDITY OF THIS AGREEMENT, PROMPTLY BY GOOD FAITH NEGOTIATION AMONG REPRESENTATIVES WHO HAVE AUTHORITY TO RESOLVE THE CONTROVERSY. ANY MEMBER MAY GIVE THE OTHER MEMBERS WRITTEN NOTICE OF ANY DISPUTE NOT RESOLVED IN THE NORMAL COURSE OF BUSINESS. WITHIN 10 DAYS AFTER DELIVERY OF THE NOTICE, THE RECEIVING MEMBER SHALL SUBMIT TO THE OTHERS A WRITTEN RESPONSE. THE NOTICE AND THE RESPONSE SHALL INCLUDE (A) A STATEMENT OF THE MEMBER'S CONCERNS AND PERSPECTIVES ON THE ISSUES IN DISPUTE, (B) A SUMMARY OF SUPPORTING FACTS AND CIRCUMSTANCES AND (C) THE IDENTITY OF THE REPRESENTATIVE WHO WILL REPRESENT THAT MEMBER AND OF ANY OTHER PERSON WHO WILL ACCOMPANY THE REPRESENTATIVE. WITHIN 15 DAYS AFTER DELIVERY OF THE ORIGINAL NOTICE, THE REPRESENTATIVES OF THE MEMBERS SHALL MEET AT A MUTUALLY ACCEPTABLE TIME AND PLACE, AND THEREAFTER AS OFTEN AS THEY REASONABLY DEEM NECESSARY, TO ATTEMPT TO RESOLVE THE DISPUTE. ALL NEGOTIATIONS PURSUANT TO THIS CLAUSE AND CLAUSE (b) BELOW ARE CONFIDENTIAL AND SHALL BE TREATED AS COMPROMISE AND SETTLEMENT NEGOTIATIONS FOR PURPOSES OF APPLICABLE RULES OF EVIDENCE.

(b) MEDIATION. IF A DISPUTE IS NOT RESOLVED BY DISCUSSION BETWEEN OR AMONG MEMBERS, ANY MEMBER MAY BY NOTICE TO THE OTHER MEMBERS WITH WHOM SUCH DISPUTE EXISTS REQUIRE MEDIATION OF THE DISPUTE, WHICH NOTICE SHALL IDENTIFY THE NAMES OF NO FEWER THAN THREE (3) POTENTIAL MEDIATORS. EACH MEMBER AMONG WHOM THE DISPUTE EXISTS AGREES TO PARTICIPATE IN MEDIATION OF THE DISPUTE AND WILL IN GOOD FAITH ATTEMPT TO AGREE UPON A MEDIATOR. IF THE PARTIES ARE UNABLE TO AGREE UPON A MEDIATOR WITHIN FIFTEEN (15) DAYS AFTER SUCH NOTICE OR IF SUCH DISPUTE SHALL NOT HAVE BEEN RESOLVED BY MEDIATION WITHIN THIRTY (30) DAYS AFTER SUCH NOTICE, THEN ANY SUCH MEMBER MAY FILE FOR ARBITRATION PURSUANT TO SUBSECTION (c) BELOW. ALL EXPENSES OF THE MEDIATOR SHALL BE EQUALLY SHARED BY THE MEMBERS AMONG WHOM THE DISPUTE EXISTS.

(c) BINDING ARBITRATION.

(i) ANY DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE BREACH, TERMINATION, OR VALIDITY OF THE AGREEMENT WHICH HAS NOT BEEN RESOLVED BY MEDIATION WITHIN 30 DAYS OF THE INITIATION OF SUCH PROCEDURE, OR WHICH HAS NOT BEEN RESOLVED PRIOR TO THE TERMINATION OF MEDIATION, SHALL BE RESOLVED BY ARBITRATION IN ACCORDANCE WITH THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION ("AAA") IN EFFECT ON THE DATE OF THIS AGREEMENT. IF A PARTY TO A DISPUTE FAILS TO PARTICIPATE IN MEDIATION, THE OTHERS MAY INITIATE ARBITRATION BEFORE EXPIRATION OF THE ABOVE PERIOD. IF THE AMOUNT OF THE CLAIM ASSERTED BY THE CLAIMANT IN THE ARBITRATION EXCEEDS $1,000,000, THE MEMBERS AGREE THAT THE AMERICAN ARBITRATION ASSOCIATION OPTIONAL PROCEDURES FOR LARGE, COMPLEX COMMERCIAL DISPUTES WILL BE APPLIED TO THE DISPUTE.

(ii) THE PARTIES TO THE DISPUTE SHALL MUTUALLY AGREE UPON A SOLE ARBITRATOR, WHICH NEED NOT BE AN ARBITRATOR SUGGESTED BY OR ASSOCIATED WITH THE AAA (BUT SUCH ARBITRATOR SHALL NONETHELESS APPLY THE AAA ARBITRATION RULES AS SET FORTH IN (i) ABOVE). IF THE PARTIES TO THE DISPUTE ARE UNABLE TO AGREE UPON AN ARBITRATOR, THE PARTIES SHALL REQUEST THAT AAA SUGGEST A PANEL OF THREE INDEPENDENT AND IMPARTIAL ARBITRATORS, EACH OF WHOM SHALL BE KNOWLEDGEABLE WITH RESPECT TO THE SUBJECT MATTER OF THE DISPUTE. ARBITRATION SHALL BE BEFORE ONE OF THESE THREE ARBITRATORS IF THE DISPUTING PARTIES CAN AGREE ON THE SELECTION OF ONE OF THEM AS THE SOLE ARBITRATOR. IF NOT, ARBITRATION SHALL BE BEFORE ALL THREE.

(iii) THE PLACE OF ARBITRATION SHALL BE HOUSTON, TEXAS.

(iv) THE ARBITRATOR(S) ARE NOT EMPOWERED TO AWARD DAMAGES IN EXCESS OF COMPENSATORY DAMAGES.

(v) THE ARBITRATOR(S) SHALL HAVE THE EXCLUSIVE AUTHORITY TO DETERMINE AND AWARD COSTS OF ARBITRATION AND THE COSTS INCURRED BY EACH PARTY FOR ITS ATTORNEYS, ADVISORS AND CONSULTANTS.

(vi) THE AWARD RENDERED BY THE ARBITRATORS SHALL BE IN WRITING AND SHALL INCLUDE A STATEMENT OF THE

FACTUAL BASES AND THE LEGAL CONCLUSIONS RELIED UPON BY THE ARBITRATORS IN MAKING SUCH AWARD. THE ARBITRATORS SHALL DECIDE THE DISPUTE IN COMPLIANCE WITH THE APPLICABLE SUBSTANTIVE LAW AND CONSISTENT WITH THE PROVISIONS OF THE AGREEMENT, INCLUDING LIMITS ON DAMAGES. THE AWARD RENDERED BY THE ARBITRATOR(S) SHALL BE FINAL AND BINDING, AND JUDGMENT UPON THE AWARD MAY BE ENTERED BY ANY COURT HAVING JURISDICTION THEREOF.

(vii) ALL MATTERS RELATING TO THE ENFORCEABILITY OF THIS ARBITRATION AGREEMENT AND ANY AWARD RENDERED PURSUANT TO THIS AGREEMENT SHALL BE GOVERNED BY THE FEDERAL ARBITRATION ACT, 9 U.S.C. § 1-16. THE ARBITRATOR(S) SHALL APPLY THE SUBSTANTIVE LAW OF THE STATE OF NEVADA, EXCLUSIVE OF ANY CONFLICT OF LAW RULES.

(viii) EACH MEMBER IS REQUIRED TO CONTINUE TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT PENDING FINAL RESOLUTION OF ANY DISPUTE ARISING OUT OF OR RELATING TO THIS CONTRACT, UNLESS TO DO SO WOULD BE IMPOSSIBLE OR IMPRACTICABLE UNDER THE CIRCUMSTANCES.

(ix) NOTHING IN THIS SECTION 19.14 SHALL LIMIT THE MEMBERS' RIGHTS TO OBTAIN PROVISIONAL, ANCILLARY OR EQUITABLE RELIEF FROM A COURT OF COMPETENT JURISDICTION.

(d) SETTLEMENT. NOTHING CONTAINED HEREIN SHALL PREVENT THE PARTIES FROM SETTLING ANY DISPUTE BY MUTUAL AGREEMENT AT ANY TIME.

Section 19.15. WAIVER. EACH MEMBER WAIVES ANY RIGHT THAT THE MEMBER MAY HAVE TO COMMENCE ANY ACTION IN ANY COURT WITH RESPECT TO ANY DISPUTE AMONG THE MEMBERS RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RIGHTS OR OBLIGATIONS OF ANY MEMBER HEREUNDER, OTHER THAN AN ACTION BROUGHT TO ENFORCE THE ARBITRATION PROVISIONS OF SECTION 19.14 HEREOF. THE MEMBERS AGREE THAT ANY SUCH ACTION SHALL BE BROUGHT (AND VENUE FOR ANY SUCH ACTION SHALL BE APPROPRIATE) IN HOUSTON, TEXAS.

Section 19.16. U.S. Dollars. Any reference in this Agreement to "dollars," "funds" or "sums" or any amounts denoted with a "$" shall be references to United States dollars.

Section 19.17. Confidentiality. All disclosures of trade secrets, know-how, financial information or other confidential information made by the Company to any Member or made by any Member under or in connection with this Agreement, shall be received and maintained in confidence by the recipient during the term hereof and for three (3) years after dissolution of the

Company and each Member shall treat all such trade secrets, know-how, financial information or other confidential information as confidential except:

(a) as to the Persons directly responsible for the performance of the obligations of this Agreement and for the effective operation of the Company;

(b) as to the professional advisors of the Members and the Company;

(c) as to such disclosures to customers of the Company as are necessary for the effective carrying on of business by the Company;

(d) as to such information as is required by law to be disclosed by a Member or the Company; and

(e) as to such information as is or may fall within the public domain otherwise than in violation of the provisions of this Section 19.17.

IN WITNESS WHEREOF, the undersigned parties have executed this Operating Agreement as of the Effective Date.

[Following are the signature pages.]

Holders

COMSTOCK OFFSHORE, LLC

/s/ ROLAND O. BURNS

Name: Roland O. Burns

Title: Senior Vice President

BOIS D'ARC RESOURCES, LTD.

By: Bois d'Arc Interests, LLC,
General Partner

By: /s/ WAYNE L. LAUFER
Wayne L. Laufer, Manager

By: /s/ GARY W. BLACKIE
Gary W. Blackie, Manager

/s/ M. JAY ALLISON

M. JAY ALLISON

/s/ ROLAND O. BURNS

ROLAND O. BURNS

/s/ WAYNE L. LAUFER

WAYNE L. LAUFER

/s/ GAYLE LAUFER

GAYLE LAUFER

/s/ GARY W. BLACKIE

GARY W. BLACKIE

HARO INVESTMENTS LLC

By: /s/ WAYNE L. LAUFER
Its: Sole Member

BETS WEST INTERESTS, L.P.

/s/ SALLY L. BLACKIE
Title: President

CADE OIL INVESTMENTS, INC.

/s/ WILLIAM W. CADE
Title: President

/s/ GEORGE FENTON

/s/ JOCELYN FENTON

/s/ CHIALING YOUNG

/s/ D. MICHAEL HARRIS

/s/ WILLIAM HOLMAN

JAY PETROLEUM OF LA, LLC

/s/ WILLIAM C. LANGFORD

Title: Managing Partner

/s/ STEVE KNECHT

/s/ GREGORY T. MARTIN

/s/ KERRY W. STEIN

PEGASUS ENERGY, LLC

/s/ NICHOLAS J. ARTHUR

Title: Manager

CONSENT AND AGREEMENT OF SPOUSE

I, the undersigned, certify that:

(1) I am the spouse of the individual who signed the foregoing Operating Agreement of Bois d'Arc Energy, LLC (the "Agreement").

(2) I have read and approve all of the terms, conditions, and provisions of the Agreement and agree to be bound by all of the terms, conditions, and provisions thereof.

IN WITNESS WHEREOF, I have executed this consent and agreement on the date indicated.

Date:	July 18, 2004		/s/ KAROL KAYE HARRISON
Date:	July 19, 2004		/s/ REBECCA S. HOLMAN
Date:	July 20, 2004		/s/ SANDRA H. KNECHT
Date:	July 21, 2004		/s/ BARBARA ROSE MARTIN
Date:	July 20, 2004		/s/ ANGELA M. STEIN

Exhibit 10.7

TRANSFER RESTRICTION AGREEMENT
OF BOIS D'ARC ENERGY, LLC

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TRANSFER RESTRICTION AGREEMENT
OF BOIS D'ARC ENERGY, LLC

This Transfer Restriction Agreement (the "Agreement") dated as of July 16, 2004 (the "Effective Date"), is entered into by and among Bois d'Arc Energy, LLC, a Nevada limited liability company (the "Company"), and each of the Persons executing this Agreement other than the Company as evidenced on the signature pages hereto. Each such Person is a "Holder" and, collectively, they are sometimes referred to as the "Holders."

W I T N E S S E T H

WHEREAS, the Holders are the members of the Company;

WHEREAS, the Operating Agreement of the Company (the "Operating Agreement") which has been executed and delivered by the Holders contemporaneously with this Agreement, contemplates that the Holders, in their capacity as members of the Company, will become parties to this Agreement providing for certain restrictions upon the transfer of, and certain rights to purchase and obligations to sell, the ownership interests held by the Holders in the Company;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree upon the terms and conditions set forth herein:

I. DEFINITIONS

Section 1.1. Definitions. The following terms shall have the following meanings when used in this Agreement:

"AAA" means the American Arbitration Association and the office thereof located in Dallas, Texas.

"Acceptance Notice" shall mean a notice by a Remaining Holder to a Selling Holder that the Remaining Holder is exercising its right to purchase Units of the Selling Holder pursuant to Article IV.

"Affiliate" shall mean, with respect to any Person, (i) any other Person or Group of Persons beneficially owning eighty percent (80%) or more of the outstanding equity ownership interests of such Person, (ii) any other Person eighty percent (80%) or more of the outstanding equity ownership interests of which are beneficially owned by such Person or (iii) any other Person eighty percent (80%) or more of the outstanding equity ownership interests of which are beneficially owned by a third Person or Group of Persons who beneficially own eighty percent (80%) or more of the outstanding voting securities of such Person.

"Affiliate Transfer" shall have the meaning set forth in Section 3.1 of the Agreement.

"Agreement" shall mean this Transfer Restriction Agreement.

“Beneficially own,” “beneficially owned” and “beneficial ownership” shall mean (i) voting power which includes the power to vote, or to direct the voting of, a security and (ii) investment power, which includes the power to dispose or to direct the disposition of, a security.

“Board of Managers” shall have the meaning set forth in the Operating Agreement.

“Business Day” shall mean any day other than Saturday or Sunday or any other day upon which banks in Dallas, Texas are permitted or required by law to close.

“Company” shall have the meaning set forth in the Preamble to this Agreement.

“Effective Date” shall have the meaning set forth in the preamble to this Agreement.

“Electing Purchasers” shall mean the Remaining Holders who elect to participate in the purchase of a Selling Holder’s Units pursuant to Article IV.

“Familial Transfer” shall have the meaning set forth in Section 3.2 of this Agreement.

“Family Members” shall mean as to any individual only such individual’s spouse, son(s), daughter(s), grandchildren, mother, father, aunt(s), uncle(s), niece(s), nephew(s), spouses of children, or siblings and shall include any Person so related by adoption if adopted before age eighteen (18).

“Group of Persons” shall mean not more than five (5) Persons.

“Holder” or “Holders” shall mean the Persons executing this Agreement as evidenced by the signature pages hereto and any assignee of all or any part of their respective interests in the Company.

“Member” or “Members” shall mean the members of the Company and any assignee of all or any part of their respective interests in the Company who is admitted to the Company as a member in conformity with the provisions of the Operating Agreement.

“Offered Interest” shall mean a Selling Holder’s Units that are subject to purchase under Article IV.

“Operating Agreement” shall have the meaning set forth in the Preamble to this Agreement.

“Option Period” shall mean the ninety (90) day period specified in Section 4.3.

“Person” shall mean an individual person, partnership, limited partnership, limited liability company, trust, corporation or other entity or organization.

“Pro Rata Portion” shall mean a fraction, the numerator of which is the Proportionate Share of the Electing Purchaser and the denominator of which is the total of the Proportionate Shares of all the Electing Purchasers.

“Proportionate Share” shall mean a fraction of numerator of which is the number of Class B Units held by a Remaining Holder and the denominator of which is the total number of Class B Units held by all Remaining Holders.

“Purchase Event” shall have the meaning set forth in Section 4.1 hereof.

“Purchase Event Notice” shall have the meaning set forth in Section 4.2 hereof.

“Remaining Holders” shall mean all Holders of Class B Units other than the Selling Holder.

“Selling Holder” shall mean a Holder whose Units are the subject of a purchase option under Article IV.

“Third Appraiser” shall have the meaning set forth in Section 4.9 hereof.

“Units” shall mean Class A Units, Class B Units and/or Class C Units (as defined in the Operating Agreement).

II. RESTRICTIONS ON TRANSFER

Section 2.1. General Restriction on Transfer. Except as expressly provided to the contrary in this Agreement, no Holder may assign, sell or otherwise transfer by operation of law or otherwise, any of its right, title or interest or any portion thereof of such Holder’s Units. Any purported or attempted assignment, sale or transfer of all or any part of a Holder’s Units made in violation of this Agreement shall be null and void.

Section 2.2. Securities Laws Restrictions. Notwithstanding any other provision of this Agreement, no transfer of Units may be made if the transfer would violate any federal or state securities laws. The Company may require evidence satisfactory to it in its reasonable discretion of compliance with such laws.

Section 2.3. Continuation of Restrictions After Transfer. In the event of any permitted transfer of Units pursuant to this Agreement, the interest so transferred shall remain subject to all terms and provisions of this Agreement, including this Section 2.3, and the transferee shall be deemed, by accepting the interest so transferred, to have assumed all the liabilities and unperformed obligations, under this Agreement or otherwise, which are appurtenant to the interest so transferred; shall hold such interest subject to all unperformed obligations of the transferor Holder; and shall agree in writing to the foregoing if requested by the Company or any Holder.

Section 2.4. Joint Transfer of Class A Units and Class B Units. Except as provided in Section 17.7 of the Operating Agreement, and notwithstanding any other provision contained herein to the contrary, for each Class B Unit transferred to a transferee one Class A Unit must be transferred to the same transferee, and for each Class A Unit transferred to a transferee one Class B Unit must be transferred to the same transferee.

III. PERMITTED TRANSFERS

Section 3.1. Permitted Affiliate Transfers. Notwithstanding Section 2.1 hereof, but subject to Sections 2.2, 2.3 and 2.4 and Article IV hereof, without the consent of the other Holders any Holder may transfer any or all of its Units to any Affiliate of such Holder. A transfer permitted under this Section 3.1 is referred to herein as an "Affiliate Transfer."

Section 3.2. Permitted Familial Transfers. Notwithstanding Section 2.1 hereof, but subject to Sections 2.2, 2.3 and 2.4 and Article IV hereof, without the consent of the other Holders any Holder may transfer any or all of its Units to:

(i) any Family Member of such Holder or of a Person who is the beneficial owner of a majority of the equity ownership interests of such Holder;

(ii) any partnership, limited partnership, limited liability company, corporation or other entity or organization eighty percent (80%) or more of the equity ownership interests of which are beneficially owned and controlled, collectively, by the Holder and/or one or more Family Member(s) of such Holder or of a Person who is the beneficial owner of a majority of the equity ownership interests of such Holder; or

(iii) any trust, if the Holder and/or one or more Family Members of such Holder or of a Person who is the beneficial owner of a majority of the equity ownership interests in such Holder are collectively the beneficiaries of eighty percent (80%) or more of the assets of such trust.

The provisions of this Section 3.2 shall not be applicable to transfers that are also subject to Section 4.1(x) hereof. A transfer permitted under this Section 3.2 is referred to herein as a "Familial Transfer."

Section 3.3. Pledges and Security Interests. Notwithstanding Section 2.1 hereof, but subject to Sections 2.2, 2.3 and Article IV hereof, without the consent of the other Holders Comstock Offshore, LLC may pledge or grant a security interest in its Units and all rights relating thereto to Bank of Montreal as collateral agent under the Amended and Restated Credit Agreement dated as of February 25, 2004, among Comstock Resources, Inc., Bank of Montreal and the lenders party thereto.

IV. PURCHASE OPTIONS

Section 4.1. Purchase Events. In the event that any of the following (each a "Purchase Event") shall have occurred to or in respect of a Selling Holder, the Remaining Holders shall have the right upon the terms set forth in this Article IV to purchase all of the Units of the Selling Holder (or, in the case of a Purchase Event pursuant to Section 4.1(x) below, such portion of the Selling Holder's Units as is assigned, sold, or otherwise transferred as described in Section 4.1(x)):

(i) the Selling Holder shall make an assignment for the benefit of creditors, commence (as the debtor) a case in bankruptcy, or commence (as the debtor) any proceeding under any other insolvency law; or

(ii) a case in bankruptcy or any other proceeding under any other insolvency law is commenced against the Selling Holder (as the debtor) and is consented to by the Selling Holder or remains undismissed for sixty (60) days, or the Selling Holder consents to or admits the material allegations against it in any such case or proceeding; or

(iii) a trustee, receiver, agent, liquidator or sequestrator (however named) is appointed with respect to the Selling Holder (as the debtor) and is consented to by the Selling Holder or remains undismissed for sixty (60) days, or the Selling Holder consents to or admits the material allegations against it in any such case or proceeding; or

(iv) a trustee, receiver, agent, liquidator or sequestrator (however named) is appointed or authorized to take charge of all or substantially all of the property of the Selling Holder for the purpose of enforcing a lien against such property or for the purpose of general administration of such property for the benefit of creditors and such appointment or authorization is consented to by the Selling Holder or is not overturned within ninety (90) days; or

(v) the Selling Holder shall suffer any writ of attachment or execution or any similar process to be issued or levied against the interests of the Selling Holder in its Units which is not released, stayed, bonded or vacated within ninety (90) days after its issue or levy; or

(vi) the Selling Holder shall fail to perform any of its obligations under this Agreement or the Operating Agreement in a material respect and such failure continues for a period of at least thirty (30) days after written notice thereof from the Company or any Holder; or

(vii) any attempted assignment or hypothecation by the Selling Holder of any of its rights or interest in the Company, the Operating Agreement or this Agreement, except as expressly permitted by this Agreement; or

(viii) the Selling Holder shall commence to dissolve or wind-up and liquidate the assets of its business otherwise than in connection with a transfer permitted under Section 3.1 or 3.2; or

(ix) the Selling Holder shall become deceased or be declared legally incompetent to administer his affairs and either an executor, administrator or guardian of such Selling Holder’s estate has not been appointed within ninety (90) days of such event or such Selling Holder’s interest is not transferred pursuant to a Familial Transfer within eighteen (18) months of such event; or

(x) as a result of a divorce, separation or other domestic relations or family law proceeding an order is entered purporting to assign, transfer or divide ownership of, or to require the Selling Holder to assign, sell or otherwise transfer, all or any interest in Selling Holder's Units, and either such order is not overturned within one hundred twenty (120) days or Selling Holder has not otherwise obtained sole ownership of the Units within such period; or

(xi) the Selling Holder or any Affiliate thereof, by entry of a final non-appealable judgment, order or decree of a court or governmental agency having proper jurisdiction, shall be declared guilty of a felony involving moral turpitude, fraud or wrongdoing in connection with any business activity.

Section 4.2. Notice of Sale. As soon as reasonably practicable following the occurrence of a Purchase Event, the Selling Holder shall give written notice (the "Purchase Event Notice") of the Purchase Event to all Remaining Holders. If the Selling Holder shall fail or refuse to give the Purchase Event Notice, the Company may, but shall have no obligation to, give the Purchase Event Notice.

Section 4.3. Purchase Option. During the ninety (90) day period following receipt of the Purchase Event Notice, the Remaining Holders may elect to exercise their right to purchase the Selling Holder's Units (an "Offered Interest") under this Section 4.3 (an "Option Period"). Then upon the expiration of the Option Period such right to purchase the Selling Holder's Units hereunder shall terminate, unless and until another Purchase Event shall occur with respect to the Selling Holder at which time the provisions of this Article IV shall again be applicable to such Selling Holder's Units.

Section 4.4. Exercise of Purchase Option. The Remaining Holders shall give written notice to the Selling Holder prior to the expiration of the Option Period (an "Acceptance Notice"), if they desire to exercise their option to purchase the Offered Interest.

Section 4.5. Allocation of Interest Among Remaining Holders. The Acceptance Notice shall specify the portion of the Offered Interest that each Remaining Holder who elects to participate in the purchase shall purchase. The Remaining Holders collectively, may not purchase less than all of the Offered Interest. If the Remaining Holders cannot agree upon the portion of the Offered Interest that each shall purchase, each Remaining Holder may send a separate Acceptance Notice agreeing to purchase its Proportionate Share of the Offered Interest, and if a Remaining Holder does not send an Acceptance Notice, each Remaining Holder that sends an Acceptance Notice shall purchase its Pro Rata Portion of the Offered Interest.

Section 4.6. Closing of Sale. The closing of the sale of the Offered Interest to the Electing Purchasers shall take place at the principal place of business of the Company thirty (30) days after the end of (i) the Option Period (or, if such day is not a Business Day, the following Business Day), or (ii) such longer period as may be required to complete the appraisal under Section 4.9, or at such other place and time as agreed to by the Selling Holder and the Electing Purchaser.

Section 4.7. Failure to Exercise Option. If the purchase option under this Article IV is not exercised within the Option Period as to all of the Offered Interest, or if the Electing Purchasers default on their obligation to purchase all of the Offered Interest, the right to purchase the Selling Holder's Units shall terminate unless and until another Purchase Event shall occur with respect to the Selling Holder at which time the provisions of this Article IV shall again be applicable to the Selling Holder's Units.

Section 4.8. Purchase Price. The amount of the purchase price for the Selling Holder's Units (unless agreed upon by the Selling Holder and the Electing Purchasers) shall be determined in accordance with Section 4.9 hereof.

Section 4.9. Procedure for Appraisal and Determination of Fair Market Value. Unless the Electing Purchasers and Selling Holder shall mutually agree upon the value for the Offered Interest, the value of the Offered Interest shall be determined by appraisal hereunder. The appraised value of the Offered Interest shall be determined within thirty (30) days after selection, by a single independent appraiser selected by agreement between the Electing Purchasers and Selling Holder (or its estate or representative) and such appraiser in turn may rely on other experts. If the Electing Purchasers and Selling Holder (or its estate or representative) cannot agree on a single independent appraiser within thirty (30) days after the delivery of the Acceptance Notice by the Electing Purchasers to the Selling Holder, then the Electing Purchasers, as a group, and the Selling Holder (or its estate or representative) shall each designate an independent appraiser, which appraisers shall meet within ten (10) days after their designation and proceed to determine the value of the Offered Interest within thirty (30) days of such initial meeting. If, during such thirty (30) day period, the two appraisers cannot reach agreement on the value of the Offered Interest, then, if the higher appraisal does not equal or exceed 105% of the lower appraisal, the arithmetic average of the appraisals designated by the appraisers shall be deemed to be the value of the Offered Interest; provided, however, that if the higher appraisal exceeds 105% of the lower appraisal, then the appraisers shall jointly appoint a third appraiser (the "Third Appraiser") within ten (10) days after the expiration of such thirty (30) day period, whereupon the appraisal that is neither the highest nor the lowest of the three (3) appraisals shall be deemed to be the value of the Offered Interest and be binding and conclusive on the parties hereto. If any appraiser shall fail, refuse or become unable to act, a new appraiser shall be appointed in his place following the same method as was originally followed with respect to the appraiser to be replaced. If the Electing Purchasers or the Selling Holder (or its estate or representative) shall fail to designate an appraiser, the appraiser designated by the other party shall act as the sole appraiser. If a single independent appraiser is selected by agreement between the Electing Purchasers, as a group, and the Selling Holder (or its estate or representative) or if only one appraiser is designated, the fees and expenses of such appraiser shall be borne equally by such parties; if the Electing Purchasers, as a group, and the Selling Holder (or its estate or representative) each designate appraisers, the fees and expenses of each such designated appraiser shall be borne by the party designating same; and if a Third Appraiser is designated, the fees and expenses of such Third Appraiser shall be borne equally by the Electing Purchasers and the Selling Holder (or its estate or representative). Any appraiser designated to serve in accordance with this Section 4.9 shall be independent of the party designating such appraiser. The determination of the value of the Offered Interest hereunder shall be conclusive on all parties. At any time during or following the determination of the value of the Offered Interest by any appraiser, the Electing Purchasers may elect to terminate their

exercise of the option to purchase the Offered Interest, but in that case, the Electing Purchasers shall pay the fees and expenses of the appraiser selected by the Selling Holder and Third Appraiser, as well as its own appraiser.

Section 4.10. Effect on Seller's Interest. Without limiting the generality of any other provision of this Agreement, upon the sale of the Offered Interest under this Article IV, the Selling Holder, without further action, will have no rights in the Company or against the Company or any Member other than the right to receive payment for the Offered Interest in accordance with this Article.

Section 4.11. Applicability to Transferees. The rights of the Remaining Holders under this Article IV shall not be affected or diminished by any assignment, sale or transfer of Units effected in connection with any Purchase Event or any order purporting to effect or to require any such assignment, sale or transfer, and any such Units shall remain subject to the provisions of this Agreement irrespective of any such assignment, sale or transfer, whether or not completed, and the assignee, purchaser or transferee shall take subject to the provisions of this Agreement and shall be bound thereby to the same extent as the Selling Holder.

V. OTHER PROVISIONS APPLICABLE TO TRANSFERS

Section 5.1. Waiver of Rights to Object. All Holders acknowledge that the methods provided for in this Agreement for determining the price of an Offered Interest or Units are fair as to dates used, notices, terms and in all other respects, and are administratively and in substance superior to other methods. Each Holder waives any right that it may have to use any other method to determine the value of any Offered Interest or Units in connection with this Agreement.

VI. NOTICES

Section 6.1. Methods of Giving Notice. Whenever any notice is required to be given to any Holder under the provisions of any applicable law or this Agreement, it shall be given in writing and delivered personally or delivered by facsimile communication to such Holder at such address (and at such member facsimile) as appears on the books of the Company, and such notice shall be deemed to be given at the time the recipient actually receives the notice in the case of personal delivery or the sender receives electronic confirmation of delivery with respect to any notice given by facsimile communication.

Section 6.2. Waiver of Notice. Whenever any notice is required to be given to any Holder under the provisions of any applicable law or this Agreement, a waiver thereof in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

VII. MISCELLANEOUS

Section 7.1. Execution in Counterparts. This Agreement may be executed in counterparts, all of which taken together shall be deemed one original.

Section 7.2. Further Assurances. Each Holder hereby covenants and agrees to execute and deliver such instruments as may be reasonably requested by any other Holder to convey any interest or to take any other action required or permitted under this Agreement.

Section 7.3. Titles and Captions. All article, section, or subsection titles or captions contained in this Agreement or the table of contents hereof are for convenience only and shall not be deemed part of the context of this Agreement.

Section 7.4. Number and Gender of Pronouns. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the Person or Persons may require.

Section 7.5. Entire Agreement. This Agreement, together with the Operating Agreement, contains the entire understanding between and among the Holders and supersedes any prior understandings and agreements between and among them respecting the subject matter of this Agreement.

Section 7.6. Amendment. This Agreement may be amended or modified only by approval of the Board of Managers of the Company pursuant to Sections 6.6 and 9.7 of the Operating Agreement. Each Holder other than Comstock Offshore, LLC, by its execution of this Agreement, hereby makes, constitutes and appoints the Chief Executive Officer of the Company as its true and lawful agent and attorney-in-fact, with full power of substitution and full power and authority in its name, place and stead to make, execute, sign, and acknowledge all instruments that the Chief Executive Officer deems appropriate to reflect any amendment or modification of this Agreement pursuant to the terms of this Section 7.6. The power of attorney granted by this Section 7.6 shall be considered coupled with an interest and shall survive any disability of a Member.

Section 7.7. Agreement Binding. This Agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the Holders.

Section 7.8. Waiver. No failure by any Holder to insist upon the strict performance of any covenant, duty, agreement, or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant, agreement, term, or condition. Any Holder by the issuance of written notice may, but shall be under no obligation to, waive any of its rights or any conditions to its obligations hereunder, or any duty, obligation or covenant of any other Holder. No waiver shall affect or alter the remainder of this Agreement but each and every covenant, agreement, term, and condition of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

Section 7.9. Remedies. The rights and remedies of the Holders set forth in this Agreement shall not be mutually exclusive or exclusive of any right, power or privilege provided by law or in equity or otherwise and the exercise of one or more of the provisions hereof shall not preclude the exercise of any other provisions hereof or of any legal, equitable or other right. Each of the Holders confirms that damages at law may be an inadequate remedy for a breach or threatened breach of any provision hereof. The respective rights and obligations hereunder shall

be enforceable by specific performance, injunction, or other equitable remedy, but nothing herein contained is intended to, or shall limit or affect any rights at law or by statute or otherwise of any Holder aggrieved as against another Holder for a breach or threatened breach of any provision hereof, it being the intention of this section to make clear the agreement of the Holder that the respective rights and obligations of the Holders hereunder shall be enforceable in equity as well as at law or otherwise.

Section 7.10. GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED, ENFORCED, AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEVADA (WITHOUT REGARD TO ITS CHOICE OF LAW PRINCIPLES).

Section 7.11. DISPUTE RESOLUTION.

(a) NEGOTIATION. THE PARTIES SHALL ATTEMPT TO RESOLVE ANY DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TERMINATION, BREACH, OR VALIDITY OF THIS AGREEMENT, PROMPTLY BY GOOD FAITH NEGOTIATION AMONG REPRESENTATIVES WHO HAVE AUTHORITY TO RESOLVE THE CONTROVERSY. ANY PARTY MAY GIVE THE OTHER PARTIES WRITTEN NOTICE OF ANY DISPUTE NOT RESOLVED IN THE NORMAL COURSE OF BUSINESS. WITHIN 10 DAYS AFTER DELIVERY OF THE NOTICE, THE RECEIVING PARTY SHALL SUBMIT TO THE OTHERS A WRITTEN RESPONSE. THE NOTICE AND THE RESPONSE SHALL INCLUDE (A) A STATEMENT OF THE PARTIES' CONCERNS AND PERSPECTIVES ON THE ISSUES IN DISPUTE, (B) A SUMMARY OF SUPPORTING FACTS AND CIRCUMSTANCES AND (C) THE IDENTITY OF THE REPRESENTATIVE WHO WILL REPRESENT THAT PARTY AND OF ANY OTHER PERSON WHO WILL ACCOMPANY THE REPRESENTATIVE. WITHIN 15 DAYS AFTER DELIVERY OF THE ORIGINAL NOTICE, THE REPRESENTATIVES OF THE PARTIES SHALL MEET AT A MUTUALLY ACCEPTABLE TIME AND PLACE, AND THEREAFTER AS OFTEN AS THEY REASONABLY DEEM NECESSARY, TO ATTEMPT TO RESOLVE THE DISPUTE. ALL NEGOTIATIONS PURSUANT TO THIS CLAUSE AND CLAUSE (b) BELOW ARE CONFIDENTIAL AND SHALL BE TREATED AS COMPROMISE AND SETTLEMENT NEGOTIATIONS FOR PURPOSES OF APPLICABLE RULES OF EVIDENCE.

(b) MEDIATION. IF A DISPUTE HAS NOT BEEN RESOLVED BY DISCUSSION BETWEEN OR AMONG THE PARTIES WITHIN 20 DAYS OF THE DISPUTING PARTY'S NOTICE, ANY PARTY MAY BY NOTICE TO THE OTHER PARTIES WITH WHOM SUCH DISPUTE EXISTS REQUIRE MEDIATION OF THE DISPUTE, WHICH NOTICE SHALL IDENTIFY THE NAMES OF NO FEWER THAN THREE (3) POTENTIAL MEDIATORS. EACH PARTY AMONG WHOM THE DISPUTE EXISTS WILL IN GOOD FAITH ATTEMPT TO AGREE UPON A MEDIATOR AND AGREES TO PARTICIPATE IN MEDIATION OF THE DISPUTE IN GOOD FAITH. IF THE PARTIES ARE UNABLE TO AGREE UPON A MEDIATOR WITHIN FIFTEEN (15) DAYS AFTER SUCH NOTICE, THE PARTIES AGREE TO PROCEED TO MEDIATION UNDER THE COMMERCIAL MEDIATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION IN

EFFECT ON THE DATE OF THIS AGREEMENT. IF SUCH DISPUTE SHALL NOT HAVE BEEN RESOLVED BY MEDIATION WITHIN THE TIME PERIOD SPECIFIED IN SUBSECTION (c) BELOW, ARBITRATION MAY BE INITIATED PURSUANT TO SUBSECTION (c) BELOW. ALL EXPENSES OF THE MEDIATOR SHALL BE EQUALLY SHARED BY THE PARTIES AMONG WHOM THE DISPUTE EXISTS.

(c) BINDING ARBITRATION.

(i) ANY DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE BREACH, TERMINATION, OR VALIDITY OF THE AGREEMENT WHICH HAS NOT BEEN RESOLVED BY MEDIATION WITHIN 30 DAYS OF THE INITIATION OF SUCH PROCEDURE, OR WHICH HAS NOT BEEN RESOLVED PRIOR TO THE TERMINATION OF MEDIATION, SHALL BE RESOLVED BY ARBITRATION IN ACCORDANCE WITH THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION ("AAA") IN EFFECT ON THE DATE OF THIS AGREEMENT. IF A PARTY TO A DISPUTE FAILS TO PARTICIPATE IN MEDIATION, THE OTHERS MAY INITIATE ARBITRATION BEFORE EXPIRATION OF THE ABOVE PERIOD. IF THE AMOUNT OF THE CLAIM ASSERTED BY ANY PARTY IN THE ARBITRATION EXCEEDS $1,000,000, THE UNDERSIGNED AGREE THAT THE AMERICAN ARBITRATION ASSOCIATION OPTIONAL PROCEDURES FOR LARGE, COMPLEX COMMERCIAL DISPUTES WILL BE APPLIED TO THE DISPUTE.

(ii) THE PARTIES TO THE DISPUTE SHALL MUTUALLY AGREE UPON A SOLE ARBITRATOR, WHICH NEED NOT BE AN ARBITRATOR SUGGESTED BY OR ASSOCIATED WITH THE AAA (BUT SUCH ARBITRATOR SHALL NONETHELESS APPLY THE AAA ARBITRATION RULES AS SET FORTH IN (i) ABOVE). IF THE PARTIES TO THE DISPUTE ARE UNABLE TO AGREE UPON AN ARBITRATOR, THE PARTIES SHALL REQUEST THAT AAA SUGGEST A PANEL OF THREE INDEPENDENT AND IMPARTIAL ARBITRATORS, EACH OF WHOM SHALL BE KNOWLEDGEABLE WITH RESPECT TO THE SUBJECT MATTER OF THE DISPUTE. ARBITRATION SHALL BE BEFORE ONE OF THESE THREE ARBITRATORS IF THE DISPUTING PARTIES CAN AGREE ON THE SELECTION OF ONE OF THEM AS THE SOLE ARBITRATOR. IF NOT, ARBITRATION SHALL BE BEFORE ALL THREE.

(iii) THE PLACE OF ARBITRATION SHALL BE HOUSTON, TEXAS.

(iv) THE ARBITRATOR(S) ARE NOT EMPOWERED TO AWARD DAMAGES IN EXCESS OF COMPENSATORY DAMAGES.

(v) THE ARBITRATOR(S) SHALL HAVE THE EXCLUSIVE AUTHORITY TO DETERMINE AND AWARD COSTS OF ARBITRATION AND THE COSTS INCURRED BY EACH PARTY FOR ITS ATTORNEYS, ADVISORS AND CONSULTANTS.

(vi) THE AWARD RENDERED BY THE ARBITRATORS SHALL BE IN WRITING AND SHALL INCLUDE A STATEMENT OF THE FACTUAL BASES AND THE LEGAL CONCLUSIONS RELIED UPON BY THE ARBITRATORS IN MAKING SUCH AWARD. THE ARBITRATORS SHALL DECIDE THE DISPUTE IN COMPLIANCE WITH THE APPLICABLE SUBSTANTIVE LAW AND CONSISTENT WITH THE PROVISIONS OF THE AGREEMENT, INCLUDING LIMITS ON DAMAGES. THE AWARD RENDERED BY THE ARBITRATOR(S) SHALL BE FINAL AND BINDING, AND JUDGMENT UPON THE AWARD MAY BE ENTERED BY ANY COURT HAVING JURISDICTION THEREOF.

(vii) ALL MATTERS RELATING TO THE ENFORCEABILITY OF THIS ARBITRATION AGREEMENT AND ANY AWARD RENDERED PURSUANT TO THIS AGREEMENT SHALL BE GOVERNED BY THE FEDERAL ARBITRATION ACT, 9 U.S.C. § 1-16. THE ARBITRATOR(S) SHALL APPLY THE SUBSTANTIVE LAW OF THE STATE OF NEVADA, EXCLUSIVE OF ANY CONFLICT OF LAW RULES.

(viii) EACH HOLDER IS REQUIRED TO CONTINUE TO PERFORM ITS OBLIGATIONS UNDER THIS CONTRACT PENDING FINAL RESOLUTION OF ANY DISPUTE ARISING OUT OF OR RELATING TO THIS CONTRACT, UNLESS TO DO SO WOULD BE IMPOSSIBLE OR IMPRACTICABLE UNDER THE CIRCUMSTANCES.

(ix) NOTHING IN THIS SECTION 7.11 SHALL LIMIT THE HOLDERS' RIGHTS TO OBTAIN PROVISIONAL, ANCILLARY OR EQUITABLE RELIEF FROM A COURT OF COMPETENT JURISDICTION.

(d) SETTLEMENT. NOTHING CONTAINED HEREIN SHALL PREVENT THE PARTIES FROM SETTLING ANY DISPUTE BY MUTUAL AGREEMENT AT ANY TIME.

Section 7.12. WAIVER. EACH HOLDER WAIVES ANY RIGHT THAT THE HOLDER MAY HAVE TO COMMENCE ANY ACTION IN ANY COURT WITH RESPECT TO ANY DISPUTE AMONG THE HOLDERS RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RIGHTS OR OBLIGATIONS OF ANY HOLDER HEREUNDER, OTHER THAN AN ACTION BROUGHT TO ENFORCE THE ARBITRATION PROVISIONS OF SECTION 7.11 HEREOF. THE HOLDERS AGREE THAT ANY SUCH ACTION SHALL BE BROUGHT (AND VENUE FOR ANY SUCH ACTION SHALL BE APPROPRIATE) IN DALLAS, TEXAS.

Section 7.13. U.S. Dollars. Any reference in this Agreement to “dollars,” “funds” or “sums” or any amounts denoted with a “$” shall be references to United States dollars.

Section 7.14 Termination This Agreement shall terminate and be of no further effect upon completion of an initial public offering after a conversion of the Company into a corporation.

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement as of the 16th day of July, 2004.

[Following are the signature pages.]

The Company

BOIS D'ARC ENERGY, LLC,
a Nevada limited liability company

	/s/ WAYNE L. LAUFER
Name:	Wayne L. Laufer
Title:	Chief Executive Officer

Holders

COMSTOCK OFFSHORE, LLC

	/s/ ROLAND O. BURNS
Name:	Roland O. Burns
Title:	Senior Vice President

BOIS D'ARC RESOURCES, LTD.

By: Bois d'Arc Interests, LLC,
General Partner

By: /s/ WAYNE L. LAUFER
Wayne L. Laufer, Manager

By: /s/ GARY W. BLACKIE
Gary W. Blackie, Manager

/s/ M. JAY ALLISON

M. JAY ALLISON

/s/ ROLAND O. BURNS

ROLAND O. BURNS

/s/ WAYNE L. LAUFER

WAYNE L. LAUFER

/s/ GAYLE LAUFER

GAYLE LAUFER

/s/ GARY W. BLACKIE

GARY W. BLACKIE

HARO INVESTMENTS LLC

By: /s/ WAYNE L. LAUFER
Its: Sole Member

BETS WEST INTERESTS, L.P.

/s/ SALLY L. BLACKIE
Title: President

CADE OIL INVESTMENTS, INC.

/s/ WILLIAM W. CADE
Title: President

/s/ GEORGE FENTON

/s/ JOCELYN FENTON

/s/ CHIALING YOUNG

/s/ D. MICHAEL HARRIS

/s/ WILLIAM HOLMAN

JAY PETROLEUM OF LA, LLC

/s/ WILLIAM C. LANGFORD

Title: Managing Partner

/s/ STEVE KNECHT

/s/ GREGORY T. MARTIN

/s/ KERRY W. STEIN

PEGASUS ENERGY, LLC

/s/ NICHOLAS J. ARTHUR

Title: Manager

CONSENT AND AGREEMENT OF SPOUSE

I, the undersigned, certify that:

(1) I am the spouse of the individual who signed the foregoing Transfer Restriction Agreement of Bois d'Arc Energy, LLC (the "Agreement").

(2) I have read and approve all of the terms, conditions, and provisions of the Agreement and agree to be bound by all of the terms, conditions, and provisions thereof.

IN WITNESS WHEREOF, I have executed this consent and agreement on the date indicated.

Date:	July 18, 2004	/s/ KAROL KAYE HARRISON
Date:	July 19, 2004	/s/ REBECCA S. HOLMAN
Date:	July 20, 2004	/s/ SANDRA H. KNECHT
Date:	July 21, 2004	/s/ BARBARA ROSE MARTIN
Date:	July 20, 2004	/s/ ANGELA M. STEIN

EXHIBIT 10.8

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

This First Amendment to Employment Agreement ("Agreement") is executed by and between COMSTOCK RESOURCES, INC., a Nevada corporation (the "Company") with principal offices in Frisco, Texas, and M. JAY ALLISON ("Employee").

WHEREAS, the parties entered into an Employment Agreement effective June 1, 2002 (the "Employment Agreement); and

WHEREAS, the parties desire to amend the Employment Agreement to permit the Employee to perform certain services, which the Company has determined are in its best interest;

NOW, THEREFORE, the Company and the Employee agree that Paragraph 5 of the Employment Agreement shall be amended as set forth below, effective July 16, 2004.

Paragraph 5 shall provide as follows (the amended provision is highlighted):

5. Performance of Services; Permitted Activities. Employee shall devote his full working time to the business of the Company; PROVIDED, HOWEVER, EMPLOYEE MAY SERVE AS CHAIRMAN OF THE BOARD OF MANAGERS OF BOIS D'ARC ENERGY, LLC, A NEVADA LIMITED LIABILITY COMPANY, OR ITS SUCCESSORS, PROVIDED THAT SUCH SERVICE SHALL NOT INTERFERE WITH THE PERFORMANCE OF HIS DUTIES HEREUNDER. 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.

[Signature page follows.]

EXECUTED and effective July 16, 2004.

COMSTOCK RESOURCES, INC.

/s/ Roland O. Burns

Name: Roland O. Burns
Title: Senior Vice President and Chief Financial Officer

EMPLOYEE:

/s/ M. Jay Allison

Name: M. Jay Allison

EXHIBIT 10.9

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

This First Amendment to Employment Agreement ("Agreement") is executed by and between COMSTOCK RESOURCES, INC., a Nevada corporation (the "Company") with principal offices in Frisco, Texas, and ROLAND O. BURNS ("Employee").

WHEREAS, the parties entered into an Employment Agreement effective June 1, 2002 (the "Employment Agreement); and

WHEREAS, the parties desire to amend the Employment Agreement to permit the Employee to perform certain services, which the Company has determined are in its best interest;

NOW, THEREFORE, the Company and the Employee agree that Paragraph 5 of the Employment Agreement shall be amended as set forth below, effective July 16, 2004.

Paragraph 5 shall provide as follows (the amended provision is highlighted):

5. Performance of Services. Employee shall devote his full working time to the business of the Company; PROVIDED, HOWEVER, EMPLOYEE MAY SERVE AS CHIEF FINANCIAL OFFICER, SECRETARY AND A MEMBER OF THE BOARD OF MANAGERS OF BOIS D'ARC ENERGY, LLC, A NEVADA LIMITED LIABILITY COMPANY, OR ITS SUCCESSORS, PROVIDED THAT SUCH SERVICE SHALL NOT INTERFERE WITH THE PERFORMANCE OF HIS DUTIES HEREUNDER. 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.

[Signature page follows.]

EXECUTED and effective July 16, 2004.

COMSTOCK RESOURCES, INC.

/s/ M. Jay Allison

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

EMPLOYEE:

/s/ Roland O. Burns

Name: Roland O. Burns

Exhibit 15.1

August 4, 2004

Comstock Resources, Inc.
5300 Town & Country Boulevard
Suite 500
Frisco, Texas 75034

Shareholders and Board of Directors
Comstock Resources, Inc.

We are aware of the incorporation by reference in the Registration Statement (Nos. 33-20981, 33-88962, 333-111237 and 333-112100) of Comstock Resources, Inc. of our report dated August 4, 2004 relating to the unaudited consolidated interim financial statements of Comstock Resources, Inc. that are included in its Form 10-Q for the quarter ended June 30, 2004.

Ernst & Young LLP

Dallas, Texas

Exhibit 31.1

Section 302 Certification

I, M. Jay Allison, certify that:

1. I have reviewed this June 30, 2004 Form 10-Q of Comstock Resources, Inc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

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

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

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

Date: August 6, 2004

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

Exhibit 31.2

Section 302 Certification

I, Roland O. Burns, certify that:

1. I have reviewed this June 30, 2004 Form 10-Q of Comstock Resources, Inc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

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

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

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

Date: August 6, 2004

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

Exhibit 32.1

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

In connection with the Quarterly Report of Comstock Resources, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, M. Jay Allison, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ M. JAY ALLISON
M. Jay Allison
Chief Executive Officer

August 6, 2004

Exhibit 32.2

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

In connection with the Quarterly Report of Comstock Resources, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Roland O. Burns, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ ROLAND O. BURNS
Roland O. Burns
Chief Financial Officer

August 6, 2004