SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 1995

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ______ to ______

Commission File No. 0-16741

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

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

5005 LBJ Freeway, Suite 1000, Dallas, Texas 75244
(Address of principal executive offices including zip code)

(214) 701-2000
(Registrant's telephone number and area code)

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

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

Common Stock, $.50 Par Value
Preferred Stock Purchase Rights
(Title of class)

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

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

As of March 15, 1996, there were 12,956,386 shares of common stock outstanding.

As of March 15, 1996, the aggregate market value of the voting stock held by non-affiliates of the registrant was approximately $56,400,000 (Such amount excludes privately held convertible preferred stock which votes on an as converted basis with common stock.)

DOCUMENTS INCORPORATED BY REFERENCE

The information required by Part III of this report is incorporated by reference from registrant's definitive proxy statement for its 1996 annual meeting of stockholders (to be filed with the Securities and Exchange Commission not later than April 29, 1995).

COMSTOCK RESOURCES, INC.

FORM 10-K

For the Fiscal Year Ended December 31, 1995

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PART I

ITEM 1. BUSINESS

General

Comstock Resources, Inc. (together with its subsidiaries, the "Company") is an independent oil and gas company primarily engaged in the acquisition, development and production of oil and natural gas properties in the United States. The Company is also engaged in the purchase, gathering, processing and marketing of natural gas. The Company believes that its primary strengths are its ability to add oil and gas reserves at an attractive cost through its oil and gas property acquisition activities and to successfully operate and further develop the properties it has acquired with its low operating cost structure.

The Company was originally organized as a Delaware corporation in 1919 under the name Comstock Tunnel and Drainage Company for the primary purpose of conducting gold and silver mining operations in and around the Comstock Lode in Nevada. In 1983, the Company was reincorporated under the laws of the State of Nevada. In November 1987, the Company changed its name to Comstock Resources, Inc.

The Company's oil and gas acquisition, development and production operations are conducted through its wholly owned subsidiaries, Comstock Oil & Gas, Inc., Comstock Oil & Gas -- Louisiana, Inc. and Comstock Offshore Energy, Inc. These companies own working interests in 759 producing oil and gas wells located in Texas, Louisiana, Oklahoma, Nebraska, Arkansas, Mississippi, Kansas and offshore Gulf of Mexico. Comstock Management Corporation, a wholly owned subsidiary, manages the oil and gas properties of Comstock DR II Oil & Gas Acquisition Limited Partnership for the benefit of certain institutional investors. Comstock DR II Oil & Gas Acquisition Limited Partnership owns working interests in 118 producing oil and gas wells in Oklahoma, Texas, Kansas, Wyoming and Louisiana.

The Company's natural gas marketing and gathering activities are conducted through its wholly owned subsidiary, Comstock Natural Gas, Inc. ("CNG"). CNG has interests in 34 miles of natural gas pipeline in East and South Texas and a gas processing plant in East Texas. CNG markets approximately 127 million cubic feet of gas a day for the Company and other natural gas producers. CNG, through its wholly owned subsidiary Crosstex Pipeline, Inc., serves as managing general partner and CNG holds a 20.31% limited partner interest in Crosstex Pipeline Partners, Ltd., which owns 63 miles of natural gas pipeline in East Texas.

Business Strategy

The Company's principal goal is to maximize its value by profitable growth in oil and gas reserves and production. The Company has been successful in recent years in achieving this goal primarily through its oil and gas acquisition program. Over the last five years the Company has added 188 billion cubic feet ("Bcf") of natural gas and 5.2 million barrels of oil from 15 oil and gas property acquisitions at a cost of 55 cents per equivalent thousand cubic feet ("Mcfe") of natural gas, which compares favorably to the industry average. The Company undertakes workover, recompletion and development drilling activities to further develop the properties it acquires. The Company's gas marketing operations allow it to effectively market its natural gas production at higher prices than it could obtain on a stand alone basis. The Company maintains an efficient and low cost operating structure which allows it to operate and develop the properties it acquires with minimal net overhead cost to the Company. For the year ended December 31, 1995, the Company's net general and administrative expense, after well operating fee income, was 17 cents per Mcfe of production.

Recent Events

During the first quarter of 1996, the Company entered into agreements to acquire Black Stone Oil Company and the interests of additional working interest owners in certain producing oil and gas properties as well as a substantial interest in undeveloped oil and gas leases located in East Texas for total cash consideration of approximately $102.9 million (the "Black Stone Acquisition"). Black Stone Oil Company is a privately held company based in Houston, Texas and is the operator of and owns interests in the oil and gas properties being acquired. The producing properties to be acquired are located in the Double A Wells field in Polk County, Texas. The properties are currently producing 5,800 barrels of oil a day and 96,000 Mcf of gas a day (1,800 barrels of oil a day and 29,000 Mcf of gas a day, net to the interests being acquired) from the upper Woodbine formation at approximately 14,500 feet. The estimated net proved oil and gas reserves attributable to the interests being acquired are 92 billion cubic feet of natural gas and 5 million barrels of oil as of January 1, 1996, the effective date of the acquisition. Such reserves have estimated future net cash flows of $233 million before income taxes and estimated discounted future net cash flows before income taxes of $140 million. The acquisition is expected to close by May 1, 1996 and to be financed under a $175 million credit facility being provided by the Company's banks. See "Management's Discussion and Analysis of Financial Condition and Results of Operations-Liquidity."

OIL AND GAS ACQUISITION, DEVELOPMENT AND PRODUCTION

Oil and Gas Property Acquisition Activities

Substantially all of the Company's capital expenditures historically have related to the acquisition of producing oil and gas properties. The Company intends to continue its growth strategy emphasizing reserve additions through its acquisition efforts. The Company may utilize any one or a combination of borrowings under its bank credit facility, issuance of debt securities or equity securities, and internally generated cash flow to finance its acquisition efforts. The Company cannot be assured that sufficient external funds will be available to fund future acquisitions.

Over the five year period ended December 31, 1995, the Company has completed 15 acquisitions of producing oil and gas properties with an aggregate cost of $122 million. As a result of these acquisitions, the Company has added 219.6 equivalent Bcf of proved oil and gas reserves as summarized in the following table:

Year	Acquisition Cost (000's)	Proved Reserves When Acquired (MBbls)	(MMcf)	(MMcfe)	Acquisition Cost Per Mcfe When Acquired
1991	$ 20,862	689	29,868	34,002	$.61
1992(1)	4,730	44	8,821	9,086	.52
1993(1)	26,928	2,250	28,349	41,848	.64
1994	12,970	388	12,744	15,074	.86
1995	56,081	1,859	108,432	119,585	.47
	$121,571	5,230	188,214	219,595	.55

(1) 1993 Amounts include $22.7 million as acquisition cost and 962 Mbbls of oil and 17,782 Mmcf of gas for the acquisition of Stanford Offshore Energy, Inc. ("Stanford"). The other financial information in this report reflects the historical operations of Stanford accounted for under the pooling of interests method. Prior to its acquisition by the Company, Stanford closed $14.3 of acquisitions in 1993 with reserves of 1,225 Mbbls of oil and 14,550 Mmcf of gas for an acquisition cost per Mcfe when acquired of $.65. In 1992, Stanford completed an acquisition for $8.3 million with reserves of 11 Mbbls of oil and 11,883 Mmcf of gas for an acquisition cost per Mcfe when acquired of $.69.

1991 Acquisitions

On June 10, 1991, the Company acquired Tidemark Exploration, Inc. for total consideration valued at $1.3 million. The Company also assumed $1.4 million in indebtedness in connection with the acquisition. The acquisition included interests in 190 wells located primarily in Oklahoma and Arkansas.

On November 7, 1991, the Company acquired interests in 66 producing wells located in 22 fields in Louisiana, Texas, Oklahoma and Arkansas from Goodrich Oil Company and certain other working interest owners for cash of approximately $17.5 million. Major fields purchased in this acquisition include the Ada, Calhoun and Sugar Creek fields in North Louisiana.

1992 Acquisition

On September 4, 1992, the Company purchased interests in 120 producing wells located primarily in Oklahoma and Arkansas from Liberty Life Insurance Company. The Company paid cash of $3.5 million and exchanged $1.6 million in certain undeveloped oil and gas leases for the properties.

1993 Acquisitions

In January and April 1993, the Company acquired interests in three fields in Nebraska with ten existing oil and gas wells. The Company issued 490,000 shares of its common stock for the properties valued at $1.5 million.

During 1993, the Company completed several smaller acquisitions for properties in South Louisiana and along the Texas Gulf Coast for a total of $1.6 million in cash and shares of common stock.

On November 17, 1993, the Company acquired Stanford Offshore Energy, Inc. ("Stanford") through a merger with a wholly owned subsidiary, which now operates under the name Comstock Offshore Energy, Inc. The Stanford stockholders were issued an aggregate total of 1,760,000 shares of common stock of the Company in the merger with a total value of $6.2 million. Stanford had interests in 107 oil and gas wells located in Texas, Offshore Gulf of Mexico, Mississippi, Oklahoma and Kansas. On the date of the merger, Stanford had approximately $16.5 million of indebtedness.

Stanford had acquired its oil and gas properties in three significant acquisitions in 1992 and 1993. On August 31, 1992, Stanford purchased a working interest in the West Cameron Block 238 field for approximately $8.3 million. Stanford participated in the acquisition with an unaffiliated oil and gas company. Stanford acquired a 90% working interest in the property which reduced to a 45% working interest after Stanford had recovered its adjusted investment. In February and March 1993, Stanford and Tierra Mineral Development, L.C. ("Tierra") acquired working interests in certain producing oil and gas properties for $7.5 million. Major properties acquired include interests in the Mobil David/Chapman Ranch, Mustang Island and East White Point fields located along the Texas Gulf Coast. Pursuant to the acquisition agreement with Tierra, the net revenues from these properties were allocated 90% to the Company and 10% to Tierra until Stanford has recovered its adjusted investment. Thereafter, the future net revenues were to be allocated 60% to Stanford and 40% to Tierra. On July 15, 1993, Stanford purchased interests in the Redmond Creek field in South Texas for approximately $7.4 million.

On December 24, 1993, the Company acquired Tierra in exchange for $253,000 in cash and the issuance of 283,350 shares of common stock valued at approximately $850,000.

1994 Acquisitions

On June 8, 1994, the Company acquired interests in five producing gas wells in the Vienna field located near the Texas Gulf Coast for $7.3 million in cash.

On July 22, 1994, the Company exchanged one million shares of its newly issued preferred stock, with a par value of $10 million and an estimated market value of $8 million, and $10,150,000 cash to repurchase certain production payments previously conveyed by the Company to a major natural gas company in November 1991 in connection with the $17.5 million acquisition from Goodrich Oil Company completed in 1991. The Company had a remaining obligation to deliver 10.7 Bcf of natural gas under a volumetric production payment and had an obligation to repay $2.5 million under a monetary based production payment.

On September 30, 1994, the Company acquired certain net profits and overriding royalty interests from MG Trade Finance Corp., the lender under Stanford's credit facility, for cash of $800,000.

On December 23, 1994, the Company acquired interests in oil and gas properties together with gas gathering facilities and a gas processing plant located in the Texas Gulf Coast area for cash of $5.5 million. The oil and gas properties were acquired for $5 million and included interests in the El Campo field in Wharton County, Texas.

1995 Acquisitions

On May 15, 1995, the Company purchased interests in 14 producing offshore oil and gas properties located in Louisiana state waters in the Gulf of Mexico for cash of $8.2 million. The acquisition included interests in the Ship Shoal Block 66 field, the Main Pass Block 21 field and the Main Pass Block 25 field.

On July 31, 1995, the Company purchased interests in certain producing oil and gas properties and natural gas gathering systems located in East Texas and North Louisiana from Sonat Inc. for cash of $50.6 million. The Company acquired interests in 319 oil and gas wells for $49.1 million along with interests in gas gathering systems for $1.5 million. The acquisition included interests in the Logansport, Beckville, Waskom, Longwood, Blocker, Simsboro and Hico Knowles fields in East Texas and North Louisiana.

During 1995, the Company acquired a 74% working interest in the Lake LaRose field in South Louisiana for approximately $1 million.

1996 Acquisitions

The Company does not have a specific acquisition budget as the timing and size of acquisitions are difficult to forecast. The Company constantly reviews acquisition possibilities and anticipates making additional acquisitions in 1996. At the present time the Company has no commitments with respect to any significant acquisitions, other than for the pending $102.9 million Black Stone Acquisition.

Production

At December 31, 1995, the Company owned producing properties in seven states, with its proved reserves located primarily in four core areas: East Texas/North Louisiana, Texas Gulf Coast, Offshore Gulf of Mexico and South Louisiana. At December 31, 1995, the Company operated 373 producing wells and also owned non-operated interests in 386 producing wells.

The following table summarizes the Company's proved oil and gas reserves in its 20 largest fields at December 31, 1995. These fields represent approximately 85% of the Company's proved reserves on such date.

Field	Net Oil (MBbls)	Net Gas (Bcf)	Future Net Cash Flows (000s)	Discounted Future Net Cash Flows (000s)
EAST TEXAS/NORTH LOUISIANA				
Logansport	94	23.5	$ 30,059	$ 16,643
Beckville	176	25.4	32,970	14,581
Waskom	289	19.4	23,421	12,039
Longwood	110	13.2	17,214	9,797
Blocker	66	14.5	17,547	9,628
Ada	13	5.2	9,940	7,082
Sugar Creek	81	6.6	10,905	4,575
Calhoun	32	2.0	4,181	3,446
Simsboro	5	4.0	6,140	3,086
Hico Knowles	57	2.9	4,692	2,977
Other	12	9.0	12,818	5,916
	935	125.7	169,887	89,770
TEXAS GULF COAST				
Vienna	-	4.4	7,268	4,666
Mobil David/ Chapman Ranch	161	2.6	5,689	4,079
El Campo	149	2.9	6,155	4,034
Mustang Island	94	3.0	5,383	3,905
East White Point	490	2.7	10,408	3,736
Redmond Creek	148	1.5	4,317	3,247
Other	66	0.7	1,470	779
	1,108	17.8	40,690	24,446
OFFSHORE GULF OF MEXICO				
Ship Shoal 66	410	0.3	6,388	5,348
West Cameron Block 238	4	4.6	5,941	5,163
Main Pass Blocks 21/25	513	0.6	5,668	4,256
	927	5.5	17,997	14,767
SOUTH LOUISIANA				
Lake LaRose	38	4.2	8,182	3,920
Other	43	2.5	4,332	2,851
	81	6.7	12,514	6,771
Other Areas	728	17.5	23,854	12,538
Total Oil & Gas Reserves	3,779	173.2	$264,942	$148,292

Logansport. The Company operates 45 wells and owns interests in 18 non-operated wells in the Logansport field area, which includes wells in the Belle Bower, Canadian Bayou, Grand Cane, Logansport and Spider fields, all of which are located in DeSoto Parish, Louisiana. The Logansport field area produces from multiple zones in the Hosston formation. The Company's average working interest at Logansport in operated wells is 68% and 26% in the non-operated wells. Daily production from the field net to the Company's interest is approximately 5,000 Mcf of gas and 26 barrels of oil.

Beckville. The Company operates 47 wells with an average working interest of 51% in the Beckville area. The Company also owns interests in two non-operated wells with an average working interest of 5%. The Beckville Area includes properties from several fields - Beckville, Beckville North, Carthage, Oakhill, and Tatum located in Panola, Rusk, and Harrison Counties, Texas. The predominate reservoir is the Jurassic aged Cotton Valley. The Cotton Valley can be subdivided into Upper, Middle, and Lower sand intervals with primary production coming from the Lower Cotton Valley. Daily production from the Beckville area net to the Company's interest is approximately 3,000 Mcf of gas and 46 barrels of oil.

Waskom. The Company has interests in 43 operated wells with an average working interest of 58% in the Waskom field located in Harrison County, Texas as well as interests in 41 non-operated wells with an average working interest of 9%. The principal producing zones are Pettit, Travis Peak and Cotton Valley. Daily production net to the Company's interest is approximately 2,800 Mcf of gas and 58 barrels of oil.

Longwood. The Company operates 27 wells and has interest in two non-operated wells in the Longwood field, in Caddo Parish, Louisiana and in Harrison County, Texas. The Company's average working interest in the operated wells is 73% and 11% in the non-operated wells. The production in Longwood Field is from the Travis Peak and Hosston formations. Daily production net to the Company's interest is approximately 1,700 Mcf of gas and 80 barrels of oil.

Blocker. The Company has 18 operated wells with an average working interest of 87% and two non-operated wells with an average working interest of 64% in the Blocker field located in Harrison County, Texas. The predominate reservoirs in this field are the Jurassic aged Cotton Valley sands. Daily production net to the Company's interest is approximately 2,500 Mcf of gas and 20 barrels of oil.

Ada. The Company has a 35% working interest in the Hamner No. 1 gas unit located in the Ada field. The Company operates three producing wells in this unit located in Bienville Parish, Louisiana. The wells produce from the Hosston A and B formations. Daily production net to the Company's interest is approximately 3,200 Mcf of gas and 9 barrels of oil.

Sugar Creek. The Company has an average 34% working interest in 14 wells in the Sugar Creek field in Claiborne Parish, Louisiana. Production ranges from approximately 4,300 feet to 8,300 feet, with most of the production attributed to the Kilpatrick Lime, James, Pettit, Hosston and Cotton Valley sands. Daily production net to the Company's interest is approximately 600 Mcf of gas and 22 barrels of oil.

Calhoun. The Calhoun field is located in Jackson and Ouachita Parish, Louisiana. The Company has a 24% working interest in three wells in the Calhoun field producing from the Cadeville sand. Daily production from this field net to the Company's interest is approximately 1,600 Mcf of gas and 44 barrels of oil.

Simsboro. The Company operates four wells in West Simsboro and Simsboro fields located in Lincoln Parish, Louisiana and has an interest in six non-operated wells. The primary producing zone is the Hosston formation. The average working interest in the operated wells is 40%. The average working interest in the non-operated wells is 8%. Daily production net to the Company's interest is approximately 1,100 Mcf of gas and 2 barrels of oil.

Hico Knowles. The Company has on average 59% working interest in eight operated wells and an average 17% working interest in 10 non-operated wells in the Hico Knowles field in Lincoln Parish, Louisiana. The principal producing horizons in the Hico Knowles field are the James, Woodruff, Hosston and Cotton Valley formations. Daily production net to the Company's interest is approximately 500 Mcf of gas and 13 barrels of oil.

Vienna. The Company owns 100% working interest in four operated wells in the Vienna field in Lavaca County, Texas. The wells produce from Frio sands at 3,000 feet. Daily production net to the Company's interest is approximately 700 Mcf of gas and 1 barrel of oil.

Mobil David/Chapman Ranch. The Company owns an average 96% working interest in three operated wells and an average 41% interest in five non-operated wells in the Mobil David and Chapman Ranch fields in Nueces County, Texas. The wells produce from Miocene and Frio sands formation from 5,600 feet to 10,200 feet. Daily production net to the Company's interest is approximately 800 Mcf of gas and 16 barrels of oil.

El Campo. The Company owns an average 30% working interest in 11 wells in the El Campo field in Wharton County, Texas. The wells produce from the Yegua formation at approximately 10,500 feet. Daily production net to the Company's interest is approximately 800 Mcf of gas and 78 barrels of oil.

Mustang Island. The Company owns an average 47% working interest in 11 wells in the Mustang Island field in Nueces County, Texas. The wells produce from Miocene and Frio sands from approximately 6,500 and 8,500 feet. Daily production net to the Company's interest is approximately 900 Mcf of gas and 32 barrels of oil.

East White Point. The Company owns 100% working interest in six operated wells at East White Point in Nueces Bay off of the Texas Gulf Coast. The wells produce from Miocene and Frio formation from 1,800 to 11,000 feet. Daily production net to the Company's interest is approximately 600 Mcf of gas and 1 barrel of oil.

Redmond Creek. The Company owns an average 46% working interest in four prolific Yegua sand oil and gas wells in Liberty County, Texas. Daily production net to the Company's interest is approximately 1,100 Mcf of gas and 139 barrels of oil.

Ship Shoal Block 66. The Company owns a 16% working interest in four wells in the Ship Shoal Block 66 field located in Terrebonne Parish, Louisiana, approximately two miles offshore in state waters in the Gulf of Mexico. Daily production net to the Company's interest is approximately 225 Mcf of gas and 245 barrels of oil.

West Cameron Block 238. The Company owns a 45% working interest in seven producing offshore gas wells in federal waters in the Gulf of Mexico off the coast of Louisiana. Daily production net to the Company's interest is approximately 4,100 Mcf of gas and 8 barrels of oil.

Main Pass Blocks 21 and 25. The Company has a 24% working interest in the Main Pass Block 21 field. The field is located in Louisiana state waters 12 miles east of the Plaquemines Parish, Louisiana shore. There are currently ten wells producing from formations between 5,000 feet and 8,100 feet. The Company has a 33% working interest in the Main Pass Block 25 Field located ten miles east of the Plaquemines Parish, Louisiana shore in a water depth of 12 feet. There are currently four producing wells in which the Company owns interests. Daily production in both Main Pass Blocks 21 and 25, net to the Company's interest, is approximately 400 Mcf of gas and 234 barrels of oil.

Lake LaRose. The Company has a 74% working interest in two wells in this field located in St. Martin Parish, Louisiana. The wells produce from Frio (Hackberry) zones at approximately 12,700 feet. The major well in the field is currently undergoing a workover to correct a down hole problem. Daily production net to the Company's interest is expected to return to 1,100 Mcf of gas and 15 barrels of oil upon completion of the workover.

Acreage

The following table summarizes the Company's developed and undeveloped leasehold acreage at December 31, 1995. Excluded is acreage in which the Company's interest is limited to royalty or similar interests.

	Developed		Undeveloped	
	Gross	Net	Gross	Net
Arkansas	12,313	764	-	-
Kansas	2,228	1,709	-	-
Louisiana	77,756	57,259	296	48
Mississippi	1,360	210	-	-
Nebraska	2,000	1,500	-	-
Oklahoma	59,402	24,236	-	-
Texas	166,694	124,517	62,916	50,303
Federal Offshore	12,160	5,760	-	-
Total Acreage	333,913	215,955	63,212	50,351

Title

Title to the Company's oil and gas properties is subject to royalty, overriding royalty, carried and other similar interests and contractual arrangements customary in the oil and gas industry, liens incident to operating agreements and for current taxes not yet due, and other minor encumbrances. All of the Company's oil and gas properties are pledged as collateral for the Company's bank credit facility. As is customary in the oil and gas industry, the Company is generally able to retain its ownership interest in undeveloped acreage by production of existing wells, by drilling activity which establishes commercial reserves sufficient to maintain the lease, or by payment of delay rentals.

Recent Drilling Activities

During the three year period ended December 31, 1995, the Company drilled or participated in the drilling of development and exploratory wells as set forth in the table below:

	Year Ended December 31, 1993		1994		1995	
	Gross	Net	Gross	Net	Gross	Net
Development Wells:						
Oil	14	1.69	-	-	2	.48
Gas	2	.44	2	.60	9	2.41
Dry	5	1.19	-	-	2	.75
	21	3.32	2	.60	13	3.64
Exploratory Wells:						
Oil	-	-	-	-	-	-
Gas	-	-	-	-	-	-
Dry	5	.80	-	-	-	-
	5	.80	-	-	-	-
Total Wells	26	4.12	2	.60	13	3.64

Subsequent to December 31, 1995, the Company drilled two gas development wells (1.02 net wells). One well is currently being completed while the second well is in the process of drilling.

Producing Well Summary

The following table sets forth the gross and net producing oil and gas wells in which the Company owned an interest at December 31, 1995, excluding shut in wells that are awaiting further evaluation or abandonment.

	Oil		Gas	
	Gross	Net	Gross	Net
Arkansas	1	.06	17	1.12
Kansas	3	2.55	1	.83
Louisiana	22	14.14	189	89.58
Mississippi	1	.06	2	.32
Nebraska	7	5.25	4	3.00
Oklahoma	3	.45	117	53.81
Texas	119	56.91	250	157.28
Federal Offshore	-	-	23	10.35
Total Wells	156	79.42	603	316.29

Oil and Gas Reserves

The Company's independent petroleum consultants have estimated the proved reserves of the Company's oil and gas properties as of December 31, 1995, at 173,165,000 Mcf of gas and 3,779,000 barrels of oil. Such reserves have estimated future net cash flows of approximately $265 million before income taxes with estimated discounted cash flows, using a 10% discount factor, of approximately $148 million. The future cash flows have been reduced by approximately $39 million attributable to future development costs of proved reserves. Proved developed reserves have been estimated at 130,375,000 Mcf of gas and 2,562,000 barrels of oil. The estimates of the Company's proved oil and gas reserves were prepared by the independent reserve engineering firm of Lee Keeling and Associates, Inc.

There are numerous uncertainties inherent in estimating oil and gas reserves and their values, including many factors beyond the control of the producer. The reserve data set forth above represents only estimates. Reserve engineering is a subjective process of estimating underground accumulations of oil and gas that cannot be measured in an exact manner. The accuracy of any reserve estimate is a function of the quality of available data and of engineering and geological interpretation and judgment. As a result, estimates of different engineers may vary. In addition, estimates of reserves are subject to revision by the results of drilling, testing and production subsequent to the date of such estimate. Accordingly, reserve estimates are often different from the quantities of oil and gas that are ultimately recovered.

In general, the volume of production from oil and gas properties declines as reserves are depleted. Except to the extent the Company acquires properties containing proved reserves or conducts successful exploration and development activities, or both, the proved reserves of the Company will decline as reserves are produced. The Company's future oil and gas production is, therefore, highly dependent upon its level of success in acquiring or developing additional reserves.

For additional information concerning the discounted future net cash flows to be derived from these reserves, see Note 14 to the Consolidated Financial Statements included elsewhere herein.

The Company's estimates of reserves have not been filed with or included in reports to any federal agency other than the Securities and Exchange Commission.

Volumes, Prices and Lifting Costs

The following table sets forth certain information regarding the Company's volumes, average prices received, and lifting costs associated with its sales of oil and gas during each year in the three-year period ended December 31, 1995.

	Year Ended December 31,		
	1993	1994	1995
Net Production:			
Oil (Bbl)	278,405	262,723	355,520
Gas (Mcf)	8,513,822	6,513,655	9,296,832
Mcfe	10,184,252	8,089,993	11,429,952
Average Sales Prices:			
Oil ($/Bbl)	$16.22	$15.22	$16.81
Gas ($/Mcf)	$ 2.03	$ 1.97	$ 1.73
Average Lifting Costs ($/Mcfe) (1)	$ .66	$ .75	$ .65

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(1) Includes the cost of labor; repairs and maintenance; material and supplies; operator overhead charges; insurance; and property, production and severance taxes.

Markets

General. The market for oil and natural gas produced by the Company depends on factors beyond its control, including the extent of domestic production and imports of oil and natural gas, the proximity and capacity of natural gas pipelines and other transportation facilities, demand for oil and natural gas, the marketing of competitive fuels and the effects of state and federal regulation of oil and natural gas production and sales. The oil and gas industry as a whole also competes with other industries in supplying the energy and fuel requirements of industrial, commercial and individual consumers.

Oil Sales. All of the Company's oil production is sold at the well site on an "as produced" basis at posted field prices tied to the spot oil markets.

Gas Sales. Substantially all of the Company's gas production is sold on the spot gas market on a month to month basis at prevailing spot market prices or sold under long-term contracts based on current spot market gas prices. The Company enters into natural gas price swap agreements to reduce its exposure to gas price fluctuations.

Customers

During the year ended December 31, 1995, no single purchaser or group of affiliated purchasers accounted for more than 10% of the Company's total oil and gas revenues for 1995.

Competition

The oil and gas industry is highly competitive. Competitors include major oil companies, other independent oil and gas companies, and individual producers and operators, many of which have financial resources, staffs and facilities substantially greater than those of the Company. The Company faces intense competition for the acquisition of producing oil and gas properties that are being divested by major and independent oil and gas companies.

Regulation

The Company's operations are regulated by certain federal and state agencies. In particular, oil and natural gas production and related operations are or have been subject to price controls, taxes and other laws relating to the oil and natural gas industry. The Company cannot predict how existing laws and regulations may be interpreted by enforcement agencies or court rulings, whether additional laws and regulations will be adopted, or the effect such changes may have on its business or financial condition.

The Company's operations are subject to extensive federal, state and local laws and regulations relating to the generation, storage, handling, emission, transportation and discharge of materials into the environment. Permits are required for a variety of the Company's operations, and these permits are subject to revocation, modification and renewal by issuing authorities. Governmental authorities have the power to enforce compliance with their regulations, and violations are subject to fines, injunctions or both. It is possible that increasingly strict requirements will be imposed by environmental laws and enforcement policies thereunder. The Company does not anticipate that it will be required in the near future to expend amounts that are material to the Company's financial position or results of operations by reason of environmental laws and regulations. Because such laws and regulations are frequently changed, the Company is unable to predict the ultimate cost of such compliance.

The Company believes that the oil and gas industry may experience increasing liabilities and risks under the Comprehensive Environmental Response, Compensation and Liability Act, as well as other federal, state and local environmental laws, as a result of increased enforcement of environmental laws by various regulatory agencies. As an "owner" or "operator" of property where hazardous materials may exist or be present, the Company, like all others engaged in the oil and gas industry, could be liable for the release of any hazardous substances. Although the Company has not been subject to the imposition of "clean-up" orders by the government, the potential for sudden and unpredictable liability for environmental problems is a consideration of increasing importance to the Company and the oil and gas industry as a whole.

The Company is required to comply with various federal and state regulations regarding plugging and abandonment of oil and gas wells. The Company provides reserves for the estimated costs of plugging and abandoning its wells on a unit of production basis.

NATURAL GAS GATHERING, PROCESSING AND MARKETING

The Company's natural gas gathering, processing and marketing operations are conducted through its wholly owned gas pipeline and marketing subsidiary, Comstock Natural Gas, Inc. ("CNG"). CNG was formed in June 1994 to provide natural gas marketing services to the Company and to small and medium-sized independent producers on a fee or margin basis. CNG is also involved in the brokerage of natural gas and in the acquisition, development and operation of natural gas gathering and processing facilities.

The following table shows CNG's approximate average daily sales volumes for each quarter of 1995.

	Daily Sales (Mcf)
First Quarter	96,000
Second Quarter	105,000
Third Quarter	100,000
Fourth Quarter	127,000

Supply

As of December 31, 1995, CNG's supply base was comprised of more than 60 producers representing natural gas production from approximately 650 wells. The natural gas is marketed and transported on more than 30 intrastate and interstate pipelines. CNG's average daily natural gas sales volumes transported by major pipelines are as follows:

	Daily Sales (Mcf)
Tennessee Gas Pipeline Co.	22,000
Texas Eastern Transmission Corp.	15,000
Lone Star Gas Co.	13,000
ANR Pipeline Co.	7,000
Natural Gas Pipeline Co. of America	7,000

Excluding 26,000 Mcf per day of natural gas marketed by CNG for the Company, which represents approximately 20% of the total volume marketed by CNG, no one producer accounted for more than 10% of CNG's natural gas supply.

Sales

During 1995, approximately 93% of CNG's gas marketing sales were to independent and pipeline affiliated marketing companies. The remaining volumes were sold to local distribution companies and industrial end users. During 1995, sales to MG Natural Gas Company, an independent marketing company, accounted for approximately 18% of CNG's gas marketing sales. No other customer accounted for more than 10% of CNG's gas marketing sales.

Gas Gathering and Processing

As of December 31, 1995, CNG owned interests in five wellhead natural gas gathering systems and a natural gas processing plant located in East and South Texas. The five wellhead natural gas gathering systems include 34 miles of pipeline and have a throughput capacity of approximately 60 million cubic feet a day. Current throughput is approximately 10 million cubic feet a day. Natural gas gathering is performed by CNG for a fee based on volume transported. CNG has a 40% interest in a refrigerated lean oil gas processing plant in East Texas with a capacity of 25 million cubic feet per day. The plant is currently operating at capacity. An expansion of the plant is in progress which will increase plant capacity to approximately 50 million cubic feet per day. Plant throughput upon completion of expansion is projected to be 45 million cubic feet per day.

CNG also owns the managing general partner interest and a 20.31% limited partner interest in Crosstex Pipeline Partners, Ltd. ("Crosstex"). Crosstex owns five gathering systems consisting of 63 miles of natural gas pipeline located in East Texas. The systems serve 126 wells and have a capacity of 65,000 Mcf per day and a current throughput of 21,000 Mcf per day.

Competition

The deregulation of natural gas has led to the emergence of over 300 marketing companies in the United States and intense competition for the brokerage of natural gas between producers and consumers. Competitors include major integrated oil and gas companies, independent and pipeline affiliated marketing companies, and regional natural gas gatherers, brokers and marketers of varying sizes. Many of the competitors have capital resources significantly greater than that of CNG's and control substantially greater supplies of natural gas than CNG.

Regulation

CNG's natural gas marketing activities are not regulated by the Federal Energy Regulatory Commission ("FERC") or any state public utility commissions. CNG's marketing activities and the revenues it receives under sales agreements are affected by regulatory events and competitive forces in the natural gas markets. Through the issuance of Orders 436, 500 and 636, FERC is endeavoring to increase competition in natural gas markets by eliminating or changing many of the procedures associated with the interstate pipelines' traditional role as wholesale merchants of natural gas in order that all natural gas suppliers will have a full and fair opportunity to compete in all markets. The Company cannot predict what ultimate effect the FERC orders will have on its marketing activities.

OFFICE AND OPERATIONS FACILITIES

The Company leases office space in Dallas, Texas. The Dallas lease covers 13,525 square feet at a monthly rate of $18,475 during 1996. The lease expires on September 30, 1999.

The Company also owns or leases four production offices and yard facilities in Marshall, Bay City and Dumas, Texas and in Woodward, Oklahoma.

EXECUTIVE OFFICERS OF THE COMPANY

The following table sets forth certain information as of March 15, 1996 concerning the executive officers of the Company.

Name	Age	Served As An Officer Since	Position with Company
M. Jay Allison	40	1987	President, Chief Executive Officer and Director
Roland O. Burns	36	1990	Senior Vice President, Chief Financial Officer, Secretary and Treasurer
James L. Menke	44	1994	Vice President of Operations

M. Jay Allison has been a director of the Company since 1987, and President and Chief Executive Officer of the Company since 1988. From 1987 to 1988, Mr. Allison served as Vice President and Secretary of the Company. From 1981 to 1987, he was a practicing oil and gas attorney with the firm of Lynch, Chappell & Alsup in Midland, Texas. Mr. Allison, in 1983, co-founded a private independent oil and gas company, Midwood Petroleum, Inc., which was active in the acquisition and development of oil and gas properties from 1983 to 1987. He received B.B.A., M.S. and J.D. degrees from Baylor University in 1978, 1980 and 1981, respectively. Mr. Allison currently is serving on the Board of Trustees of Howard Payne University in Brownwood, Texas.

Roland O. Burns has been Senior Vice President of the Company since 1994, Chief Financial Officer and Treasurer since 1990 and Secretary since 1991. From 1982 to 1990, Mr. Burns was employed by the public accounting firm, Arthur Andersen LLP. During his tenure with Arthur Andersen LLP, Mr. Burns worked primarily in the firm's oil and gas audit practice. Mr. Burns received a Masters and a Bachelors degree of Accountancy from the University of Mississippi in 1982 and is a Certified Public Accountant in the State of Texas.

James L. Menke has been Vice President of Operations of the Company since April 1994. From 1987 to 1994, Mr. Menke was Manager of Engineering for Atropos Exploration Company. From 1973 to 1986, Mr. Menke held engineering positions with Pennzoil Company, Gruy Management Services Company, Maynard Oil Company, and Santa Fe Minerals. Mr. Menke received a B.S. degree in Petroleum Engineering from Texas A & M University in 1973 and is a Registered Professional Engineer in the State of Texas.

Messrs. Allison and Burns each have one year employment agreements in their current positions with the Company which expire June 30, 1996, unless earlier terminated for good cause. Subject to such employment agreements, officers are elected annually by the Board of Directors of the Company and may be removed at any time by the Board of Directors. There are no family relationships among the executive officers and there are no other arrangements or understandings pursuant to which any of them were elected as officers.

EMPLOYEES

At December 31, 1995, the Company had 54 employees and utilized contract employees for certain of its oil field operations. The Company considers its employee relations to be satisfactory.

ITEM 2. PROPERTIES

See Item 1 "Business" for the required disclosures concerning the Company's properties.

ITEM 3. LEGAL PROCEEDINGS

The Company is not a party to any legal proceedings which management believes will have a material adverse effect on the Company's consolidated results of operations or financial condition.

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

No matters were submitted to a vote of the Company's security holders during the fourth quarter of 1995.

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's common stock is listed for trading on the Nasdaq National Market tier of the Nasdaq Stock Market under the symbol "CMRE." The following table sets forth, on a per share basis for the periods indicated, the high and low sales prices, closing price and total volume by calendar quarter for the periods indicated as reported by the Nasdaq Stock Market. Such prices represent inter-dealer prices without retail markup, markdown, or commission.

		High	Low	Close	Volume (000s)
1994 -	First Quarter	$5.75	$3.00	$3.56	11,799
	Second Quarter	4.25	2.94	3.81	6,348
	Third Quarter	4.56	3.00	3.34	4,895
	Fourth Quarter	3.62	2.81	3.31	3,890
1995 -	First Quarter	3.69	2.75	3.50	4,833
	Second Quarter	4.94	3.38	3.94	9,614
	Third Quarter	4.88	3.75	4.38	6,518
	Fourth Quarter	5.63	4.00	5.63	7,179

As of March 15, 1996, the Company had 12,956,386 shares of common stock outstanding, which were held by 1,772 holders of record and approximately 2,000 beneficial owners who maintain their shares in "street name" accounts.

The Company has never paid cash dividends on its common stock. The Company presently intends to retain any earnings for the operation and expansion of its business and does not anticipate paying cash dividends in the foreseeable future. Any future determination as to the payment of dividends will depend upon results of operations, capital requirements, the financial condition of the Company and such other factors as the Board of Directors of the Company may deem relevant. In addition, the Company is limited under its bank credit agreement and the provisions of its several outstanding preferred stock series from paying or declaring cash dividends.

ITEM 6. SELECTED HISTORICAL FINANCIAL AND OPERATING DATA

The historical financial data presented in the table below for and at the end of each of the years in the five-year period ended December 31, 1995 are derived from the Consolidated Financial Statements of the Company. The data presented below should be read in conjunction with the Company's Consolidated Financial Statements and the notes thereto included elsewhere herein and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Year Ended December 31,				
	1991	1992	1993	1994	1995
	($ in thousands, except per share data)				
INCOME STATEMENT DATA (a):					
Revenues:					
Oil and gas sales	$ 2,710	$ 10,680	$21,805	$16,855	$22,091
Gas marketing	-	-	-	14,957	50,078
Gas gathering and processing	153	213	107	72	600
Gain on sales of property	106	-	111	328	2,608
Other income	160	220	430	442	291
	3,129	11,113	22,453	32,654	75,668
Costs and expenses:					
Lease operating (b)	1,572	3,150	6,673	6,099	7,427
Gas marketing	-	-	-	14,521	48,909
Gas gathering and processing	120	159	91	11	209
General and administrative, net	2,089	1,485	1,834	1,823	1,979
Depreciation, depletion and amortization	1,758	3,759	8,334	7,390	8,613
Impairment of oil and gas properties	-	-	-	-	29,150
Interest	449	1,037	2,184	2,869	5,542
Other expenses	701	-	423	-	-
	6,689	9,590	19,539	32,713	101,829
Income (loss) before income taxes	(3,560)	1,523	2,914	(59)	(26,161)
Provision for income taxes	-	-	-	-	-
Income (loss) before extraordinary items	(3,560)	1,523	2,914	(59)	(26,161)
Preferred stock dividends	-	(56)	(173)	(818)	(1,908)
Net income (loss) attributable to common stock	(3,560)	1,467	2,741	(877)	(28,069)
Extraordinary loss	-	-	(417)	(615)	-
Net income (loss)	$(3,560)	$1,467	$2,324	$(1,492)	$(28,069)
Weighted average common shares outstanding	7,006	8,180	10,762	12,065	12,546
Earnings Per Share:					
Net income (loss) before extraordinary items	$ (.51)	$ .18	$ .25	$ (.07)	$ (2.24)
Net income (loss) after extraordinary items	(.51)	.18	.22	(.12)	(2.24)
Cash Flow Data:					
Cash provided (used) by:					
Operating activities	$ (583)	$(1,020)	$16,488	$ 7,376	$ 8,407
Investing activities	(18,110)	(12,472)	(17,415)	(23,972)	(58,725)
Financing activities	19,809	12,910	790	19,266	48,809
BALANCE SHEET DATA (end of period):					
Property and equipment, net	$44,784	$53,474	$66,068	$77,989	$102,116
Total assets	51,944	66,185	74,095	91,571	120,099
Total debt	7,843	19,164	21,930	37,932	71,811
Stockholders' equity	18,850	23,110	27,646	41,205	30,128

	Year Ended December 31, 1991	1992	1993	1994	1995
	($ in thousands, except per share data)				
SELECTED OPERATING DATA: (a)					
Production:					
Oil (MBbls)	86	131	278	263	356
Gas (MMcf)	721	4,387	8,514	6,514	9,297
Gas equivalent (MMcfe)	1,235	5,171	10,184	8,090	11,430
Average sales prices:					
Oil (per Bbl)	$20.38	$19.22	$16.22	$15.22	$16.81
Gas (per Mcf)	1.28	1.86	2.03	1.97	1.73
Production costs (per Mcfe) (b)	1.27	.61	.66	.75	.65
Proved reserves (end of period):					
Oil (MBbls)	3,022	2,259	6,111	5,119	3,779
Gas (MMcf)	77,733	76,061	74,363	92,840	173,165
Total proved reserves (MMcfe)	95,864	89,618	111,028	123,554	195,840
Proved developed reserves(MMcfe)	24,349	37,092	52,838	71,851	145,750
Annual reserve replacement ratio (c)	(9.5)	.9	3.4	2.5	7.3
Estimated reserve life (in years) (d)	77.6	17.3	10.9	15.3	17.1
Present value of estimated future net revenues before income taxes (discounted at 10%)	$53,627	$45,447	$ 60,952	$78,744	$148,292
Standardized measure of discounted future net cash flows	36,388	45,335	60,757	78,481	146,506

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(a) Significant acquisitions of producing oil and gas properties affect the comparability of the historical financial and operating data for the periods presented above.

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

(c) The annual reserve replacement ratio is a percentage determined on an Mcfe basis by dividing the estimated reserves added during a year from acquisitions of proved reserves, extensions, discoveries and revisions of previous estimates, excluding property sales, by the oil and gas produced during that year.

(d) Estimated reserve life is calculated on a Mcfe basis by dividing the total estimated proved reserves at year-end by the total production during the year.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

The Company's results of operations have been significantly impacted by its success in acquiring producing oil and gas properties. Fluctuations in oil and gas prices have also significantly affected the Company's financial results.

Relatively minor changes in natural gas prices can significantly impact the Company's results of operations and cash flow and could significantly impact the Company's borrowing base under its bank credit facility. Based on the 1995 operating results, a change in the average natural gas price realized by the Company of 10 cents per Mcf would result in a change in net income and cash flow of approximately $879,000 or 7 cents per share.

The following table reflects the Company's oil and gas production and its average oil and gas prices for the periods presented:

	Years Ended December 31, 1993	1994	1995
PRODUCTION:			
Oil (MBbls)	278	263	356
Gas (MMcf)	8,514	6,514	9,297
AVERAGE PRICES:			
Oil (per Bbl)	$16.22	$15.22	$16.81
Gas (per Mcf)	$ 2.03	$ 1.97	$ 1.73

Average oil and gas prices received by the Company fluctuate generally with changes in the posted prices for oil and spot market prices for gas. The Company's average gas price for 1995 was 12 percent below the same period in 1994, due primarily to the decline in the average spot market prices for gas. The Company achieved a 6 percent higher gas price in 1995 due to a natural gas price swap agreement which the Company utilized to hedge 25 percent of its 1995 natural gas production. The Company experienced a 10 percent increase in its average oil price in 1995 compared to the same period in 1994. The Company experienced a 3 percent decrease in its average gas price and a 6 percent decrease in its average oil price in 1994 compared to 1993.

In 1996, the Company to date has entered into positions to hedge 2,905,000 MMBtu of its 1996 gas production at an average price of $1.90 per Mmbtu. The Company has included delivery point basis adjustments in its 1996 gas price swap agreements.

Year to Year Comparisons

Year Ended December 31, 1995 Compared to Year Ended December 31, 1994

The Company reported a loss of $26.2 million before preferred stock dividends of $1.9 million for the year ended December 31, 1995, as compared to a loss of $59,000 before preferred stock dividends of $818,000 for the year ended December 31, 1994. The loss in 1995 is attributable to the adoption of a new accounting standard in the fourth quarter of 1995. The Company recorded an impairment of its oil and gas properties of $29.2 million relating to the adoption of Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed of." The 1995 results also include a $2.6 million gain from the sale of a gas processing plant for $3 million in 1995.

Oil and gas sales increased $5.2 million (31 percent), to $22.1 million in 1995 from $16.9 million in 1994 due primarily to a 43 percent increase in gas production and a 35 percent increase in oil production. The production increases related primarily to production from certain oil and gas property acquisitions completed in late 1994 and in 1995. The production increases were partially offset by a 12 percent decrease in the Company's average gas price. The Company's average oil price for the period increased by 10 percent.

Gas marketing net margins (revenues less expenses) increased $733,000 (168 percent) to $1,170,000 in 1995 from $437,000 in 1994 due primarily to a full year of gas marketing operations in 1995 as compared to only seven months of operations in 1994. The average margin per Mcf sold was $.032 in 1995 as compared to $.041 in 1994.

Gas gathering and processing net margins (revenues less expenses) increased $329,000 (536 percent) to $390,000 in 1995 from $61,000 in 1994 due primarily to acquisitions of certain gathering and processing assets in late 1994 and in 1995.

Other income decreased $152,000 (34 percent) to $290,000 in 1995 from $442,000 in 1994.

Lease operating expenses, including production taxes, increased $1.3 million (22 percent) to $7.4 million in 1995 from $6.1 million in 1994 due primarily to the 41 percent increase in oil and gas production (on an equivalent Mcf basis) resulting from the property acquisitions previously discussed. Lease operating expenses per Mcfe produced decreased 15 percent to $.65 in 1995 from $.75 in 1994.

General and administrative expenses increased $156,000 (9 percent) to $2 million in 1995 from $1.8 million in 1994 due primarily to the addition of personnel associated with the Company's commencement of gas marketing operations in June 1994.

Depreciation, depletion and amortization increased $1.2 million (17 percent) to $8.6 million in 1995 from $7.4 million in 1994 due primarily to the 41 percent increase in oil and gas production (on an equivalent Mcf basis). Amortization per Mcfe produced decreased 18 percent to $.72 in 1995 from $.88 in 1994.

Interest expense increased $2.7 million (93 percent) to $5.5 million in 1995 from $2.8 million in 1994 due primarily to an increase in the average outstanding advances under the Company's bank credit facility and an increase in interest rates. The average annual interest rate paid under the bank credit facility was 10.5 percent in 1995 as compared to 8.6 percent in 1994.

Year Ended December 31, 1994 Compared to Year Ended December 31, 1993

The Company reported a loss of $59,000 before preferred stock dividends of $818,000 for the year ended December 31, 1994, as compared to income of $2.9 million before preferred stock dividends of $173,000 in 1993. A decrease in the Company's oil and gas production of 21 percent (on an equivalent Mcf basis) accounted for the decline in earnings. The production decrease was related to a reduction in the Company's ownership interest in the West Cameron Block 238 field from 90 percent in 1993 to 45 percent in 1994.

Oil and gas sales decreased $4.9 million (23 percent), to $16.9 million in 1994 from $21.8 million in 1993 due primarily to a 23 percent decrease in gas production. Oil production increased 6 percent in 1994. Sales were also impacted by a 3 percent decrease in gas prices and a 6 percent decrease in oil prices. The gas production decline related primarily to the decrease in the ownership interest in the West Cameron property to 45 percent from 90 percent.

Gas marketing net margins (revenues less expenses) reported in 1994 were $437,000 which related to the commencement of gas marketing operations by the Company in June 1994. The average margin per Mcf sold was $.041 in 1994.

Gas gathering net margin (revenues less expenses) was $61,000 in 1994 which relates to certain gas gathering assets acquired in September 1994. The gas gathering net margin of $17,000 in 1993 related to a gas gathering system in Oklahoma which the Company sold in 1993.

Other income increased $13,000 (3 percent) to $442,000 in 1994 from $430,000 in 1993.

Lease operating expenses, including production taxes, decreased $575,000 (9 percent) to $6.1 million in 1994 from $6.7 million in 1993 due primarily to the 21 percent decrease in oil and gas production (on an equivalent Mcf basis) as discussed above. Lease operating expenses per equivalent Mcf produced increased 14 percent to $.75 in 1994 from $.66 in 1993.

General and administrative expenses of $1.8 million in 1994 were comparable to general and administrative expenses in 1993.

Depreciation, depletion and amortization decreased $900,000 (11 percent) to $7.4 million in 1994 from $8.3 million 1993 due primarily to the 21 percent decrease in oil and gas production (on an equivalent Mcf basis). Amortization per Mcfe produced increased 13 percent to $.88 in 1994 as compared to $.78 in 1993.

Interest expense increased $686,000 (31 percent) to $2.9 million in 1994 from $2.2 million in 1993 due primarily to an increase in the average outstanding advances under the Company's bank credit facility partially offset by lower average interest rates in 1994.

Capital Expenditures

The Company's annual capital expenditure activity for the last three years is summarized as follows (in thousands):

	Year Ended December 31,		
	1993	1994	1995
Acquisition of oil and gas reserves	$18,500	$12,970	$56,081
Other leasehold costs	350	607	12
Workovers and recompletions	1,066	1,271	2,152
Development drilling	1,324	218	1,514
Exploratory drilling	424	-	-
Acquisition of gas marketing, processing and gathering assets	-	1,098	2,008
Other	115	222	42
Total	$21,779	$16,386	$61,809

The timing of most of the Company's capital expenditures is discretionary with no material long-term capital expenditure commitments, except for the pending Black Stone Acquisition. Consequently, the Company has a significant degree of flexibility to adjust the level of such expenditures as circumstances warrant. The Company uses borrowings under its bank credit facility as well as internally generated cash flow to fund capital expenditures other than significant acquisitions and anticipates that such sources will be sufficient to fund its planned $12 million in developmental capital expenditures during 1996. The Company does not have a specific acquisition budget since the timing and size of acquisitions are difficult to predict. In addition to the pending Black Stone Acquisition, the Company is actively pursuing additional acquisitions of oil and gas properties.

Liquidity

Under its credit agreement with NBD Bank, N.A. and Bank One, Texas, N.A., the Company has available a revolving credit facility (the "Bank Credit Facility"). The Bank Credit Facility establishes a borrowing base ($65.8 million at December 31, 1995) determined by the banks' evaluation of the Company's oil and gas reserves. Outstanding advances under the Bank Credit Facility cannot exceed the borrowing base and bear interest, payable monthly, at a floating rate based on the agent bank's prime rate plus 1 1/2%. In addition, the Company must pay a commitment fee of one half percent per annum on the unused portion of the banks' commitment. The unused portion of the Bank Credit Facility was approximately $4.2 million at December 31, 1995. In addition to the Bank Credit Facility, the banks have provided a $10 million term loan that matures on July 31, 1996. Amounts outstanding under the term loan bear interest, payable monthly, at a floating rate based on the agent's prime rate plus 4%.

In June 1995, the Company sold 1,500,000 shares of its Series 1995 Convertible Preferred Stock, $10 par value, for $15 million in a private placement. Proceeds were used to fund $10 million of the Company's $50.6 million acquisition of oil and gas properties and gas gathering assets from Sonat Inc. in July 1995 with $5 million to be used toward the development of the Company's oil and gas properties.

Internally generated cash flow and the borrowing capacity under the Bank Credit Facility are the Company's major sources of liquidity. At December 31, 1995 the Company had a working capital deficit of approximately $17.9 million due primarily to $18.7 million in current maturities of long-term debt outstanding as of December 31, 1995.

The Company has received a commitment to refinance its existing bank term note and amounts outstanding under the Bank Credit Facility as part of a $175 million credit facility being provided in conjunction with the closing of the pending Black Stone Acquisition. The commitment is contingent on the closing of the pending Black Stone Acquisition and there are no assurances that the acquisition will be consummated. Accordingly, the Company may use other sources of capital, including the issuance of additional debt securities or equity securities, to fund any major acquisitions it might secure in the future and to repay the existing bank debt including the $10 million bank term note.

Inflation

In recent years inflation has not had a significant impact on the Company's operations or financial condition.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See Part IV, Item 14.(a)(i) and (ii) for information required for this item.

Management Responsibility for Financial Statements. The financial statements have been prepared by the management of the Company in conformity with generally accepted accounting principles. Management is responsible for the fairness and reliability of the financial statements and other financial data included in this report. In the preparation of the financial statements, it is necessary to make informed estimates and judgments based on currently available information on the effects of certain events and transactions.

The Company maintains accounting and other controls which management believes provide reasonable assurance that financial records are reliable, assets are safeguarded, and that transactions are properly recorded in accordance with management's authorizations. However, limitations exist in any system of internal control based upon the recognition that the cost of the system should not exceed benefits derived.

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

The Audit Committee of the Board of Directors of the Company, composed of three directors who are not employees, meets periodically with the independent public accountants and management. The independent public accountants have full and free access to the Audit Committee to meet, with and without management being present, to discuss the results of their audits and the quality of financial reporting.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by this item is incorporated herein by reference to the Company's definitive proxy statement which will be filed with the Securities and Exchange Commission within 120 days after December 31, 1995.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated herein by reference to the Company's definitive proxy statement which will be filed with the Securities and Exchange Commission within 120 days after December 31, 1995.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this item is incorporated herein by reference to the Company's definitive proxy statement which will be filed with the Securities and Exchange Commission within 120 days after December 31, 1995.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this item is incorporated herein by reference to the Company's definitive proxy statement which will be filed with the Securities and Exchange Commission within 120 days after December 31, 1995.

PART IV

ITEM 14. EXHIBITS AND REPORTS ON FORM 8-K

(a) Following are documents filed as part of this Report:

(i) CONSOLIDATED FINANCIAL STATEMENTS OF COMSTOCK RESOURCES, INC. AND SUBSIDIARIES.

F-1	Report of Independent Public Accountants
F-2	Consolidated Balance Sheets as of December 31, 1994 and 1995
F-3	Consolidated Statements of Operations for the Years Ended December 31, 1993, 1994 and 1995
F-4	Consolidated Statements of Stockholders' Equity for the Years Ended December 31, 1993, 1994 and 1995
F-5	Consolidated Statements of Cash Flows for the Years Ended December 31, 1993, 1994 and 1995
F-6	Notes to Consolidated Financial Statements

(ii) EXHIBITS.

Exhibit Number	Exhibit
2.1 -	Agreement and Plan of Reorganization by and among the Company, Comstock Acquisition, Inc. and Stanford Offshore Energy, Inc. and the Shareholders of Stanford Offshore Energy, Inc. (incorporated herein by reference to Exhibit 2 to the Company's Current Report on Form 8-K dated November 17, 1993, as amended by Form 8 dated January 14, 1994 and Form 8-K/A dated March 29, 1994).
2.2 -	Purchase and Sale Agreement, dated May 16, 1995 between Comstock Resources, Inc. and Sonat Exploration Company (incorporated herein by reference to Exhibit 2(a) to Company's Current Report on Form 8-K dated May 16, 1995).
3.1* -	Restated Articles of Incorporation of the Company.
3.2 -	Bylaws of the Company as adopted on July 16, 1990 (incorporated herein by reference to Exhibit 3.7 to Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1990).
4.1 -	Certificate of Designation, Preferences and Rights of Series A Junior Participating Preferred Stock dated December 6, 1990 (incorporated herein by reference to Exhibit 3.6 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1990).

Exhibit Number		Exhibit
4.2	-	Certificate of Voting Powers, Designations, Preferences, and Relative, Participating, Optional or Other Special Rights of the Series 1994 Convertible Preferred Stock (incorporated herein by reference to Exhibit 3(a) to the Company's Current Report on Form 8-K dated January 7, 1994).
4.3	-	Certificate of Voting Powers, Designations, Preferences, and Relative, Participating, Optional or Other Special Rights of the 1994 Series B Convertible Preferred Stock (incorporated herein by reference to Exhibit 3(a) to the Company's Current Report on Form 8-K dated July 22, 1994).
4.4	-	Certificate of Voting Powers, Designations, Preferences, and Relative, Participating, Optional or Other Special Rights of the Series 1995 Convertible Preferred Stock (incorporated herein by reference to Exhibit 3(a) to the Company's Current Report on Form 8-K dated June 19, 1995).
4.5	-	Rights Agreement, dated as of December 10, 1990, by and between the Company and Society National Bank (successor to Ameritrust Texas N.A.), as Rights Agent, (incorporated herein by reference to Exhibit 1 to Company's Registration Statement on Form 8-A, dated December 14, 1990).
4.6	-	First Amendment to the Rights Agreement, by and between the Company and Society National Bank (successor to Ameritrust Texas, N.A.), as Rights Agent, dated January 7, 1994 (incorporated herein by reference to Exhibit 3.6 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993).
4.7*	-	Second Amendment to the Rights Agreement, by and between the Company and Bank One, Texas N.A. (successor to Society National Bank), as Rights Agent, dated April 1, 1995.
4.8*	-	Third Amendment to the Rights Agreement, by and between the Company and Bank One, Texas N.A., as Rights Agent, dated June 16, 1995.
4.9*	-	Fourth Amendment to the Rights Agreement, by and between the Company and American Stock Transfer and Trust Company (successor to Bank One, Texas N.A.), as Rights Agent, dated September 1, 1995.
10.1	-	Credit Agreement, dated as of July 31, 1995, between the Company, NBD Bank, N.A., Bank One Texas N.A. and NBD Bank, N.A., as agent (incorporated herein by reference to Exhibit 99(c) to the Company's Current Report on Form 8-K dated May 16, 1995, as amended by Form 8-K/A dated August 4, 1995).

Exhibit Number		Exhibit
10.2*	-	Amendment No. 1 to the Credit Agreement effective December 31, 1995, between the Company, NBD Bank, N.A., Bank One, Texas N.A. and NBD Bank, N.A., as agent.
10.3*#	-	Employment Agreement, dated July 1, 1995, by and between the Company and M. Jay Allison.
10.4*#	-	Employment Agreement, dated July 1, 1995, by and between the Company and Roland O. Burns.
10.5 #	-	Comstock Resources, Inc. 1991 Long-term Incentive Plan, dated as of April 1, 1991 (incorporated herein by reference to Exhibit 10.8 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1991).
10.6 #	-	Form of Nonqualified Stock Option Agreement, dated April 2, 1991, between the Company and certain officers and directors of the Company (incorporated herein by reference to Exhibit 10.9 to the Company's Annual Report on Form 10-K dated December 31, 1991).
10.7 #	-	Form of Restricted Stock Agreement, dated April 2, 1991, between the Company and certain officers of the Company (incorporated herein by reference to Exhibit 10.10 to the Company's Annual Report on Form 10-K dated December 31, 1991).
10.8	-	Stock Purchase Warrant Agreement, (W-1), dated as of May 22, 1991 by and between the Company and Liberty Life Insurance Company (incorporated herein by reference to Exhibit 10.21 to the Company's Annual Report on Form 10-K dated December 31, 1991).
10.9	-	Warrant Modification Agreement, (W-1), dated April 8, 1992, by and between the Company and Liberty Life Insurance Company (incorporated herein by reference to Exhibit 10.18 to the Company's Annual Report on Form 10-K dated December 31, 1992).
10.10	-	Stock Purchase Warrant Agreement, (W-2), dated May 22, 1991, by and between the Company and Liberty Life Insurance Company (incorporated herein by reference to Exhibit 10.22 to the Company's Annual Report on Form 10-K dated December 31, 1991).
10.11	-	Warrant Modification Agreement, (W-2), dated April 8, 1992, by and between the Company and Liberty Life Insurance Company (incorporated herein by reference to Exhibit 10.20 to the Company's Annual Report on Form 10-K dated December 31, 1992).

Exhibit Number		Exhibit
10.12	-	Stock Purchase Warrant Agreement, (W-3), dated April 8, 1992, by and between the Company and Liberty Life Insurance Company (incorporated herein by reference to Exhibit 10.21 to the Company's Annual Report on Form 10-K dated December 31, 1992).
10.13	-	Form of Stock Option Agreement, dated October 12, 1994 by and between the Company and Christopher T. H. Pell, et al (incorporated herein by reference to Exhibit 10.18 to the Company's Annual Report on Form 10-K dated December 31, 1994).
10.14	-	Lease Agreement, dated as of December 20, 1994, by and between the Company and Occidental Tower Corporation (incorporated herein by reference to Exhibit 10.19 to the Company's Annual Report on Form 10-K dated December 31, 1994).
21*	-	Subsidiaries of the Company.
23*	-	Consent of Independent Public Accountants.
27*	-	Financial Data Schedule.

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* Filed herewith.

\# Management contract or compensatory plan document.

(b) Reports on Form 8-K:

Form 8-K Report filed subsequent to September 30, 1995 are as follows:

Date	Item	Description
January 22, 1996	5	Letter of Intent to Acquire Black Stone Oil Company Properties

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COMSTOCK RESOURCES, INC.

By: /s/M. JAY ALLISON
M. Jay Allison
President and Chief Executive Officer
(Principal Executive Officer)

Date: March 15, 1996

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

/s/M. JAY ALLISON M. Jay Allison	President, Chief Executive Officer and Director (Principal Executive Officer)	March 15, 1996
/s/ROLAND O. BURNS Roland O. Burns	Senior Vice President, Chief Financial Officer, Secretary and Treasurer (Principal Financial and Accounting Officer)	March 15, 1996

Majority of Board of Directors:

/s/HAROLD R. LOGAN Harold R. Logan	Chairman of the Board of Directors	March 15, 1996
/s/RICHARD S. HICKOK Richard S. Hickok	Director	March 15, 1996
/s/FRANKLIN B. LEONARD Franklin B. Leonard	Director	March 15, 1996
/s/CECIL E. MARTIN, JR. Cecil E. Martin, Jr.	Director	March 15, 1996
/s/HERBERT C. PELL, III Herbert C. Pell, III	Director	March 15, 1996

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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

We have audited the accompanying consolidated balance sheets of Comstock Resources, Inc. (a Nevada corporation) and subsidiaries as of December 31, 1994 and 1995, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the three years in the period ended December 31, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Comstock Resources, Inc. and subsidiaries as of December 31, 1994 and 1995, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1995, in conformity with generally accepted accounting principles.

As discussed in Note 2 to the financial statements, the Company changed its method of accounting for the impairment of long-lived assets in the fourth quarter of 1995.

ARTHUR ANDERSEN LLP

Dallas, Texas,
March 4, 1996

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

ASSETS

	December 31, 1994	December 31, 1995
Cash and Cash Equivalents	$ 3,425,248	$ 1,916,648
Accounts Receivable:		
Oil and gas sales	2,616,086	5,385,000
Gas marketing sales	5,558,418	8,450,794
Joint interest operations	619,063	1,230,403
Prepaid Expenses and Other	250,397	172,093
Inventory	93,728	92,139
Total current assets	12,562,940	17,247,077
Property and Equipment:		
Oil and gas properties, successful efforts method	113,269,341	154,843,663
Other	1,371,517	2,717,625
Accumulated depreciation, depletion and amortization	(36,651,750)	(55,445,097)
Net property and equipment	77,989,108	102,116,191
Other Assets	1,018,665	735,398
	$ 91,570,713	$120,098,666

LIABILITIES AND STOCKHOLDERS' EQUITY

	December 31, 1994	December 31, 1995
Current Portion of Long-term Debt	$ 7,009,864	$ 18,677,181
Accounts Payable and Accrued Expenses	8,368,639	10,977,435
Accrued Natural Gas Purchases	3,120,114	5,533,784
Total current liabilities	18,498,617	35,188,400
Long-term Debt, less current portion	30,922,479	53,133,751
Deferred Revenue	-	430,000
Other Noncurrent Liabilities	944,860	1,218,742
Stockholders' Equity:		
Preferred stock - $10.00 par, 5,000,000 shares authorized, 1,600,000 and 3,100,000 shares outstanding at December 31, 1994 and 1995, respectively.	16,000,000	31,000,000
Common stock - $.50 par, 30,000,000 shares authorized, 12,342,811 and 12,926,672 shares outstanding at December 31, 1994 and 1995, respectively.	6,171,406	6,463,336
Additional paid-in capital	36,523,602	38,182,398
Retained deficit	(17,375,095)	(45,444,055)
Less: Deferred compensation - restricted stock grants	(115,156)	(73,906)
Total stockholders' equity	41,204,757	30,127,773
	$ 91,570,713	$120,098,666

The accompanying notes are an integral part of these statements.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Year Ended December 31,		
	1993	1994	1995
Revenues:			
Oil and gas sales	$ 21,804,502	$ 16,854,665	$ 22,090,894
Gas marketing sales	-	14,957,760	50,078,366
Gas gathering and processing	107,321	71,983	600,212
Gain on sales of property	111,605	327,760	2,608,088
Other income	429,622	442,286	290,115
Total revenues	22,453,050	32,654,454	75,667,675
Expenses:			
Oil and gas operating	6,673,494	6,098,972	7,426,626
Natural gas purchases	-	14,521,066	48,908,969
Gas gathering and processing	90,541	10,548	209,535
Exploration	423,600	-	-
Depreciation, depletion and amortization	8,333,727	7,389,847	8,613,042
General and administrative, net	1,833,622	1,823,543	1,979,283
Interest	2,183,803	2,869,455	5,541,680
Impairment of oil and gas properties	-	-	29,150,000
Total expenses	19,538,787	32,713,431	101,829,135
Income (loss) before income taxes and extraordinary item	2,914,263	(58,977)	(26,161,460)
Provision for income taxes	-	-	-
Income (loss) before extraordinary item	2,914,263	(58,977)	(26,161,460)
Preferred stock dividends	(172,500)	(817,610)	(1,907,500)
Net income (loss) attributable to common stock before extraordinary item	2,741,763	(876,587)	(28,068,960)
Extraordinary item - loss on early extinguishment of debt	(417,389)	(615,793)	-
Net income (loss) attributable to common stock after extraordinary item	$ 2,324,374	$ (1,492,380)	$(28,068,960)
Net income (loss) per share:			
Before extraordinary item	$ .25	$ (.07)	$ (2.24)
Extraordinary item	(.03)	(.05)	-
After extraordinary item	$ .22	$ (.12)	$ (2.24)
Weighted average number of common and common stock equivalent shares outstanding	10,761,708	12,065,481	12,545,752

The accompanying notes are an integral part of these statements.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings (Deficit)	Deferred Compensation-Restricted Stock Grants	Total
Balance at December 31, 1992	$ 1,500,000	$ 4,929,835	$ 34,027,121	$(17,055,545)	$ (291,798)	$ 23,109,613
Conversion of preferred stock	(1,500,000)	428,572	1,071,428	-	-	-
Issuance of common stock	-	540,985	2,773,048	-	-	3,314,033
Restricted stock grants	-	(30,000)	(56,095)	-	135,392	49,297
Net income attributable to common stock	-	-	-	2,324,374	-	2,324,374
Distributions	-	-	-	(1,151,544)	-	(1,151,544)
Balance at December 31, 1993	-	5,869,392	37,815,502	(15,882,715)	(156,406)	27,645,773
Issuance of preferred stock	16,000,000	-	(2,000,000)	-	-	14,000,000
Issuance of common stock	-	302,014	708,100	-	-	1,010,114
Restricted stock grants	-	-	-	-	41,250	41,250
Net loss attributable to common stock	-	-	-	(1,492,380)	-	(1,492,380)
Balance at December 31, 1994	16,000,000	6,171,406	36,523,602	(17,375,095)	(115,156)	41,204,757
Issuance of preferred stock	15,000,000	-	-	-	-	15,000,000
Issuance of common stock	-	291,930	1,658,796	-	-	1,950,726
Restricted stock grants	-	-	-	-	41,250	41,250
Net loss attributable to common stock	-	-	-	(28,068,960)	-	(28,068,960)
Balance at December 31, 1995	$ 31,000,000	$ 6,463,336	$ 38,182,398	$(45,444,055)	$ (73,906)	$ 30,127,773

The accompanying notes are an intergral part of these statements.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended December 31,		
	1993	1994	1995
Cash flows from operating activities:			
Income (loss) before extraordinary item	$ 2,914,263	$ (58,977)	$(26,161,460)
Adjustments to reconcile income (loss) before extrordinary item to net cash provided by operating activities:			
Compensation paid in common stock	49,297	154,250	154,249
Depreciation, depletion and amortization	8,333,727	7,389,847	8,613,042
Impairment of oil and gas properties	-	-	29,150,000
Deferred revenue	(1,601,854)	(561,463)	430,000
Amortization of discounts	333,860	173,750	-
Exploration	423,600	-	-
Gain on sales of property	(111,605)	(327,760)	(2,608,088)
Bad debt expense	-	80,466	-
Working capital provided by operations	10,341,288	6,850,113	9,577,743
Decrease (increase) in accounts receivable	3,969,148	(3,287,610)	(6,272,630)
Decrease (increase) in prepaid expenses and other	(73,976)	106,547	79,893
Increase in accounts payable and accrued expenses	2,251,463	3,707,373	5,022,466
Net cash provided by operating activities	16,487,923	7,376,423	8,407,472
Cash flows from investing activities:			
Proceeds from sales of properties	690,713	396,152	3,084,603
Collections of notes receivable	792,350	166,973	-
Capital expenditures and acquisitions	(18,637,371)	(16,386,087)	(61,809,490)
Repurchase of volumetric production payment	-	(8,149,276)	-
Purchase of other assets	(260,516)	-	-
Net cash used for investing activities	(17,414,824)	(23,972,238)	(58,724,887)
Cash flows from financing activities:			
Borrowings	33,430,701	34,880,246	58,403,139
Proceeds from preferred stock issuances	-	6,000,000	15,000,000
Proceeds from common stock issuances	-	214,650	25,000
Principal payments on debt	(30,381,491)	(21,496,782)	(24,524,550)
Financing costs	(805,896)	-	
Stock issuance costs	(129,512)	(332,021)	(94,774)
Distributions	(1,151,544)	-	-
Dividends on preferred stock	(172,500)	-	-
Net cash provided by financing activities	789,758	19,266,093	48,808,815
Net increase (decrease) in cash and cash equivalents	(137,143)	2,670,278	(1,508,600)
Cash and cash equivalents, beginning of year	892,113	754,970	3,425,248
Cash and cash equivalents, end of year	$ 754,970	$ 3,425,248	$ 1,916,648

The accompanying notes are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) BUSINESS AND ORGANIZATION -

Comstock Resources, Inc., a Nevada corporation (together with its subsidiaries, the "Company"), was formed in 1919 as Comstock Tunnel and Drainage Company. In 1987, the Company's name was changed to Comstock Resources, Inc. The Company is primarily engaged in the acquisition, development and production of oil and natural gas reserves in the United States. The Company is also engaged in the purchase, gathering, processing and marketing of natural gas.

(2) SIGNIFICANT ACCOUNTING POLICIES -

Basis of Presentation -

On November 10, 1993, the Company and Stanford Offshore Energy, Inc. ("Stanford") and all of the stockholders of Stanford entered into an Agreement and Plan of Reorganization (the "Merger Agreement") providing for the acquisition of all outstanding stock of Stanford by the Company in exchange for 1,760,000 shares of common stock of the Company. As a result of the merger, Stanford became a wholly owned subsidiary of the Company on November 17, 1993, and now operates under the name Comstock Offshore Energy, Inc.

The merger of Stanford and the Company was accounted for using the pooling of interests method. Accordingly, the accompanying financial statements of the Company include the accounts and operations of Stanford since Stanford's inception on August 31, 1992.

Principles of Consolidation -

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. In addition, the Company's interests in certain partnerships and joint ventures have been proportionately consolidated, whereby the Company's proportionate share of each partnership or joint venture's assets, liabilities, revenues and expenses is included in the appropriate accounts in the consolidated financial statements. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates -

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of Credit Risk -

Although the Company's cash equivalents, accounts receivable and derivative financial instruments are exposed to credit loss, the Company does not believe such risk to be significant. Cash equivalents are high-grade, short-term securities, placed with highly rated financial institutions. Most of the Company's accounts receivable are from a broad and diverse group of oil and gas companies and, accordingly, do not represent a significant credit risk. The Company's gas marketing activities generate accounts receivable from customers including pipeline companies, local distribution companies and other gas marketing companies. Letters of credit are obtained as considered necessary to limit risk of loss.

Oil and Gas Properties -

The Company follows the successful efforts method of accounting for its oil and gas operations. Under this method, costs of productive wells, development dry holes and productive leases are capitalized and amortized on a unit-of-production basis over the life of the remaining related oil and gas reserves. Cost centers for amortization purposes are determined on a field-by-field basis. The estimated future costs of dismantlement, restoration and abandonment are accrued as part of depreciation, depletion and amortization expense.

Oil and gas leasehold costs are capitalized. Unproved oil and gas properties with significant acquisition costs are periodically assessed and any impairment in value is charged to expense. The costs of unproved properties which are determined to be productive are transferred to proved oil and gas properties.

Exploratory expenses, including geological and geophysical expenses and delay rentals for oil and gas leases, are charged to expense as incurred. Exploratory drilling costs are initially capitalized as unproved property but charged to expense if and when the well is determined not to have found proved oil and gas reserves.

Prior to the fourth quarter of 1995, the Company periodically reviewed the carrying value of its proved oil and gas properties for impairment in value on a company-wide basis by comparing the capitalized costs of proved oil and gas properties with the undiscounted future cash flows after income taxes attributable to proved oil and gas properties. Under this policy, no impairment in carrying value was required during 1993 or 1994. In the fourth quarter of 1995, the Company adopted the Statement of Financial Accounting Standards No. 121 ("SFAS 121") "Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed of." SFAS 121 requires the Company to assess the need for an impairment of capitalized costs of oil and gas properties on a property by property basis. If an impairment is indicated based on undiscounted expected future cash flows, then an impairment is recognized to the extent that net capitalized costs exceed discounted expected future cash flows. In connection with the adoption of SFAS 121, the Company provided an impairment of $29,150,000 in 1995.

Other Property and Equipment -

Other property and equipment of the Company consists primarily of gas gathering systems, a gas processing plant, trucks, well service equipment, computer equipment, and furniture and fixtures which are depreciated over estimated useful lives on a straight-line basis.

Income Taxes -

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

Earnings Per Share -

Net income (loss) attributable to common stock represents net income (loss) less preferred stock dividend requirements of $172,500, $817,610 and $1,907,500 in 1993, 1994 and 1995, respectively. Net income (loss) attributable to common stock per share is computed by dividing net income (loss) attributable to common stock by the weighted average number of shares of common stock and common stock equivalents outstanding during each period. Common stock equivalents include, when applicable, dilutive stock options and warrants using the treasury stock method.

Statements of Cash Flows -

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

The following is a summary of all significant noncash investing and financing activities:

	For the Year Ended December 31, 1993	1994	1995
Common stock issued in payment of preferred stock dividends	$ -	$ 817,610	$ 1,907,500
Common stock issued for compensation	$ -	$ 113,000	$ 113,000
Preferred stock issued to repurchase volumetric production payment	$ -	$8,000,000	$ -
Common stock issued for acquisitions	$3,142,218	$ -	$ -
Common stock issued in settlement of note payable	$ 301,327	$ -	$ -

The Company made cash payments for interest of $2,067,368, $2,599,788 and $5,836,119 in 1993, 1994 and 1995, respectively. The Company did not make any cash payments for income taxes in any of the three years in the period ended December 31, 1995.

(3) SIGNIFICANT ACQUISITIONS OF OIL AND GAS PROPERTIES -

On June 8, 1994, the Company acquired interests in five producing gas wells and the related oil and gas leases covering 2,048 acres in South Texas for $7.3 million in cash.

On September 30, 1994, the Company repaid all indebtedness owed to, and acquired certain property interests from MG Trade Finance Corp. The Company acquired the net profits and overriding royalty interests owned by MG Trade Finance Corp. in certain of the Company's oil and gas properties for $800,000 in cash.

On December 23, 1994, the Company acquired interests in twenty-three wells in South Texas for cash of $5 million and interests in a gas gathering system and gas processing plant for approximately $440,000.

On May 15, 1995, the Company purchased interests in fourteen producing offshore oil and gas properties located in Louisiana state waters in the Gulf of Mexico for $8.2 million.

On July 31, 1995, the Company purchased interests in certain producing oil and gas properties and natural gas gathering systems located in East Texas and North Louisiana for cash of $50.6 million. The Company acquired interests in 319 (188 net) oil and gas wells for $49.1 million and interests in gas gathering systems for $1.5 million.

During 1995, the Company acquired interests in the Lake LaRose field in South Louisiana for approximately $1 million.

The 1995 acquisitions were accounted for utilizing the purchase method of accounting. The accompanying consolidated statements of operations include the results of operations from the acquired properties beginning on the dates that the acquisitions were closed. The following table summarizes the unaudited pro forma effect on the Company's consolidated statements of operations for the year ended December 31, 1995 as if the acquisitions consummated in 1995 had been closed on January 1, 1994 and 1995. Future results may differ substantially from pro forma results due to changes in prices received for oil and gas sold, production declines and other factors. Therefore, the pro forma amounts should not be considered indicative of future operations.

	1994 Pro Forma (unaudited)	1995 Pro Forma (unaudited)
Revenues	$ 52,214,000	$ 84,349,000
Net income (loss) attributable to common stock before extraordinary item	$ 3,480,000	$(28,345,000)
Net income (loss) attributable to common stock after extraordinary item	$ 2,864,000	$(28,345,000)
Net loss per share before extraordinary item	$ .29	$ (2.26)
Net loss per share after extraordinary item	$ .24	$ (2.26)

(4) REPURCHASE OF PRODUCTION PAYMENTS -

On July 22, 1994, the Company exchanged one million shares of newly issued preferred stock, with a par value of $10 million and an estimated market value of $8 million, and $10,150,000 in cash to repurchase certain production payments previously conveyed by the Company to a major natural gas company in November 1991. (See Note 9 for further discussion of the preferred stock.) The exchange was effective April 1, 1994. The Company had a remaining obligation to deliver 10.7 billion cubic feet of natural gas under a volumetric production payment and had an obligation to repay $2.5 million under a monetary based production payment. The consideration paid to acquire the natural gas reserves subject to the volumetric production payment exceeded the deferred revenue associated with the original sale of the volumetric production payment by approximately $3 million. This amount was capitalized as oil and gas properties in the accompanying financial statements.

(5) OIL AND GAS PRODUCING ACTIVITIES -

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

Capitalized Costs -

	December 31, 1994	December 31, 1995
Proved properties	$113,269,341	$154,843,663
Accumulated depreciation, depletion and amortization	(36,426,911)	(55,182,192)
	$ 76,842,430	$ 99,661,471

Costs Incurred -

	Year Ended December 31, 1993	1994	1995
Property acquisitions:			
Proved properties	$18,604,103	$13,576,584	$56,093,197
Unproved properties	246,681	-	-
Development costs	2,389,943	1,489,712	3,666,296
Exploration costs	423,600	-	-
	$21,664,327	$15,066,296	$59,759,493

The following presents the results of operations of oil and gas producing activities for the three years in the period ended December 31, 1995:

	Year Ended December 31, 1993	1994	1995
Oil and gas sales	$21,804,502	$16,854,665	$ 22,090,894
Production costs	(6,673,494)	(6,098,972)	(7,426,626)
Depreciation, depletion and amortization	(7,952,336)	(7,148,269)	(8,277,500)
Impairment of oil and gas properties	-	-	(29,150,000)
Operating income (loss)	7,178,672	3,607,424	(22,763,232)
Income tax expense	-	-	-
Results of operations excluding general and administrative and interest expense)	$7,178,672	$ 3,607,424	$(22,763,232)

(6) GAS GATHERING, PROCESSING AND MARKETING ACTIVITIES -

On June 10, 1994, the Company acquired the operations of a gas marketing company for $70,000 and began marketing natural gas for third parties as well as marketing the Company's own natural gas production. In September 1994, the Company acquired the gas marketing operations and certain pipeline assets of a privately held natural gas company for a purchase price of $1.1 million. The Company paid $600,000 in cash and agreed to pay 35% of the gross margin from the acquired gas marketing operations until the earlier of the time that the seller has received an aggregate of $500,000 or September 30, 1997.

On July 31, 1995, the Company acquired the managing general partner interest and a 20.31% limited partner interest in Crosstex Pipeline Partners, Ltd. ("Crosstex") for $1.4 million. The Company also acquired a 15 mile gas gathering system in East Texas for $100,000. Crosstex owns five gas gathering systems consisting of 63 miles in East Texas.

On August 1, 1995, the Company sold its 43.25% interest in the Wharton gas processing plant and gathering system in Wharton County, Texas, which it acquired in December 1994, to a third party for $3 million. A gain of $2.6 million related to the sale is reflected in the accompanying statement of operations in 1995.

In September 1995, Comstock acquired a 40% interest in a gas processing plant and related facilities in Harrison County, Texas for approximately $500,000.

(7) LONG-TERM DEBT -

Total debt at December 31, 1994 and 1995 consists of the following:

	December 31, 1994	December 31, 1995
Bank term note	$ -	$ 10,000,000
Bank credit facility	37,580,000	61,590,000
12% subordinated notes	318,750	206,251
Capital lease obligations	33,593	14,681
	37,932,343	71,810,932
Less current portion	(7,009,864)	(18,677,181)
	$ 30,922,479	$ 53,133,751

On December 31, 1995, the Company had $61,590,000 outstanding under a $100 million five year revolving credit agreement with two banks. Amounts outstanding under the credit facility bear interest at the agent bank's prime rate plus 1 1/2% (10% at December 31, 1995) and cannot exceed a borrowing base determined semiannually by the banks. The borrowing base was $65,760,000 at December 31, 1995 and reduces by $1,060,000 each month beginning January 1, 1996 until the next redetermination.

The Company also had $10 million outstanding under a one year term note which matures on July 31, 1996. Amounts outstanding under the term note bear interest at the agent bank's prime rate plus 4% (12 1/2% at December 31, 1995).

Aggregate maturities of long-term debt for the five years ending December 31, are as follows:

1996	$18,677,181
1997	12,813,751
1998	40,320,000
1999	-
2000	-
	$71,810,932

(8) LEASE COMMITMENTS -

The Company rents office space under certain noncancellable leases and leases data processing time under a noncancellable lease. Minimum future payments under the leases are as follows:

1996	$ 269,468
1997	$ 257,904
1998	$ 236,185
1999	$ 177,139
2000	$ -

(9) STOCKHOLDERS' EQUITY -

Common Stock -

During 1993, the Company issued 950,921 shares of its common stock valued at $3.1 million in connection with certain acquisitions of oil and gas properties. In September 1993, the Company issued 120,500 shares valued at $301,000 in settlement of amounts outstanding, including accrued interest, under a 10% note payable to a former officer of the Company.

In January 1994, the Company issued 37,667 shares of its common stock to four of its non-employee directors in payment of directors fees for 1994 aggregating $71,000, and for amounts due two non-employee directors for consulting services in 1994 aggregating $42,000. During 1994, the Company issued 310,298 shares of its common stock to holders of its preferred stock in payment of dividends on the preferred stock for 1994 aggregating $817,610.

In May 1995, the Company issued 27,815 shares of its common stock to four of its non-employee directors in payment of directors fees for 1995 aggregating $71,000, and for amounts due two non-employee directors for consulting services in 1995 aggregating $42,000. During 1995, the Company issued 546,046 shares of its common stock to holders of its preferred stock in payment of dividends on the preferred stock for 1995 aggregating $1,907,500.

Preferred Stock -

On December 31, 1993, the holder of 150,000 shares of the Company's 1992 Series Cumulative Convertible Preferred Stock, ("1992 Preferred Stock"), converted all of the 1992 Preferred Stock into

857,143 shares of common stock of the Company. As a result of the conversion, the 1992 Series designation was retired.

On January 7, 1994, the Company sold 600,000 shares of the Series 1994 Convertible Preferred Stock (the "Series 1994 Preferred") with a par value of $10 per share in a private placement for $6 million. The Series 1994 Preferred bears quarterly dividends at the rate of 22 1/2 cents on each outstanding share (9% per annum of the par value). Dividends are payable quarterly in cash or shares of common stock at the election of the Company. On January 1, 1999, and on each January 1 thereafter, so long as any shares of the Series 1994 Preferred are outstanding, the Company is obligated to redeem 120,000 shares of the Series 1994 Preferred at $10.00 per share plus accrued and unpaid dividends. At the option of the Company, the mandatory redemption price may be paid either (i) in cash or (ii) in shares of common stock of the Company. The holders of the Series 1994 Preferred have the option to convert all or any part of such shares into shares of common stock of the Company at any time at the initial conversion price of $4.00 per share of common stock, subject to adjustment. The Company has the option to redeem the shares of Series 1994 Preferred prior to January 1, 1999 after providing the holders of the Series 1994 Preferred a specified rate of return on the initial purchase.

On July 22, 1994, the Company issued one million shares of its 1994 Series B Convertible Preferred Stock (the "1994 Series B Preferred") with a par value of $10 per share in connection with the repurchase of certain production payments previously conveyed by the Company to a major natural gas company. The 1994 Series B Preferred bears quarterly dividends at the rate of 15 5/8 cents on each outstanding share (6.25% per annum of the par value). Dividends are payable quarterly in cash, additional shares of 1994 Series B Preferred, or shares of common stock, at the election of the Company; provided that if the Company elects to pay a dividend in shares of stock, the holders of the 1994 Series B Preferred shall have the option to receive shares of common stock or shares of 1994 Series B Preferred. The holders of the 1994 Series B Preferred have the option to convert all or any part of such shares into shares of common stock of the Company at any time at the initial conversion price of $5.00 per share of common stock, subject to adjustment. The Company has the option to redeem the shares of 1994 Series B Preferred at a rate of $14.00 per share plus an additional 7 1/2% of the par value per annum compounded monthly from the date of issuance. There is no mandatory redemption required for the 1994 Series B Preferred.

On June 19, 1995, the Company sold 1,500,000 shares of the Series 1995 Convertible Preferred Stock (the "Series 1995 Preferred") with a par value of $10 per share in a private placement for $15 million. The Series 1995 Preferred bears quarterly dividends at the rate of 22 1/2 cents on each outstanding share (9% per annum of the par value) and is payable quarterly. The Company can elect to pay the dividends in cash or in shares of the Company's common stock. On June 30, 2000 and on each June 30, thereafter, so long as any shares of the Series 1995 Preferred are outstanding, the Company is obligated to redeem 300,000 shares of the Series 1995 Preferred at $10.00 per share plus accrued and unpaid dividends. The mandatory redemption price may be paid either (i) in cash or (ii) in shares of common stock, at the option of the Company. The holders of the Series 1995 Preferred have the option to convert all or any part of such shares into shares of common stock of the Company at any time at the initial conversion price of $5.25 per share of common stock, subject to adjustment. The Company has the option to redeem the shares of Series 1995 Preferred after providing the holders of the Series 1995 Preferred a specified rate of return on the initial purchase.

Stock Options and Warrants -

On July 16, 1991, the Company's stockholders approved the 1991 Long-term Incentive Plan (the "Incentive Plan") for the Company's management including officers, directors and managerial employees. The Incentive Plan authorizes the granting of non-qualified stock options to purchase common stock of the Company and the granting of restricted stock to key executives of the Company. As of December 31, 1995, the Incentive Plan provided for future awards of stock options or restricted stock grants of up to 528,573 shares of common stock plus 10% of any future issuances of common stock.

Non-qualified stock options awarded under the Incentive Plan are summarized below:

	Exercise Price		
	$2.00	$2.50	$3.00
Outstanding at December 31, 1992	625,000	-	-
Granted in 1993	-	196,000	85,000
Exercised in 1993	(20,000)	(16,750)	-
Forfeited in 1993	(80,000)	-	-
Outstanding at December 31, 1993	525,000	179,250	85,000
Exercised in 1994	-	(21,000)	(15,000)
Forfeited in 1994	-	(49,000)	-
Outstanding at December 31, 1994	525,000	109,250	70,000
Granted in 1995	-	-	97,500
Exercised in 1995	-	(10,000)	-
Outstanding at December 31, 1994	525,000	99,250	167,500
Exercisable at December 31, 1995	387,000	84,250	167,500

The Company also has stock purchase warrants outstanding that were issued in connection with oil and gas property acquisitions and certain other transactions. In addition, the Company has stock purchase options outstanding issued to a former officer of the Company. The following table summarizes stock purchase warrants and options outstanding at December 31, 1995, other than those issued under the Incentive Plan:

Number of Shares	Number of Shares Exercisable	Exercise Price	Expiration Date
135,000	135,000	$ 5.75	June 1997
200,000	200,000	$ 2.75	March 1998
200,000	200,000	$ 3.00	March 1998
150,000	100,000	$ 2.25	March 1998
217,800	217,800	$ 5.00	October 1999
62,200	62,200	$ 5.00	November 1999
223,557	223,557	$ 5.00	December 1999
1,188,557	1,138,557		

Restricted Stock Grants -

Under the Incentive Plan, officers and managerial employees of the Company may be granted a right to receive shares of the Company's common stock without cost to the employee. The shares vest to the employee over a ten year period with credit given for past service rendered to the Company.

The following is a summary of shares of restricted common stock awarded under the Incentive Plan:

	1993	1994	1995
Outstanding at beginning of year	390,000	330,000	330,000
Cancelled or expired	(60,000)	-	-
Outstanding at end of year	330,000	330,000	330,000
Vested shares	195,000	225,000	255,000

A provision for the restricted stock grants is made ratably over the vesting period. Compensation expense recognized for restricted stock grants was $49,297, $41,250 and $41,250 for the years ended December 31, 1993, 1994 and 1995, respectively.

(10) INCOME TAXES -

Deferred tax assets (liabilities) at December 31, 1994 and 1995 are comprised of the following:

	1994	1995
Net deferred tax asset -		
Property and equipment	$(5,079,000)	$ 2,548,000
Net operating loss carryforwards	9,250,000	10,544,000
Valuation allowance	(4,171,000)	(13,092,000)
	$ -	$ -

No income tax provision was recognized in 1993, 1994 or 1995 due to the availability of net operating loss carryforwards to offset any current or deferred income tax liabilities.

Prior to November 17, 1993, Stanford was a Subchapter S corporation and, as a result, the income or loss of Stanford for the period from Stanford's inception to November 17, 1993, for income tax purposes, is includable in the tax returns of the Stanford stockholders. Accordingly, no recognition has been given to income taxes relating to the operations of Stanford from August 31, 1992 to November 17, 1993 in the accompanying financial statements. Prior to the merger, Stanford paid $1,151,544 in distributions to its shareholders in 1993. Such distributions were based on the estimated income tax liability that the Stanford shareholders had as a result of their ownership in Stanford.

The Company has net operating loss carryforwards of approximately $31 million as of December 31, 1995, for income tax reporting purposes which expire in varying amounts from 2001 to 2010. The utilization of a portion of the net operating loss carryforwards is limited in a given year due to ownership changes which have occurred.

(11) RELATED PARTY TRANSACTIONS -

The Company serves as general partner of Comstock DR-II Oil & Gas Acquisition Limited Partnership. For 1993, 1994 and 1995 the Company received $87,000 in management fees in each year from the Partnership and earned acquisition fees from the Partnership of approximately $180,000 and $56,000 in 1993 and 1994, respectively. Included in accounts receivable in the accompanying financial statements is approximately $208,000 and $380,000 receivable from the Partnership at December 31, 1994 and 1995, respectively.

During October through December 1994, the Company purchased an additional 17% working interest in the Bivins Ranch lease covering certain oil and gas properties in the Texas Panhandle field from certain of the Company's shareholders, including trusts for the benefit of two of the Company's directors' family members, certain relatives of one of the Company's directors and other unaffiliated investors. The Company paid for the purchase of such interests by assuming outstanding joint interest payables on the properties aggregating $186,000, paying $365,000 in cash and by granting the Sellers options to purchase an aggregate of 503,557 shares of the Company's common stock at a price of $5.00 per share. The options expire five years from the date of grant.

Beginning on August 1, 1995, the Company became the managing general partner and a 20.31% limited partner in Crosstex Pipeline Partners, Ltd. ("Crosstex"). The Company received $39,000 in fees for management and construction services provided to Crosstex in 1995. In addition, Crosstex reimbursed the Company $104,000 for direct expenses incurred in connection with managing Crosstex. Crosstex transports natural gas and sells natural gas to the Company. In 1995, the Company had $546,000 in natural gas purchases from Crosstex and paid $158,000 to Crosstex for transportation.

Included in accounts payable and accrued natural gas purchases in the accompanying financial statements at December 31, 1995 is approximately $381,000 payable to Crosstex. Included in accounts receivable in the accompanying financial statements at December 31, 1995 is approximately $57,000 receivable from Crosstex.

(12) PRICE RISK MANAGEMENT -

The Company periodically uses derivative financial instruments to manage natural gas price risk. The Company's realized gains and losses attributable to its price risk management activities are as follows:

	1994	1995
Oil and Gas Producing Activities -		
Realized Gains	$ 726,166	$ 912,841
Realized Losses	$ 8,616	$ 28,272
Gas Gathering, Processing and Marketing Activities -		
Realized Gains	$ 14,941	$ 895,495
Realized Losses	$ 29,604	$ 372,575

Set forth below is the contract amount and terms of all instruments held for price risk management purposes at December 31, 1994 and 1995:

Oil and Gas Producing Activities -

Year	Instrument	Quantity	Price	Remaining Term
1994	Natural Gas Price Swaps	9,087,434 MMBtu	$2.00	Jan. 1995 to Nov. 1999
1995	-	None	-	-

Gas Marketing Activities -

Year	Instrument	Quantity	Price	Remaining Term
1994	Natural Gas Price Swaps	1,670,000 MMBtu	$1.57 to $2.06	Jan. 1995 to Oct. 1995
1995	Natural Gas Price Swaps	533,000 MMBtu	$1.63 to $1.80	Jan. 1996 to Aug. 1996

During 1995, the Company settled open swap positions relating to the term January 1996 to November 1999 and received a $430,000 cash payment. This amount is reflected as deferred revenue in the accompanying balance sheet at December 31, 1995.

During the first quarter of 1996, the Company entered into natural gas price swap agreements to hedge 2,905,000 MMBtu of its natural gas production during the term March 1996 to December 1996 at an average price of $1.90 per MMBtu.

(13) INDUSTRY SEGMENT INFORMATION -

Beginning in June 1994, the Company operates in two business segments, all in the United States, as follows:

Oil and Gas. The Company is engaged in the acquisition, development and production of oil and natural gas.

Gas Gathering, Processing and Marketing. The Company markets natural gas, gathers, processes and transports natural gas through its facilities.

Financial information by industry segment is as follows:

	1994	1995
Revenues:		
Oil and gas	$16,854,665	$22,090,894
Gas marketing, processing and gathering (1)	15,029,743	50,678,578
	$31,884,408	$72,769,472
Operating Profit (Loss):		
Oil and gas (2)	$ 3,607,424	$(22,763,232)
Gas marketing, processing and gathering (2)	489,607	1,440,365
	$ 4,097,031	$(21,322,867)
Identifiable Assets:		
Oil and gas	$76,842,430	$ 99,661,471
Gas marketing, processing and gathering	1,004,918	2,321,631
	$77,847,348	$101,983,102
Capital Expenditures:		
Oil and gas	$15,066,296	$ 59,759,493
Gas marketing, processing and gathering	1,098,465	2,008,216
	$16,164,761	$ 61,767,709
Depreciation, Depletion and Amortization:		
Oil and gas	$ 7,148,269	$ 8,277,500
Gas marketing, processing and gathering	8,522	119,709
	$ 7,156,791	$ 8,397,209

(1)Intersegment revenues which are not included in gas marketing and gathering revenues were $2,033,000 in 1994 and $7,788,000 in 1995.

(2)Total interest expense and total general and administrative expense are not allocated to the segments.

Sales to one purchaser of the Company's natural gas production accounted for 43% and 21% of total oil and gas sales in 1993 and 1994. Sales to this natural gas purchaser also accounted for 28% and 18% of gas marketing sales in 1994 and 1995, respectively. No single purchaser accounted for more than 10% of oil and gas sales in 1995.

(14) OIL AND GAS RESERVES INFORMATION (UNAUDITED) -

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

Future prices received for production and future production costs may vary, perhaps significantly, from the prices and costs assumed for purposes of these estimates. There can be no assurance that the proved reserves will be developed within the periods indicated or that prices and costs will remain constant. There can be no assurance that actual production will equal the estimated amounts used in the preparation of reserve projections.

There are numerous uncertainties inherent in estimating quantities of proved reserves and in projecting future rates of production and timing of development expenditures. Oil and gas reserve engineering must be recognized as a subjective process of estimating underground accumulations of oil and gas that cannot be measured in an exact way, and estimates of other engineers might differ materially from those shown below. The accuracy of any reserve estimate is a function of the quality of available data and engineering and geological interpretation and judgment. Results of drilling, testing and production after the date of the estimate may justify revisions. Accordingly, reserve estimates are often materially different from the quantities of oil and gas that are ultimately recovered. Reserve estimates are integral in management's analysis of impairments of oil and gas properties and the calculation of depreciation, depletion and amortization on those properties.

The following unaudited table sets forth proved oil and gas reserves at December 31, 1993, 1994 and 1995:

	1993		1994		1995	
	Oil (Bbls)	Gas (Mcf)	Oil (Bbls)	Gas (Mcf)	Oil (Bbls)	Gas (Mcf)
Proved Reserves:						
Beginning of year	2,259,415	76,061,418	6,110,934	74,362,551	5,119,142	92,839,597
Revisions of previous estimates	1,775,622	(16,703,559)	(1,135,171)	(3,301,162)	(2,843,511)	(18,809,169)
Extensions and discoveries	-	-	19,224	4,453,439	-	-
Purchases of minerals in place (1)	2,512,387	25,116,583	388,312	23,465,952	1,858,918	108,431,748
Sales of minerals in place	(158,085)	(2,838,374)	(1,434)	(84,003)	-	-
Production (2)	(278,405)	(7,273,517)	(262,723)	(6,057,180)	(355,520)	(9,296,832)
End of year	6,110,934	74,362,551	5,119,142	92,839,597	3,779,029	173,165,344
Proved Developed Reserves:						
Beginning of year	816,113	32,194,895	1,654,902	42,908,631	1,503,919	62,827,267
End of year	1,654,902	42,908,631	1,503,919	62,827,267	2,562,481	130,375,273

(1) 1994 purchases of minerals in place include the repurchase of a volumetric production payment of 10,721,629 Mcf.
(2) Excludes 1,240,305 and 456,475 Mcf of gas production delivered to a major natural gas company under a volumetric production payment in 1993 and 1994, respectively.

Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Reserves:

	December 31, 1994	December 31, 1995
Cash Flows Relating to Proved Reserves:		
Future Cash Flows	$ 243,811,000	$ 426,131,000
Future Costs:		
Production	(73,899,000)	(121,727,000)
Development	(25,366,000)	(39,462,000)
Future Net Cash Flows Before Income Taxes	144,546,000	264,942,000
Future Income Taxes	(17,028,000)	(45,175,000)
Future Net Cash Flows	127,518,000	219,767,000
10% Discount Factor	(49,037,000)	(73,261,000)
Standardized Measure of Discounted Future Net Cash Flows	$ 78,481,000	$ 146,506,000

Changes in Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Reserves:

	For the Year Ended December 31, 1993	1994	1995
Standardized Measure, Beginning of Year	$ 45,335,000	$ 60,757,000	$ 78,481,000
Net Change in Sales Price, Net of Production Costs	(4,047,000)	(3,392,000)	9,450,000
Development Costs Incurred During the Year Which Were Previously Estimated	-	347,000	822,000
Revisions of Quantity Estimates	(4,062,000)	(6,457,000)	(30,298,000)
Accretion of Discount	4,545,000	6,095,000	7,874,000
Changes in Future Development Costs	9,545,000	2,695,000	13,248,000
Changes in Timing and Other	(7,425,000)	(2,883,000)	(2,590,000)
Extensions and Discoveries	-	3,582,000	-
Purchases of Reserves In Place	32,551,000	28,083,000	85,706,000
Sales of Reserves In Place	(2,073,000)	(84,000)	-
Sales, Net of Production Costs	(13,529,000)	(10,194,000)	(14,664,000)
Net Changes in Income Taxes	(83,000)	(68,000)	(1,523,000)
Standardized Measure, End of Year	$ 60,757,000	$ 78,481,000	$ 146,506,000

(15) SUBSEQUENT EVENT -

During the first quarter of 1996, the Company entered into agreements to acquire Black Stone Oil Company and the interests of additional working interest owners in certain producing oil and gas properties as well as a substantial interest in undeveloped oil and gas leases located in East Texas for total cash consideration of approximately $102.9 million. Black Stone Oil Company is a privately held company based in Houston, Texas and is the operator of and owns interests in the oil and gas properties being acquired.The producing properties to be acquired are located in the Double A Wells field in Polk County, Texas. The estimated net proved oil and gas reserves attributable to the interests being acquired are estimated at 92 billion cubic feet of natural gas and 5 million barrels of oil as of January 1, 1996, the effective date of the acquisition. Such reserves have estimated future net cash flows of $233 million and estimated discounted future net cash flows of $140 million (reserve estimates are unaudited). The acquisition is expected to close by May 1, 1996 and to be financed under a $175 million credit facility being provided by the Company's banks.

INDEX TO EXHIBITS

Exhibit Number	Exhibit	Page
2.1	Agreement and Plan of Reorganization by and among the Company, Comstock Acquisition, Inc. and Stanford Offshore Energy, Inc. and the Shareholders of Stanford Offshore Energy, Inc. (incorporated herein by reference to Exhibit 2 to the Company's Current Report on Form 8-K dated November 17, 1993, as amended by Form 8 dated January 14, 1994 and Form 8-K/A dated March 29, 1994).	
2.2	Purchase and Sale Agreement, dated May 16, 1995 between Comstock Resources, Inc. and Sonat Exploration Company (incorporated herein by reference to Exhibit 2(a) to Company's Current Report on Form 8-K dated May 16, 1995).	
3.1*	Restated Articles of Incorporation of the Company.	E-5
3.2	Bylaws of the Company as adopted on July 16, 1990 (incorporated herein by reference to Exhibit 3.7 to Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1990).	
4.1	Certificate of Designation, Preferences and Rights of Series A Junior Participating Preferred Stock dated December 6, 1990 (incorporated herein by reference to Exhibit 3.6 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1990).	
4.2	Certificate of Voting Powers, Designations, Preferences, and Relative, Participating, Optional or Other Special Rights of the Series 1994 Convertible Preferred Stock (incorporated herein by reference to Exhibit 3(a) to the Company's Current Report on Form 8-K dated January 7, 1994).	
4.3	Certificate of Voting Powers, Designations, Preferences, and Relative, Participating, Optional or Other Special Rights of the 1994 Series B Convertible Preferred Stock (incorporated herein by reference to Exhibit 3(a) to the Company's Current Report on Form 8-K dated July 22, 1994).	
4.4	Certificate of Voting Powers, Designations, Preferences, and Relative, Participating, Optional or Other Special Rights of the Series 1995 Convertible Preferred Stock (incorporated herein by reference to Exhibit 3(a) to the Company's Current Report on Form 8-K dated June 19, 1995).	

Exhibit Number	Exhibit	Page
4.5	Rights Agreement, dated as of December 10, 1990, by and between the Company and Society National Bank (successor to Ameritrust Texas N.A.), as Rights Agent, (incorporated herein by reference to Exhibit 1 to Company's Registration Statement on Form 8-A, dated December 14, 1990).	
4.6	First Amendment to the Rights Agreement, by and between the Company and Society National Bank (successor to Ameritrust Texas, N.A.), as Rights Agent, dated January 7, 1994 (incorporated herein by reference to Exhibit 3.6 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993).	
4.7*	Second Amendment to the Rights Agreement, by and between the Company and Bank One, Texas N.A. (successor to Society National Bank), as Rights Agent, dated April 1, 1995. E-8	E-8
4.8*	Third Amendment to the Rights Agreement, by and between the Company and Bank One, Texas N.A., as Rights Agent, dated June 16, 1995. E-10	E-10
4.9*	Fourth Amendment to the Rights Agreement, by and between the Company and American Stock Transfer and Trust Company (successor to Bank One, Texas N.A.), as Rights Agent, dated September 1, 1995.	E-13
10.1	Credit Agreement, dated as of July 31, 1995, between the Company, NBD Bank, N.A., Bank One Texas N.A. and NBD Bank, N.A., as agent (incorporated herein by reference to Exhibit 99(c) to the Company's Current Report on Form 8-K dated May 16, 1995, as amended by Form 8-K/A dated August 4, 1995).	
10.2*	Amendment No. 1 to the Credit Agreement effective December 31, 1995, between the Company, NBD Bank, N.A., Bank One, Texas N.A. and NBD Bank, N.A., as agent. E-16	E-16

Exhibit Number	Exhibit	Page
10.3*	Employment Agreement, dated July 1, 1995, by and between the Company and M. Jay Allison. E-21	E-21
10.4*	Employment Agreement, dated July 1, 1995, by and between the Company and Roland O. Burns. E-27	E-27
10.5	Comstock Resources, Inc. 1991 Long-term Incentive Plan, dated as of April 1, 1991 (incorporated herein by reference to Exhibit 10.8 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1991).	
10.6	Form of Nonqualified Stock Option Agreement, dated April 2, 1991, between the Company and certain officers and directors of the Company (incorporated herein by reference to Exhibit 10.9 to the Company's Annual Report on Form 10-K dated December 31, 1991).	
10.7	Form of Restricted Stock Agreement, dated April 2, 1991, between the Company and certain officers of the Company (incorporated herein by reference to Exhibit 10.10 to the Company's Annual Report on Form 10-K dated December 31, 1991).	
10.8	Stock Purchase Warrant Agreement, (W-1), dated as of May 22, 1991 by and between the Company and Liberty Life Insurance Company (incorporated herein by reference to Exhibit 10.21 to the Company's Annual Report on Form 10-K dated December 31, 1991).	
10.9	Warrant Modification Agreement, (W-1), dated April 8, 1992, by and between the Company and Liberty Life Insurance Company (incorporated herein by reference to Exhibit 10.18 to the Company's Annual Report on Form 10-K dated December 31, 1992).	
10.10	Stock Purchase Warrant Agreement, (W-2), dated May 22, 1991, by and between the Company and Liberty Life Insurance Company (incorporated herein by reference to Exhibit 10.22 to the Company's Annual Report on Form 10-K dated December 31, 1991).	

Exhibit Number	Exhibit	Page
10.11	Warrant Modification Agreement, (W-2), dated April 8, 1992, by and between the Company and Liberty Life Insurance Company (incorporated herein by reference to Exhibit 10.20 to the Company's Annual Report on Form 10-K dated December 31, 1992).	
10.12	Stock Purchase Warrant Agreement, (W-3), dated April 8, 1992, by and between the Company and Liberty Life Insurance Company (incorporated herein by reference to Exhibit 10.21 to the Company's Annual Report on Form 10-K dated December 31, 1992).	
10.13	Form of Stock Option Agreement, dated October 12, 1994 by and between the Company and Christopher T. H. Pell, et al (incorporated herein by reference to Exhibit 10.18 to the Company's Annual Report on Form 10-K dated December 31, 1994).	
10.14	Lease Agreement, dated as of December 20, 1994, by and between the Company and Occidental Tower Corporation (incorporated herein by reference to Exhibit 10.19 to the Company's Annual Report on Form 10-K dated December 31, 1994).	
21	* Subsidiaries of the Company.	E-33
23	* Consent of Independent Public Accountants.	E-35
27	* Financial Data Schedule.	E-37

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* Filed herewith.

RESTATED ARTICLES OF INCORPORATION
OF
COMSTOCK RESOURCES, INC.

FIRST: That the name of the corporation is Comstock Resources, Inc.

SECOND: That the resident agent of the corporation shall be Prentice-Hall Corp. System, and the street address of the corporation's resident agent is 502 E. John Street, Carson City, Nevada 89706.

THIRD: The nature of the business, or objects, or purposes proposed to be transacted, promoted or carried on by this corporation are as follows: to engage in any legal activity.

FOURTH: That the amount of the total of the authorized capital stock of the corporation is Thirty-five Million (35,000,000) shares, of which Thirty Million (30,000,000) shares are Common Stock, Fifty Cents ($.50) par value per share, and Five Million shares (5,000,000) are Preferred Stock, Ten Dollars ($10.00) par value per share. The shares of Common Stock shall be identical in all respects and shall have one vote per share on all matters on which stockholders are entitled to vote. The Preferred Stock may be issued in one or more series; shares of each series shall be identical in all respects and shall have such voting, dividend, conversion and other rights, and such preferences and privileges, as may be determined by resolution of the Board of Directors of the corporation.

FIFTH: The name of place of residence of each of the incorporators are

James B. Schryver	P.O. Box 431 Virginia City, NV 89440
Peter G. Leonard	P.O. Box 431 Virginia City, NV 89440
Patricia Mathis	2600 Baker Drive Carson City, NV 89701

SIXTH: The corporation is to have perpetual existence.

SEVENTH: The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever.

EIGHTH: The number of directors of the corporation shall be as fixed and may be altered from time to time as may be provided in the Bylaws. In case of any increase in the number of directors, the additional directors may be elected by the directors or by the stockholders at an annual or special meeting, as shall be provided in the Bylaws. The first Board of Directors of the corporation are as follows:

James B. Schryver	P.O. Box 431 Virginia City, NV 89440
Barry Standing	P.O. Box 26712 San Francisco, CA 94126
F.R. Breen	232 Court Street Reno, NV 89501

S.L. Ziegler	8 Swift Court Mill Valley, CA 94941
F.B. Leonard	232 Forest Avenue Glen Ridge, NJ 07028
R.F. Tobin	160 El Monte Court Los Altos, CA 94022
D.B. Edmondo	10 Tweed Terrance San Rafael, CA 94901

NINTH: The directors from time to time may determine whether and to what extent, and at what time and places and under what conditions and regulations, the accounts and books of the corporation (other than the stock ledger), or any of them, shall be open to the inspection of the stockholders; and no stockholder shall have any right to inspect any account or books or document of the corporation, unless expressly so authorized by statute or by resolution of the stockholders or the directors.

The directors in their discretion may submit any contract or act for approval or ratification at any annual meeting of the stockholders or at any meeting of the stockholders called for the purpose of considering any such act or contract, and any contract or act that shall be approved or be ratified by the vote of the holders of a majority of the capital stock of the corporation which is represented in person or by proxy at such meeting (provided that a lawful quorum of stockholders be there represented in person or by proxy) shall be as valid and as binding upon the corporation and upon all the stockholders, as though it had been approved or ratified by every stockholder of the corporation, whether or not the contract or act would otherwise be open to legal attack because of director's interest, or for any other reason.

The directors shall also have power, without the assent or vote of the stockholders, to make and alter Bylaws of the corporation; to fix the times for the declaration and payment of dividends; to fix and vary the amount to be served as working capital; to authorize and cause to be executed, mortgages and liens upon all the property of the corporation, or any pay thereof, and from time to time to sell, assign, transfer, pledge or otherwise dispose of any or all its property; to determine the use and disposition of any surplus or net profits over and above the capital stock paid in, and in their discretion, the directors may use and apply any such surplus or accumulated profits in purchasing or acquiring the bonds or other obligations or shares of capital stock of the corporation, to such extent and in such manner and upon such terms as the directors shall deem expedient; but shares of such capital stock so purchased or acquired may be resold unless such shares shall have been retired for the purpose of decreasing the corporation's capital stock as provided by law.

In addition to the powers and authorities hereinbefore or by statute expressly conferred upon them, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the corporation; subject, nevertheless, to the provisions of the statutes of the State of Nevada, of this certificate, and to any Bylaws from time to time made by the stockholders; provided, however, that no Bylaws so made shall invalidate any prior act of the directors which would have been valid if such Bylaws had not been made.

TENTH: That to the fullest extent permitted under the laws of the State of Nevada, no director or officer of the corporation shall be liable to the corporation or is stockholders for damages for breach of fiduciary duty as a director or officer; provided, however, that the provisions of this Article Ninth shall not eliminate or limit the liability of any director for (1) acts or omissions which involve intentional misconduct, fraud or a knowing violation of law, or (2) the payment of dividends in violation of Nevada Revised Statue 78.300.

SECOND AMENDMENT TO RIGHTS AGREEMENT

This Second Amendment to Rights Agreement effective as of April 1, 1995 among Comstock Resources, Inc., a Nevada corporation (the "Company"), Society National Bank, successor to Ameritrust Company, National Association ("Society") and Bank One, Texas, N.A., a national banking association ("Bank One").

W I T N E S S E T H:

WHEREAS, the Company and Society are parties to that certain Rights Agreement dated as of December 10, 1990, as amended by First Amendment to Rights Agreement effective as of January 7, 1994 (the "Rights Agreement"); and WHEREAS, the Company desires to change the rights agent under the Rights Agreement.

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

1. Pursuant to Section 21 of the Rights Agreement, Bank One is hereby appointed Rights Agent under the Rights Agreement, replacing Society, and is vested with the same powers, rights, duties and responsibilities, as if it had been originally named as Rights Agent.

2. Section 26 of the Rights Agreement is hereby amended such that notices to the Rights Agent shall be addressed as follows:

Bank One, Texas, N.A.
1717 Main Street
Dallas, Texas 75201
Attention: Phillip D. Gatlin

3. Except as set forth herein, the Rights Agreement shall remain in full force and effect.

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

	COMSTOCK RESOURCES, INC.
ATTEST:	
/s/ROLAND O. BURNS	By:/s/M. JAY ALLISON
Roland O. Burns	M. Jay Allison
Secretary	President
ATTEST:	SOCIETY NATIONAL BANK, successor
/s/WILLIAM D. ROBINSON	to Ameritrust Company,
William D. Robinson	National Association
Vice President	
	By: /s/BERNETTA YOUNG
	Title: Trust Officer
ATTEST:	BANK ONE, TEXAS, N.A.
/s/JEFF SALAVARRIA	
Jeff Salavarria	By: /s/KAY LORANCE
Vice President	Title: Assistant Vice President

THIRD AMENDMENT TO RIGHTS AGREEMENT

This Third Amendment is entered into effective as of June 16, 1995 by and between Comstock Resources, Inc. (the "Company") and Bank One, Texas, N.A., as Rights Agent (the "Rights Agent"), with respect to that certain Rights Agreement dated as of December 10, 1990, a copy of which is attached hereto as Exhibit A (the "Rights Agreement").

RIGHTS

A. The Company intends to issue and sell to certain investors (together with their successors, the "Original Preferred Holders") an aggregate of 1,500,000 shares of its Series 1995 Convertible Preferred Stock (the "Series 1995 Preferred Stock") pursuant to the terms of a Stock Purchase Agreement dated as of June 16, 1995 between the Company and Trust Company of the West and TCW Asset Management Company, in the capacities set forth therein and certain other parties named therein (the "Stock Purchase Agreement"). Capitalized terms used herein but not otherwise defined herein shall have meaning ascribed thereto in the Rights Agreement as in effect on the date hereof.

B. As a condition to their purchase of the shares of Series 1995 Preferred Stock, the Original Preferred Holders have required that the Rights Agreement be amended to exclude, under certain conditions, the Series 1995 Preferred Stock, the Common Stock issued by way of conversion or redemption of, or payment of any dividend on the Series 1995 Preferred Stock (collectively, the "Conversion Shares"), the Original Preferred Holders and certain other Persons from certain provisions of the Rights Agreement.

C. The Company has determined that the offer and sale of the shares of Series 1995 Preferred Stock are in the best interest of the Company and all of its stockholders, and is therefore willing to so amend the Rights Agreement.

AGREEMENT

NOW, THEREFORE, pursuant to Section 27 of the Rights Agreement, the Company hereby supplements and amends, and directs the Rights Agent to supplement and amend, the Rights Agreement as follows: 1. Acquiring Person and Adverse Person

1.1 Notwithstanding any provision of the Rights Agreement which could be construed to the contrary, all shares of Series 1995 Preferred Stock and all Conversion Shares held by

(A) any Original Preferred Holder,

(B) any Affiliate, fund participant, trust beneficiary, or limited partner of any Original Preferred Holder,

(C) any party to any investment management or other similar agreement with Trust Company of the West, a California trust company ("Trustco") or TCW Asset Management Company, a California corporation ("Tamco"), listed in the definition of "TCW" in the Stock Purchase Agreement or any fund, foundation, trust or other Person for whose benefit any such agreement with Trustco or Tamco relates or any trustee, custodian or nominee of or for any such Person and

(D) any Person (including any "group" as defined in the Exchange Act) who acquires all shares of Series 1995 Preferred Stock or Conversion Shares then held by any of the Persons described in clauses (A), (B) or (C) above directly from such Person (provided that the transferor of such shares shall have, prior to such transfer, given the Company the right of first offer described in Section 1.2 below)shall be excluded from any calculation made for the purpose of determining whether the holder of such shares is an "Acquiring Person" or an "Adverse Person" for any purpose under the Rights Agreement.

1.2 No transferee of any Preferred Shares or Conversion Shares shall be entitled to the exclusions set forth in Section 1.1 unless (i) at least 15 business days prior to any such transfer the transferor of such shares shall have delivered a written notice to the Company offering to sell such shares to the Company or its designee for cash at the same price and on the same terms as offered to the proposed transferee and (ii) the Company or its designee shall have failed to accept such offer within seven business days of the Company's receipt thereof and to close such sale and purchase on the scheduled closing date set forth in the terms offered.

2. Miscellaneous

2.1 Subject to the terms set forth herein, the Rights Agreement shall remain in full force and effect.

2.2 This Amendment 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.

This Third Amendment to Rights Agreement is hereby executed as of the date first above written.

	COMSTOCK RESOURCES, INC. a Nevada corporation
ATTEST: /s/ROLAND O. BURNS Roland O. Burns Secretary	 By: /s/M. JAY ALLISON M. Jay Allison President
	BANK ONE, TEXAS, N.A. as Rights Agent
/s/JEFF SALAVARRIA Jeff Salavarria Vice President	By: /s/KAY LORANCE Title: Assistant Vice President

FOURTH AMENDMENT TO RIGHTS AGREEMENT

This Fourth Amendment to Rights Agreement effective as of September 1, 1995 among Comstock Resources, Inc., a Nevada corporation (the "Company"), Bank One, Texas, N.A., a national banking association ("Bank One") and American Stock Transfer and Trust Company, a New York corporation ("AST").

W I T N E S S E T H:

WHEREAS, the Company is a party to that certain Rights Agreement dated as of December 10, 1990, as amended by First Amendment to Rights Agreement effective as of January 7, 1994 and Second Amendment to Rights Agreement effective as of April 1, 1995 (the "Rights Agreement");

WHEREAS, Bank One was named successor rights agent pursuant to the Second Amendment referred to herein; and

WHEREAS, the Company desires to change the rights agent under the Rights Agreement.

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

1. Pursuant to Section 21 of the Rights Agreement, AST is hereby appointed Rights Agent under the Rights Agreement, replacing Bank One, and is vested with the same powers, rights, duties and responsibilities, as if it had been originally named as Rights Agent.

2. Section 21 of the Rights Agreement is hereby amended by deleting the fifth sentence thereof and replacing it with the following sentence:

Any successor Rights Agent, whether appointed by the Company or by such a court, shall be (a) a corporation organized and doing business under the laws of the United States or of the State of Texas (or of any other state of the United States so long as such corporation (i) is authorized to do business as a banking institution in the State of Texas or (ii) has consented to service of process and jurisdiction in the State of Texas), in good standing, which is authorized under such laws to exercise corporate trust or stock transfer powers and is subject to supervision or examination by federal or state authority and which has at the time of its appointment as Rights Agent a combined capital and surplus of at least $10,000,000 or (b) an Affiliate controlled by a corporation described in clause (a) of this sentence.

3. Section 26 of the Rights Agreement is hereby amended such that notices to the Rights Agent shall be addressed as follows:

American Stock Transfer & Trust Company
40 Wall Street New York, New York 10005
Attention: Executive Vice President

4. Except as set forth herein, the Rights Agreement shall remain in full force and effect.

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

	COMSTOCK RESOURCES, INC. a Nevada corporation
ATTEST: /s/ROLAND O. BURNS Roland O. Burns Secretary	By: /s/M. JAY ALLISON M. Jay Allison President
	BANK ONE, TEXAS, N.A.
/s/JEFF SALAVARRIA Jeff Salavarria Vice President	By: /s/KAY LORANCE Title: Assistant Vice President
	AMERICAN STOCK TRANSFER & TRUST
/s/SUSAN SILBER Susan Silber Assistant Secretary	By: /s/HERBERT J. LEMMER Title: Vice President

EXHIBIT 10.2

FIRST AMENDMENT TO CREDIT AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT, dated as of December 31, 1995 (this "Amendment"), is among COMSTOCK RESOURCES, INC., a Nevada corporation ("CRI"), COMSTOCK OIL & GAS, INC., a Nevada corporation ("COG"), COMSTOCK OIL & GAS -- LOUISIANA, INC., a Nevada corporation ("COGL"), COMSTOCK OFFSHORE ENERGY, INC., a Delaware corporation ("COE")(CRI, COG, COGL and COE may hereinafter collectively be referred to as the "Borrowers"), the lenders party hereto from time to time (collectively, the "Banks" and individually, a "Bank") and NBD BANK, as agent for the Banks (in such capacity, the "Agent").

RECITAL

The Borrowers, the Banks and the Agent are parties to a Credit Agreement dated as of July 31, 1995 (the "Credit Agreement") and desire to amend the Credit Agreement as set forth herein.

TERMS

In consideration of the premises and of the mutual agreements herein contained, the parties agree as follows:

ARTICLE I. AMENDMENTS.

Upon satisfaction of the conditions set forth in Article III hereof, the Credit Agreement shall be amended as follows:

1.1 Sections 7.2(a), (b) and (c) are restated in their entirety to read as follows:

(a)Current Ratio. Permit or suffer the ratio of (i) the sum of Current Assets plus the unused availability under the revolving credit facility established by Section 2.1(a), to (ii) Current Liabilities at any time to be less than 1.0 to 1.0.

(b)Tangible Net Worth. Permit or suffer Consolidated Tangible Net Worth of CRI and its Subsidiaries to be less than, at any time, the sum of (i) $53,000,000, minus (ii) the lesser of the actual write off taken by CRI as a result of its adoption of FASB Statement No. 121 or $25,000,000 plus (iii) 50% of Consolidated Net Income of CRI and its Subsidiaries for any fiscal year, commencing with the fiscal year ending December 31, 1995, and to be added as of the last day of each such fiscal year, provided that if such Consolidated Net Income is negative in any fiscal year the amount added pursuant to this clause (iii) shall be zero and shall not reduce the amount added pursuant to this clause (iii) for any other fiscal year, plus (iv) 75% of the net cash proceeds of any equity offering of CRI.

(c)Debt Service. Permit or suffer, as of the last day of each fiscal quarter of CRI, the ratio of (i) Consolidated Adjusted Cash Flow of CRI and its Subsidiaries, as calculated for the four fiscal quarters then ending to (ii) the portion of all Consolidated Funded Indebtedness of CRI and its Subsidiaries due in the four fiscal quarters then ending, including the amount of mandatory Borrowing Base reductions required pursuant to clause (b) of the definition of Borrowing Base set forth in Section 1.1, to be less than 1.1 to 1.0 as of the last day of any fiscal quarter.

ARTICLE II. REPRESENTATIONS.

Each Borrower and Guarantor represents and warrants to the Agent and the Banks that:

2.1 The execution, delivery and performance of this Amendment are within its powers, have been duly authorized and are not in contravention with any law, of the terms of its Articles of Incorporation or By-laws, or any undertaking to which it is a party or by which it is bound.

2.2 This Amendment is the legal, valid and binding obligation of it, enforceable against it in accordance with the terms hereof.

2.3 After giving effect to the amendments herein contained, the representations warranties contained in Section 6 of the Credit Agreement and in the Security Documents are true and correct on and as of the date hereof with the same force and effect as if made on and as of the date hereof.

2.4 After giving effect to the amendments herein contained, no Event of Default or Default exists or has occurred and is continuing on the date hereof.

ARTICLE III. CONDITIONS OF EFFECTIVENESS.

This First Amendment shall not become effective until:

3.1 The Borrowers and the Majority Banks shall have executed and delivered this First Amendment.

3.2 The Guarantors shall have executed and delivered to the Agent a Consent and Acknowledgement to this First Amendment.

ARTICLE IV. MISCELLANEOUS.

4.1 The Borrowers agree to pay and save the Banks harmless from liability for the payment of all costs and expenses arising in connection with this First Amendment including the reasonable fees and expenses of Dickinson, Wright, Moon, Van Dusen & Freeman, counsel to the Agent, in connection with the preparation and review of this First Amendment and any related documents.

4.2 References in the Credit Agreement or in any note, agreement, certificate, instrument or other document to the Credit Agreement shall be deemed to be references to the Credit Agreement as amended hereby and as further amended from time to time.

4.3 Except as expressly contemplated hereby, the Borrowers and the Guarantors agree that the Credit Agreement, all related Notes, the Security Documents and all other documents and agreements executed by any Borrower or any Guarantor in connection with the Credit Agreement in favor of the Agent or the Banks are ratified and confirmed and shall remain in full force and effect and that the Borrowers and the Guarantors have no set off, counterclaim, defense or other claim or dispute with respect to any of the foregoing. Terms used but not defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

4.4 This First Amendment shall be governed by and construed in accordance with the laws of the State of Michigan.

4.5 This Amendment may be signed upon any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties signing this Amendment have caused this Amendment to be executed and delivered as of December 31, 1995 which shall be the Effective Date of this Amendment.

COMSTOCK RESOURCES, INC.

By:/s/ M. JAY ALLISON
M. Jay Allison, its president and
chief executive officer

COMSTOCK OIL & GAS, INC.

By:/s/ M. JAY ALLISON
M. Jay Allison, its president and
chief executive officer

COMSTOCK OIL & GAS -- LOUISIANA, INC.

By:/s/ M. JAY ALLISON
M. Jay Allison, its president and
chief executive officer

COMSTOCK OFFSHORE ENERGY, INC.

By:/s/ M. JAY ALLISON
M. Jay Allison, its president and
chief executive officer

NBD BANK, as a Bank and as Agent

By:/s/ D. ANDREW BATEMAN
Its:first vice president

BANK ONE, TEXAS, NA

By: /s/MARK CRANMER
Its:vice president

CONSENT AND ACKNOWLEDGEMENT

Each of the undersigned Guarantors is hereby executing this Amendment for the purpose of agreeing to all of the terms and provisions hereof applicable to it, and making the representations and warranties applicable to it.

COMSTOCK MANAGEMENT CORPORATION

By:/s/ M. JAY ALLISON
M. Jay Allison, its president and
executive officer

COMSTOCK NATURAL GAS, INC.

By:/s/ROLAND O. BURNS
Roland O. Burns, its senior vice-
president and chief financial
officer

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") executed by and between COMSTOCK RESOURCES, INC., a Nevada corporation (the "Company") with principal offices at 5005 LBJ Freeway, Suite 1000, Dallas, Texas 75244, and M. Jay Allison ("Employee"), an individual residing at #3 Post-N- Paddock, Frisco, Texas 75034.

1. Employment. The Company hereby agrees to employ Employee, and Employee hereby agrees to render his exclusive service to the Company, in his current capacity of President and Chief Executive Officer of the Company, with such duties as may be assigned to him from time to time by the Board of Directors for a period of time commencing on July 1, 1995 (the effective date of this Agreement) and ending on June 30, 1996 (the "Employment Period"), subject to earlier termination as hereinafter provided.

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

3. Base Compensation. Employee shall be compensated by the Company at a minimum base rate of $20,416.67 per month, payable semimonthly on the fifteenth and final days of each month during the period of Employee's employment under this Agreement, subject to such increases and additional payments as may be determined from time to time by the Board of Directors of the Company in its sole discretion. Such compensation shall be in addition to any group insurance, pension, profit sharing, and other employee benefits, which are extended from time to time to Employee in the discretion of the Board of Directors of the Company and for which Employee is eligible. Subject to such rules and procedures as are from time to time specified by the Company, the Company shall also reimburse Employee for all reasonable expenses incurred by him on behalf of the Company.

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

5. Continuing Obligations. In order to induce the Company to enter into this Agreement, the Employee hereby agrees that all documents, records, techniques, business secrets and other information which have come into his possession from time to time during his employment by the Company or which may come into his possession during his employment hereunder, shall be deemed to be confidential and proprietary to the Company and the Employee further agrees to retain in confidence any confidential information known to him concerning the Company and it's subsidiaries and their respective businesses so long as such information is not publicly disclosed. In the event of a breach or threatened breach by the Employee of the provisions of this Paragraph 5, the Company shall, in addition to any other available remedies, be entitled to an injunction restraining Employee from disclosing, in whole or in part, any such information or from rendering any services to any person, firm or corporation to whom any of such information may have been disclosed or is threatened to be disclosed.

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

7. Surviving Provisions. The provisions of Paragraphs 5 and 6 of this Agreement shall continue to be binding upon Employee in accordance with their terms, notwithstanding termination of Employee's employment hereunder for any reason.

8. Termination for Good Cause. It is agreed and understood that the Company cannot terminate the employment of the Employee under this Agreement except for good cause, and that, without prejudice to the generality of the right to terminate for good cause, each of the following contingencies shall be good cause:

(a) Should Employee by reason of injury or illness become incapable for more than one hundred fifty (150) consecutive days of satisfactorily performing his duties as an employee under this Agreement;

(b) Should Employee for reasons other than illness or injury absent himself from his duties without the consent of the Company (which consent shall not be unreasonably withheld) for more than twenty (20) consecutive days;

(c) Should Employee be convicted of a crime punishable by imprisonment;

(d) Should Employee during the period of his employment by the Company engage in any activity that would in the opinion of the Board of Directors of the Company constitute a material conflict of interest with the Company; provided that termination for cause based on this subparagraph (d) shall not be effective unless the Employee shall have received written notice from the Board of Directors of the Company of such activity (which notice shall also include a demand for the Employee to cease the activity giving rise to the conflict of interest) fifteen (15) days prior to his termination and the Employee has failed after receipt of such notice to cease all activities creating the conflict of interest; or

(e) Should Employee be grossly negligent or inefficient in the performance of his duties hereunder, or otherwise fail to comply with the terms and conditions of this Agreement; provided that termination for cause based on this subparagraph (e) shall not be effective unless the Employee shall have received written notice from the Board of Directors of the Company (which notice shall include a description of the reasons and circumstances giving rise to such notice) fifteen (15) days prior to his termination and the Employee has failed after receipt of such notice to satisfactorily discharge the performance of his duties hereunder or to comply with the terms of this Agreement, as the case may be.

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

9. Change in Control. Notwithstanding anything herein to the contrary, a Change in Control of the Company shall not in any manner diminish, impair or otherwise affect Employee's right to remain employed by Company throughout the term of this Agreement, nor shall any such Change in Control affect the Company's obligations hereunder. For purposes of this Agreement, a Change in Control of the Company shall be deemed to have taken place if: (w) without the approval or recommendation of a majority of the then existing Board of Directors of the Company, a third person shall cause or bring about (through solicitation of proxies or otherwise) the removal or resignation of a majority of the then existing members of the Board of Directors or if a third person causes or brings about (through solicitation of proxies or otherwise) an increase in the size of the Board of Directors such that the then

existing members of the Board of Directors thereafter represent a minority of the total number of persons comprising the entire Board; (x) a third person, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, becomes the beneficial owner of shares of any class of the Company's stock having 30% or more of the total number of votes that may be cast for the election of directors of the Company; (y) any shares of any class of the Company's stock are purchased pursuant to a tender of exchange offer (other than an offer by the Company); or (z) the stockholders of the Company approve a definitive agreement for the merger or other business combination of the Company with or into another corporation pursuant to which the Company will not survive or will survive only as a subsidiary of another corporation, for the sale or other disposition of all or substantially all of the assets of the Company, or any combination of the foregoing.

10. Severance Benefit Payment. The Company shall provide Employee with a severance benefit payment in an amount equal to three (3) times the Employee's then existing annual base pay (the "Severance Benefit Payment") upon a Change in Control during the Employment Period followed by (i) the occurrence of any one of the events specified in subparagraphs (a) through (f) below and (ii) Employee's resignation from employment:

(a) Without the express written consent of Employee, the assignment of Employee to any duties inconsistent with his position, duties, responsibilities or status with the Company as such existed immediately prior to the Change in Control or a reduction of his duties or responsibilities, in each case as determined by Employee;

(b) A reduction by the Company in the Employee's salary immediately prior to the Change in Control, or any failure to maintain or provide benefit plans covering the Employee providing benefits at least equal to the level of benefits paid to the Employee under the Company's benefit plans as such existed immediately prior to the Change in Control;

(c) Without the express written consent of the Employee, the Company's requiring the Employee to be based anywhere other than the Company offices at which he was based immediately prior to the Change in Control except for required travel on the Company's business in accordance with the Company's past management practices;

(d) Any failure of the Company to obtain the assumption of the obligation to perform this Agreement by any successor as contemplated in Paragraph 13 hereof;

(e) Any failure by the Company or its stockholders, as the case may be, to re-elect the Employee to the corporate office held by him immediately prior to the Change in Control or his removal from any such office, including any seat held at such time on the Company's Board of Directors; or

(f) Any breach by the Company (or any successor) of any of the provisions of this Agreement or any failure by the Company to carry out any of it's obligations hereunder.

The Severance Benefit Payment shall be paid to Employee in total and in cash in equal payments (without interest over a period not to exceed twelve (12) months) upon the occurrence of any of the foregoing events.

11. Payment of Certain Costs of Employee. If a dispute arises regarding a termination of the Employee subsequent to a Change in Control or the interpretation or enforcement of this Agreement, all legal fees and expenses incurred by the Employee in contesting or disputing any such termination or seeking to obtain or enforce any right or benefit provided for in this Agreement or in otherwise pursuing

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

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

13. Successors.

(a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to the Employee, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Employee to compensation from the Company in the same amount and on the same terms as the Employee would be entitled hereunder if he were to terminate his employment pursuant to subparagraphs 10(a), 10(b), 10(c), 10(d), 10(e) or 10(f). As used in this Agreement, "Company" shall mean the Company as hereinbefore defined any successor to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Paragraph 13 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

(b) This Agreement shall inure to the benefit of and be enforceable by the Employee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Employee should die during the term hereof, the Company shall pay an amount equal to any amounts than payable to Employee hereunder, plus an amount equal to six months' salary, with all such amounts to be paid to Employee's devisee, legatee or other designee or, if there be no such designee, to his estate.

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

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

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

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

18. Law Governing. This Agreement made, accepted and delivered in Dallas County, Texas, is performable in Dallas County, Texas, and it shall be construed and enforced according to the laws of

the State of Texas. Venue shall lie in Dallas County, Texas for the purpose of resolving and enforcing any dispute which may arise under this Agreement and the parties agree that they will submit themselves to the jurisdiction of the competent State or Federal Court situated in Dallas County, Texas.

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

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

If to the Employee:

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

If to the Company:

Comstock Resources, Inc.
5005 LBJ Freeway, Suite 1000
Dallas, Texas 75244

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

EXECUTED and effective as to this lst day of July 1995.

COMSTOCK RESOURCES, INC.

By: /s/ROLAND O. BURNS
Name: Roland O. Burns
Title: Chief Financial Officer

EMPLOYEE:

/s/M. JAY ALLISON
M. Jay Allison

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") executed by and between COMSTOCK RESOURCES, INC., a Nevada corporation (the "Company") with principal offices at 5005 LBJ Freeway, Suite 1000, Dallas, Texas 75244, and Roland O. Burns ("Employee"), an individual residing at 8430 Edgewood Cove, Frisco, Texas 75034.

1. Employment. The Company hereby agrees to employ Employee, and Employee hereby agrees to render his exclusive service to the Company, in his current capacity of Senior Vice President, Chief Financial Officer, Secretary and Treasurer of the Company, with such duties as may be assigned to him from time to time by the Board of Directors for a period of time commencing on July 1, 1995 (the effective date of this Agreement) and ending on June 30, 1996 (the "Employment Period"), subject to earlier termination as hereinafter provided.

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

3. Base Compensation. Employee shall be compensated by the Company at a minimum base rate of $10,666.67 per month, payable semimonthly on the fifteenth and final days of each month during the period of Employee's employment under this Agreement, subject to such increases and additional payments as may be determined from time to time by the Board of Directors of the Company in its sole discretion. Such compensation shall be in addition to any group insurance, pension, profit sharing, and other employee benefits, which are extended from time to time to Employee in the discretion of the Board of Directors of the Company and for which Employee is eligible. Subject to such rules and procedures as are from time to time specified by the Company, the Company shall also reimburse Employee for all reasonable expenses incurred by him on behalf of the Company.

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

5. Continuing Obligations. In order to induce the Company to enter into this Agreement, the Employee hereby agrees that all documents, records, techniques, business secrets and other information which have come into his possession from time to time during his employment by the Company or which may come into his possession during his employment hereunder, shall be deemed to be confidential and proprietary to the Company and the Employee further agrees to retain in confidence any confidential information known to him concerning the Company and it's subsidiaries and their respective businesses so long as such information is not publicly disclosed. In the event of a breach or threatened breach by the Employee of the provisions of this Paragraph 5, the Company shall, in addition to any other available remedies, be entitled to an injunction restraining Employee from disclosing, in whole or in part, any such information or from rendering any services to any person, firm or corporation to whom any of such information may have been disclosed or is threatened to be disclosed.

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

7. Surviving Provisions. The provisions of Paragraphs 5 and 6 of this Agreement shall continue to be binding upon Employee in accordance with their terms, notwithstanding termination of Employee's employment hereunder for any reason.

8. Termination for Good Cause. It is agreed and understood that the Company cannot terminate the employment of the Employee under this Agreement except for good cause, and that, without prejudice to the generality of the right to terminate for good cause, each of the following contingencies shall be good cause:

(a) Should Employee by reason of injury or illness become incapable for more than one hundred fifty (150) consecutive days of satisfactorily performing his duties as an employee under this Agreement;

(b) Should Employee for reasons other than illness or injury absent himself from his duties without the consent of the Company (which consent shall not be unreasonably withheld) for more than twenty (20) consecutive days;

(c) Should Employee be convicted of a crime punishable by imprisonment;

(d) Should Employee during the period of his employment by the Company engage in any activity that would in the opinion of the Board of Directors of the Company constitute a material conflict of interest with the Company; provided that termination for cause based on this subparagraph (d) shall not be effective unless the Employee shall have received written notice from the Board of Directors of the Company of such activity (which notice shall also include a demand for the Employee to cease the activity giving rise to the conflict of interest) fifteen (15) days prior to his termination and the Employee has failed after receipt of such notice to cease all activities creating the conflict of interest; or

(e) Should Employee be grossly negligent or inefficient in the performance of his duties hereunder, or otherwise fail to comply with the terms and conditions of this Agreement; provided that termination for cause based on this subparagraph (e) shall not be effective unless the Employee shall have received written notice from the Board of Directors of the Company (which notice shall include a description of the reasons and circumstances giving rise to such notice) fifteen (15) days prior to his termination and the Employee has failed after receipt of such notice to satisfactorily discharge the performance of his duties hereunder or to comply with the terms of this Agreement, as the case may be.

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

9. Change in Control. Notwithstanding anything herein to the contrary, a Change in Control of the Company shall not in any manner diminish, impair or otherwise affect Employee's right to remain employed by Company throughout the term of this Agreement, nor shall any such Change in Control affect the Company's obligations hereunder. For purposes of this Agreement, a Change in Control of the Company shall be deemed to have taken place if: (w) without the approval or recommendation of a majority of the then existing Board of Directors of the Company, a third person shall cause or bring about (through solicitation of proxies or otherwise) the removal or resignation of a majority of the then existing members of the Board of Directors or if a third person causes or brings about (through solicitation of proxies or otherwise) an increase in the size of the Board of Directors such that the then

existing members of the Board of Directors thereafter represent a minority of the total number of persons comprising the entire Board; (x) a third person, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, becomes the beneficial owner of shares of any class of the Company's stock having 30% or more of the total number of votes that may be cast for the election of directors of the Company; (y) any shares of any class of the Company's stock are purchased pursuant to a tender of exchange offer (other than an offer by the Company); or (z) the stockholders of the Company approve a definitive agreement for the merger or other business combination of the Company with or into another corporation pursuant to which the Company will not survive or will survive only as a subsidiary of another corporation, for the sale or other disposition of all or substantially all of the assets of the Company, or any combination of the foregoing.

10. Severance Benefit Payment. The Company shall provide Employee with a severance benefit payment in an amount equal to three (3) times the Employee's then existing annual base pay (the "Severance Benefit Payment") upon a Change in Control during the Employment Period followed by (i) the occurrence of any one of the events specified in subparagraphs (a) through (f) below and (ii) Employee's resignation from employment:

(a) Without the express written consent of Employee, the assignment of Employee to any duties inconsistent with his position, duties, responsibilities or status with the Company as such existed immediately prior to the Change in Control or a reduction of his duties or responsibilities, in each case as determined by Employee;

(b) A reduction by the Company in the Employee's salary immediately prior to the Change in Control, or any failure to maintain or provide benefit plans covering the Employee providing benefits at least equal to the level of benefits paid to the Employee under the Company's benefit plans as such existed immediately prior to the Change in Control;

(c) Without the express written consent of the Employee, the Company's requiring the Employee to be based anywhere other than the Company offices at which he was based immediately prior to the Change in Control except for required travel on the Company's business in accordance with the Company's past management practices;

(d) Any failure of the Company to obtain the assumption of the obligation to perform this Agreement by any successor as contemplated in Paragraph 13 hereof;

(e) Any failure by the Company or its stockholders, as the case may be, to re-elect the Employee to the corporate office held by him immediately prior to the Change in Control or his removal from any such office, including any seat held at such time on the Company's Board of Directors; or

(f) Any breach by the Company (or any successor) of any of the provisions of this Agreement or any failure by the Company to carry out any of it's obligations hereunder.

The Severance Benefit Payment shall be paid to Employee in total and in cash in equal payments (without interest over a period not to exceed twelve (12) months) upon the occurrence of any of the foregoing events.

11. Payment of Certain Costs of Employee. If a dispute arises regarding a termination of the Employee subsequent to a Change in Control or the interpretation or enforcement of this Agreement, all legal fees and expenses incurred by the Employee in contesting or disputing any such termination or seeking to obtain or enforce any right or benefit provided for in this Agreement or in otherwise pursuing

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

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

13. Successors.

(a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to the Employee, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Employee to compensation from the Company in the same amount and on the same terms as the Employee would be entitled hereunder if he were to terminate his employment pursuant to subparagraphs 10(a), 10(b), 10(c), 10(d), 10(e) or 10(f). As used in this Agreement, "Company" shall mean the Company as hereinbefore defined any successor to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Paragraph 13 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

(b) This Agreement shall inure to the benefit of and be enforceable by the Employee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Employee should die during the term hereof, the Company shall pay an amount equal to any amounts than payable to Employee hereunder, plus an amount equal to six months' salary, with all such amounts to be paid to Employee's devisee, legatee or other designee or, if there be no such designee, to his estate.

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

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

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

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

18. Law Governing. This Agreement made, accepted and delivered in Dallas County, Texas, is performable in Dallas County, Texas, and it shall be construed and enforced according to the laws of

State of Texas. Venue shall lie in Dallas County, Texas for the purpose of resolving and enforcing any dispute which may arise under this Agreement and the parties agree that they will submit themselves to the jurisdiction of the competent State or Federal Court situated in Dallas County, Texas.

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

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

If to the Employee:

Roland O. Burns
8430 Edgewood Cove
Frisco, Texas 75034

If to the Company:

Comstock Resources, Inc.
5005 LBJ Freeway, Suite 1000
Dallas, Texas 75244

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

EXECUTED and effective as to this lst day of July 1995.

COMSTOCK RESOURCES, INC.

/s/M. JAY ALLISON
Name: M. Jay Allison
Title: Chief Executive Officer

EMPLOYEE:

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

EXHIBIT 21

EXHIBIT 21

SUBSIDIARIES OF COMSTOCK RESOURCES, INC.

Name	State of Incorporation	Business Name
Comstock Oil & Gas, Inc.	Nevada	Comstock Oil & Gas, Inc.
Comstock Oil & Gas -- Louisiana, Inc.(1)	Nevada	Comstock Oil & Gas -- Louisiana, Inc.
Comstock Management Corporation	Nevada	Comstock Management Corporation
Comstock Offshore Energy, Inc.	Delaware	Comstock Offshore Energy, Inc.
Comstock Natural Gas, Inc.	Nevada	Comstock Natural Gas, Inc.
Crosstex Pipeline, Inc. (2)	Texas	Crosstex Pipeline, Inc.

(1) Subsidiary of Comstock Oil & Gas, Inc.
(2) Subsidiary of Comstock Natural Gas, Inc.

EXHIBIT 23

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report included in this Form 10-K, into Comstock Resources, Inc.'s previously filed registration statements (Numbers 33-64620, 33-73452, 33-86902, 33-88954, 33-88962 and 33-61303).

ARTHUR ANDERSEN LLP

This schedule contains summary financial data extracted from the Consolidated Financial Statements of Comstock Resources, Inc. for the Year ended December 31, 1994 and 1995 and is qualified in its entirety by reference to such financial statements.

YEAR	YEAR
DEC-31-1995	DEC-31-1994
DEC-31-1995	DEC-31-1994
1,916,648	3,425,248
0	0
15,066,197	8,793,567
0	0
92,139	93,728
17,247,077	12,562,940
157,561,288	114,640,858
(55,445,097)	(36,651,750)
120,098,666	91,570,713
35,188,400	18,498,617
53,133,751	30,922,479
21,000,000	6,000,000
10,000,000	10,000,000
6,463,336	6,171,406
(7,335,563)	19,033,351
120,098,666	91,570,713
72,769,472	31,884,408
75,667,675	32,654,454
48,908,969	14,521,066
16,249,203	13,499,367
1,979,283	1,823,543
29,150,000	0
5,541,680	2,869,455
(28,068,960)	(876,587)
0	0
(28,068,960)	(876,587)
0	0
0	(615,793)
0	0
(28,068,960)	(1,492,380)
(2.24)	(.12)
(2.24)	(.12)