UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For The Quarter Ended March 31, 2002

OR

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

Commission File No. 0-16741

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

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

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

Telephone No.: (972) 668-8800

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to filing requirements for the past 90 days. Yes x No
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The number of shares outstanding of the registrant's common stock, par value $.50, as of May 14, 2002 was 28,826,678.

COMSTOCK RESOURCES, INC.

QUARTERLY REPORT

For The Quarter Ended March 31, 2002

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

ASSETS

	March 31, 2002 (Unaudited)	December 31, 2001
	(In thousands)	
Cash and Cash Equivalents	$ 1,334	$ 6,122
Accounts Receivable:		
Oil and gas sales	18,531	20,015
Joint interest operations	1,515	4,717
Derivatives	1,412	1,342
Other Current Assets	8,495	7,418
Total current assets	31,287	39,614
Property and Equipment:		
Unevaluated oil and gas properties	15,450	13,416
Oil and gas properties, successful efforts method	896,142	901,206
Other	2,541	2,633
Accumulated depreciation, depletion and amortization	(277,109)	(278,679)
Net property and equipment	637,024	638,576
Derivatives	89	254
Other Assets	6,539	4,627
	$ 674,939	$ 683,071

LIABILITIES AND STOCKHOLDERS' EQUITY

	March 31, 2002	December 31, 2001
Current Portion of Long-Term Debt	$ 42	$ 229
Accounts Payable and Accrued Expenses	29,798	37,389
Derivatives	1,833	798
Total current liabilities	31,673	38,416
Long-Term Debt, less current portion	378,002	372,235
Deferred Taxes Payable	45,553	47,911
Derivatives	1,273	1,053
Reserve for Future Abandonment Costs	7,169	7,794
Stockholders' Equity:		
Preferred stock--$10.00 par, 5,000,000 shares authorized, 1,757,310 shares outstanding	17,573	17,573
Common stock--$0.50 par, 50,000,000 shares authorized, 28,572,553 and 28,552,553 shares outstanding at March 31, 2002 and December 31, 2001, respectively	14,286	14,276
Additional paid-in capital	131,265	130,956
Retained earnings	48,758	54,183
Deferred compensation-restricted stock grants	(1,128)	(1,187)
Accumulated other comprehensive income (loss)	515	(139)
Total stockholders' equity	211,269	215,662
	$ 674,939	$ 683,071

The accompanying notes are an integral part of these statements.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001
	(In thousands, except per share amounts)	
Revenues:		
Oil and gas sales	$ 26,678	$ 67,257
Other income	120	147
Total revenues	26,798	67,404
Expenses:		
Oil and gas operating	8,136	9,440
Exploration	1,953	2,831
Depreciation, depletion and amortization	13,561	11,980
General and administrative, net	930	829
Interest	6,810	5,505
Loss from derivatives	1,964	--
Total expenses	33,354	30,585
Income (loss) from continuing operations before income taxes	(6,556)	36,819
Income tax benefit (expense)	2,295	(12,887)
Net income (loss) from continuing operations	(4,261)	23,932
Preferred stock dividends	(395)	(395)
Net income (loss) from continuing operations attributable to common stock	(4,656)	23,537
Income (loss) from discontinued operations, including loss on disposal, net of income taxes	(769)	41
Net income (loss) attributable to common stock	$ (5,425)	$ 23,578
Net income (loss) per share:		
Basic -		
Net income (loss) from continuing operations per share	$ (0.16)	$ 0.81
Net income (loss) per share	$ (0.19)	$ 0.81
Diluted -		
Net income (loss) from continuing operations per share		$ 0.68
Net income (loss) per share		$ 0.68
Weighted average shares outstanding:		
Basic	28,560	29,001
Diluted		35,074

The accompanying notes are an integral part of these statements.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
For the Three Months Ended March 31, 2002
(Unaudited)

	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Deferred Compensation-Restricted Stock Grants	Accumulated Other Comprehensive Income (Loss)	Total
				(In thousands)			
Balance at December 31, 2001	$ 17,573	$ 14,276	$130,956	$ 54,183	$(1,187)	$ (139)	$215,662
Restricted stock grants	--	--	--	--	59	--	59

Value of warrants issued for exploration prospects	--	--	213	--	--	--	213
Exercise of stock options	--	10	96	--	--	--	106
Net loss attributable to common stock	--	--	--	(5,425)	--	--	(5,425)
Unrealized hedge gains	--	--	--	--	--	654	654
Balance at March 31, 2002	$ 17,573	$ 14,286	$131,265	$ 48,758	$(1,128)	$ 515	$211,269

The accompanying notes are an integral part of these statements.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001
	(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ (5,030)	$ 23,973
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Compensation paid in common stock	59	56
Exploration	1,953	2,831
Depreciation, depletion and amortization	13,561	11,999
Deferred income taxes	(2,824)	10,328
Unrealized losses from derivatives	2,356	--
Loss (gain) on sale of properties	1,182	(12)
Working capital provided by operations	11,257	49,175
Decrease in accounts receivable	4,986	1,114
Increase in other current assets	(1,077)	(299)
Increase (decrease) in accounts payable and accrued expenses	(7,352)	9,777
Net cash provided by operating activities	7,814	59,767
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of properties	--	46
Capital expenditures and acquisitions	(15,721)	(27,973)
Net cash used for operating activities	(15,721)	(27,927)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings	6,000	--
Proceeds from issuance of senior notes	75,000	--
Debt issuance costs	(2,172)	--
Proceeds from issuance of common stock	106	867
Principal payments on debt	(75,420)	(35,101)

Dividends paid on preferred stock	(395)	(395)
Net cash provided by (used for) financing activities	3,119	(34,629)
Net decrease in cash and cash equivalents	(4,788)	(2,789)
Cash and cash equivalents, beginning of period	6,122	7,105
Cash and cash equivalents, end of period	$ 1,334	$ 4,316

The accompanying notes are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2002
(Unaudited)

(1) SIGNIFICANT ACCOUNTING POLICIES -

Basis of Presentation -

In management's opinion, the accompanying consolidated financial statements contain all adjustments (consisting solely of normal recurring adjustments) necessary to present fairly the financial position of Comstock Resources, Inc. and subsidiaries ("Comstock") as of March 31, 2002 and the related results of operations and cash flows for the three months ended March 31, 2002 and 2001.

The accompanying unaudited consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles have been omitted pursuant to those rules and regulations, although Comstock believes that the disclosures made are adequate to make the information presented not misleading. These consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in Comstock's Annual Report on Form 10-K for the year ended December 31, 2001.

The results of operations for the three months ended March 31, 2002 are not necessarily an indication of the results expected for the full year.

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

	For the Three Months Ended March 31, 2002	2001
	(In thousands)	
Cash Payments -		
Interest payments	$2,367	$1,373
Income tax payments	--	243
Noncash Investing and Financing Activities -		
Value of warrants issued under exploration agreement	$ 327	$ 997

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 -

Basic earnings per share is determined without the effect of any outstanding potentially dilutive stock options or other convertible securities and diluted earnings per share is determined with the effect of outstanding stock options and other convertible securities that are potentially dilutive. Due to the net loss for the three months ended March 31, 2002, common stock equivalents and convertible securities are anti- dilutive. Therefore basic and diluted loss per share for the three months ended March 31, 2002 are the same. Basic and diluted earnings per share for the three months ended March 31, 2002 and 2001 were determined as follows:

	For the Three Months Ended March 31,					
	2002			2001		
	Income (Loss)	Shares	Per Share	Income (Loss)	Shares	Per Share
	(Amounts in thousands except per share data)					
Basic Earnings Per Share:						
Income (Loss) from Continuing Operations....	$ (4,261)	28,560		$ 23,932	29,001	
Less Preferred Stock Dividends.............................	(395)	--		(395)	--	
Net Income (Loss) from Continuing Operations Available to Common Stockholders........	(4,656)	28,560	$ (0.16)	23,537	29,001	$ 0.81
Income (Loss) from Discontinued Operations	(769)	28,560	(0.03)	41	29,001	--
Net Income (loss) Available to Common Stockholders...........................	$ (5,425)	28,560	$ (0.19)	$ 23,578	29,001	$ 0.81
Diluted Earnings Per Share:						
Effect of Dilutive Securities:						
Stock Options...........................		721			1,679	
Convertible Preferred Stock............		4,393		395	4,393	
Net Income (Loss) from Continuing Operations Available to Common Stockholders and Assumed Conversions.............		33,674		47,551	35,073	$ 0.68
Income (Loss) from Discontinued Operations		33,674		41	35,073	--
Net Income (loss) Available to Common Stockholders...........................		33,674		$ 47,592	35,073	$ 0.68

Derivative Instruments and Hedging Activities

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

In March 2002, Comstock entered into natural gas price swaps covering 10,640,000 MMbtus of its natural gas production at an average price of $3.46. Comstock has designated these positions as cash flow hedges.

The following table sets out the derivative financial instruments outstanding at March 31, 2002, which are held for natural gas price risk management:

Period Beginning	Period Ending	Volume (MMBtu)	Type of Instrument	Floor Price	Ceiling Price	Swap Price
April 1, 2002	October 31, 2002	5,320,000	Swap	--	--	$3.44
April 1, 2002	October 31, 2002	2,800,000	Swap	--	--	$3.50
April 1, 2002	October 31, 2002	2,520,000	Swap	--	--	$3.48

April 1, 2002	December 31, 2002	480,000	Floor	$1.90	--	--
April 1, 2002	December 31, 2002	1,912,500	Floor	$2.00	--	--
April 1, 2002	December 31, 2002	1,200,000	Swap	--	--	$2.40
April 1, 2002	December 31, 2002	675,000	Collar	$4.00	$6.75	--
		14,907,500				
January 1, 2003	December 31, 2003	560,000	Floor	$1.90	--	--
January 1, 2003	December 31, 2003	2,250,000	Floor	$2.00	--	--
January 1, 2003	December 31, 2003	1,400,000	Swap	--	--	$2.40
		4,210,000				
		19,117,500				

The counterparty for the $1.90 floor position and $2.40 swap price position is a subsidiary of Enron Corporation which has filed for bankruptcy protection. The net liability owed to Enron as of March 31, 2002 was $3.0 million. Comstock intends to monitor this position and will assess the credit exposure to the extent this position becomes a net asset. These positions together with the other floor and collar postions have not been designated as cash flow hedges.

Comstock periodically enters into interest rate swap agreements to hedge the impact of interest rate changes on its floating rate long-term debt. As of March 31, 2002, Comstock had an interest rate swap agreement covering $25.0 million of its floating rate debt, which fixed the LIBOR rate at 4.5% for the period through April 2002. Comstock has designated this position as a hedge. As a result of certain hedging transactions for interest rates, Comstock has realized losses of $159,000 for the three months ended March 31, 2002 which were included in interest expense.

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

The change in fair value of the derivative contracts not accounted for hedges resulted in a loss of $2.0 million for the three months ended March 31, 2002. The loss on derivatives was comprised of a $2.4 million unrealized loss and a $392,000 realized gain. For the derivative contracts designated as cash flow hedges, the change in fair value of these instruments resulted in an unrealized after tax gain of $654,000 which was recognized in other comprehensive income.

(2) LONG-TERM DEBT -

As of March 31, 2002, Comstock's long-term debt was comprised of the following:

	(In thousands)
Revolving Bank Credit Facility..........	$ 158,000
11 1/4% Senior Notes due 2007...........	220,000
Other...................................	44
	378,044
Less current portion....................	(42)
	$ 378,002

Comstock's bank credit facility consists of a $350.0 million three-year revolving credit commitment provided by a syndicate of banks for which Toronto Dominion (Texas), Inc. serves as administrative agent. The credit facility is subject to borrowing base availability, which is redetermined semiannually based on the banks' estimates of the future net cash flows of Comstock's oil and natural gas properties. The borrowing base at March 31, 2002 was $240.0 million. The revolving credit line bears interest, based on the utilization of the borrowing base, at the option of Comstock at either (i) LIBOR plus 1.5% to 2.375% or (ii) the base rate plus 0.5% to 1.375%. The facility matures on January 2, 2005. Indebtedness under the bank credit facility is secured by substantially all of Comstock's assets. The bank credit facility contains covenants that, among other things, restrict the payment of cash dividends, limit the amount of consolidated debt and limit Comstock's ability to make certain loans and investments. Financial covenants include the maintenance of a current ratio, maintenance of tangible net worth and maintenance of an interest coverage ratio. Comstock was in compliance with all the covenants during the three months ended March 31, 2002.

Comstock issued $150.0 million in aggregate principal amount of 11 1/4% Senior Notes due in 2007 (the "Notes") on April 29, 1999. Interest on the Notes is payable semiannually on May 1 and November 1, commencing on November 1, 1999. The Notes are unsecured obligations of Comstock. Comstock repurchased $5.0 million of the Notes in July 2001. The Notes can be redeemed beginning on May 1, 2004.

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

(3) DISCONTINUED OPERATIONS -

In April 2002, Comstock sold certain marginal oil and gas properties for cash proceeds of $300,000 plus forgiveness of certain accounts payable related to the properties. The properties sold include various interests in nonoperated properties in Nueces, Hardeman and Montague counties in Texas. These properties had become unprofitable for Comstock. The properties sold were written down to the net realizable value in March 2002 resulting in a loss of $769,000, net of income taxes and have been presented as discontinued operations in the accompanying consolidated statements of operations.

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors and Shareholders
of Comstock Resources, Inc.:

We have reviewed the accompanying consolidated balance sheet of Comstock Resources, Inc. and subsidiaries (a Nevada corporation) as of March 31, 2002, and the related consolidated statements of operations, stockholders' equity and cash flows for the three-month period then ended. These consolidated financial statements are the responsibility of the Company's management.

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

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

(signed) KPMG LLP

Dallas, Texas
May 7, 2002

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

Results of Operations

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

	Three Months Ended March 31, 2002	2001
Net Production Data:		
Oil (Mbbls)	344	415
Natural gas (MMcf)	8,269	7,436
Natural gas equivalent (Mmcfe)	10,335	9,923
Average Sales Price:		
Oil (per Bbl)	$ 20.67	$ 28.19
Natural gas (per Mcf)	2.37	7.47
Average equivalent price (per Mcfe)	2.58	6.78
Expenses ($ per Mcfe):		
Oil and gas operating(1)	$ 0.79	$ 0.95
General and administrative	0.09	0.08
Depreciation, depletion and amortization(2)	1.28	1.17
Cash Margin ($ per Mcfe)(3)	$ 1.70	$ 5.74

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(1) Includes lease operating costs and production and ad valorem taxes.
(2) Represents depreciation, depletion and amortization of oil and gas properties only.
(3) Represents average equivalent price per Mcfe less oil an gas operating expenses per Mcfe and general and administrative expenses per Mcfe.

Revenues -

Our oil and gas sales decreased $40.6 million (60%) in the first quarter of 2002, to $26.7 million from $67.3 million in 2001's first quarter due to a significant drop in our realized crude oil and natural gas prices. Our average crude oil price fell by 27% and our average natural gas price decreased by 68% in the first quarter of 2002 as compared to 2001. Production in the first quarter of 2002 increased 14% over production in the fourth quarter of 2001 and 4% over production in the first quarter of 2001.

Other income decreased to $120,000 in the first quarter of 2002 as compared to $147,000 in 2001's first quarter, primarily due to a decrease in interest earned on short-term cash deposits.

Costs and Expenses -

Oil and gas operating expenses, including production taxes, decreased $1.3 million (14%) to $8.1 million in the first quarter of 2002 from $9.4 million in the first quarter of 2001. Oil and gas operating expenses per equivalent Mcf produced decreased $0.16 to $0.79 in the first quarter of 2002 from $0.95 in the first quarter of 2001. The decrease in operating expenses is due to lower production taxes as a result of the significantly lower crude oil and natural gas prices.

In the first quarter of 2002, we had a $2.0 million provision for exploration expense as compared to a $2.8 million provision for exploration in 2001's first quarter. The provision in the first quarter of 2002 primarily relates to an exploratory well drilled at South Timbalier Block 30, which was abandoned after numerous drilling problems were encountered culminating with the drill pipe being stuck. Approximately 43 net feet of productive pay had been discovered prior to the well being lost. We plan to redrill this prospect pending the results from other exploration activity in this block.

Depreciation, depletion and amortization ("DD&A") increased $1.6 million (13%) to $13.6 million in the first quarter of 2002 from $12.0 million in the first quarter of 2001 due to the 4% increase in oil and natural gas production and an increase in our DD&A rate. DD&A per equivalent Mcf produced increased by $0.11 to $1.28 for the three months ended March 31, 2002 from $1.17 for the three months ended March 31, 2001.

General and administrative expenses, which are reported net of overhead reimbursements, of $930,000 for the first quarter of 2002 were 12% higher than general and administrative expenses of $829,000 for the first quarter of 2001 due primarily to an increase in personnel costs in 2002.

Interest expense increased $1.3 million (24%) to $6.8 million for the first quarter of 2002 from $5.5 million for the first quarter of 2001. The increase is attributable to higher borrowings outstanding under our bank credit facility and the issuance of an additional $75.0 million of our 11 1/4% Senior Notes on March 7, 2002. The average outstanding balance under our bank credit facility increased to $200.1 million in the first quarter of 2002 as compared to $70.5 million in the first quarter of 2001. The higher debt was offset partially by a lower interest rate on our bank credit facility. The weighted average annual interest rate for borrowings under our bank credit facility decreased to 4.1% for the first quarter of 2002 as compared to 7.2% for the same period in 2001.

Comstock reported a net loss from continuing operations of $4.7 million for the three months ended March 31, 2002, as compared to net income from continuing operations of $23.5 million for the three months ended March 31, 2001. Net loss per share from continuing operations for the first quarter was $0.16 on weighted average shares outstanding of 28.6 million as compared to net income per share from continuing operations of $0.68 for the first quarter of 2001 on weighted average diluted shares outstanding of 35.1 million.

In April 2002, we sold certain marginal oil and gas properties, which resulted in a loss of $1.2 million. The operating results of these properties have been reflected as discontinued operations in the consolidated financial statements including the expected loss on disposal.

Liquidity and Capital Resources

Funding for our activities has historically been provided by our operating cash flow, debt or equity financings or asset dispositions. For the three months ended March 31, 2002, our net cash flow provided by operating activities before changes to other working capital accounts totaled $11.3 million. Our other primary funding sources in the first quarter of 2002 were borrowings of $6.0 million under our bank credit facility and proceeds of $72.8 million received from the issuance of our 11 1/4% Senior Notes.

Our primary needs for capital, in addition to funding our ongoing operations, relate to the acquisition, development and exploration of our oil and gas properties and the repayment of our debt. In the first quarter of 2002, we incurred capital expenditures of $15.7 million for development and exploration activities. We also repaid $75.0 million of borrowings under our bank credit facility.

The following table summarizes our capital expenditure activity for the three months ended March 31, 2002 and 2001:

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001
	(In thousands)	
Leasehold costs	$ 2,034	$ 1,139
Development drilling	5,649	11,878
Exploratory drilling	6,634	13,173
Offshore production facilities	620	107
Workovers and recompletions	777	1,634
Other	7	42
	$15,721	$27,973

The timing of most of our capital expenditures is discretionary because we have no material long-term capital expenditure commitments. Consequently, we have a significant degree of flexibility to adjust the level of our capital expenditures as circumstances warrant. We spent $15.7 million and $27.9 million on development and exploration activities in the three months ended March 31, 2002 and 2001, respectively. We have budgeted approximately $75.0 million for development and exploration projects in 2002. We expect to use internally generated cash flow to fund development and exploration activity.

We do not have a specific acquisition budget for 2002 since the timing and size of acquisitions are not predictable. We intend to use borrowings under our bank credit facility, or other debt or equity financings to the extent available, to finance significant acquisitions. The availability and attractiveness of these sources of financing will depend upon a number of factors, some of which will relate to our financial condition and performance and some of which will be beyond our control, such as prevailing interest rates, oil and natural gas prices and other market conditions.

On December 17, 2001, we entered into a new three year $350.0 million revolving credit facility with Toronto Dominion (Texas), Inc. as administrative agent. Indebtedness under the new bank credit facility is secured by substantially all of our assets. The revolving credit line is subject to borrowing base availability, which will be redetermined semiannually based on the banks' estimates of the future net cash flows of our oil and gas properties. The current borrowing base is $240.0 million. The borrowing base may be affected by the performance of our properties and changes in oil and gas prices. The determination of the borrowing base is at the sole discretion of the administrative agent and the bank group. The revolving credit line bears interest, based on the utilization of the borrowing base, at our option at either (i) LIBOR plus 1.5% to 2.375% or (ii) the base rate plus 0.5% to 1.375%. The bank credit facility matures on January 2, 2005 and contains covenants that, among other things, restrict our ability to pay cash dividends, limit the amount of our consolidated debt and limit our ability to make certain loans and investments. Financial covenants include the maintenance of a current ratio, maintenance of tangible net worth and maintenance of an interest coverage ratio.

On March 7, 2002, we closed the sale in a private placement of $75.0

million of our 11 1/4% Senior Notes due 2007 (the "Notes") at a net price of 97.25% after the placements agents' discount. As a result of this transaction, $220.0 million of aggregate principal amount of the Notes were outstanding. The net proceeds were used to reduce amounts outstanding under our bank credit facility.

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISKS

Oil and Natural Gas Prices

Our financial condition, results of operations and capital resources are highly dependent upon the prevailing market prices of oil and natural gas. These commodity prices are subject to wide fluctuations and market uncertainties due to a variety of factors that are beyond our control. Factors influencing oil and natural gas prices include the level of global demand for crude oil, the foreign supply of oil and natural gas, the establishment of and compliance with production quotas by oil exporting countries, weather conditions that determine the demand for natural gas, the price and availability of alternative fuels and overall economic conditions. It is impossible to predict future oil and natural gas prices with any degree of certainty. Sustained weakness in oil and natural gas prices may adversely affect our financial condition and results of operations, and may also reduce the amount of oil and natural gas reserves that we can produce economically. Any reduction in our oil and natural gas reserves, including reductions due to price fluctuations, can have an adverse effect on our ability to obtain capital for our exploration and development activities. Similarly, any improvements in oil and natural gas prices can have a favorable impact on our financial condition, results of operations and capital resources. Based on our oil and natural gas production in the three months ended March 31, 2002, a $1.00 change in the price per barrel of oil would have resulted in a change in our cash flow for such period by approximately $0.3 million and a $1.00 change in the price per Mcf of natural gas would have changed our cash flow by approximately $7.4 million.

We periodically use hedging transactions with respect to a portion of our oil and natural gas production to mitigate our exposure to price changes. While the use of these hedging arrangements limits the downside risk of price declines, such use may also limit any benefits that may be derived from price increases. We use swaps, floors and collars to hedge oil and natural gas prices. Swaps are settled monthly based on differences between the prices specified in the instruments and the settlement prices of futures contracts quoted on the New York Mercantile Exchange. Generally, when the applicable settlement price is less than the price specified in the contract, we receive a settlement from the counterparty based on the difference multiplied by the volume hedge. Similarly, when the applicable settlement price exceeds the price specified in the contract, we pay the counterparty based on the difference. We generally receive a settlement from the counterparty for floors when the applicable settlement price is less than the price specified in the contract, which is based on the difference multiplied by the volumes hedged. For collars, we generally receive a settlement from the counterparty when the settlement price is below the floor and pay a settlement to the counterparty when the settlement price exceeds the cap. No settlement occurs when the settlement price falls between the floor and cap.

In March 2002, we hedged a portion of our natural gas production for the period April 2002 through October 2002 in order to increase the predictability of our cash flow from operations in order to support our planned 2002 drilling program. The hedges cover approximately 45% to 50% of our expected 2002 natural gas production from April 2002 to October 2002. We entered into price swaps covering 50 MMBtus per day of our natural gas production at an average price of $3.46. The price swaps will be settled using the closing index price for natural gas delivered to the Houston Ship Channel for 38.2 MMBtus per day and the closing contract price for natural gas delivered to the Henry Hub on the New York Mercantile Exchange for 11.8 MMBtus per day.

The following table sets out the derivative financial instruments outstanding at March 31, 2002, which are held for natural gas price risk management:

Period Beginning	Period Ending	Volume (MMBtu)	Type of Instrument	Floor Price	Ceiling Price	Swap Price

April 1, 2002	October 31, 2002	5,320,000	Swap	--	--	$3.44
April 1, 2002	October 31, 2002	2,800,000	Swap	--	--	$3.50
April 1, 2002	October 31, 2002	2,520,000	Swap	--	--	$3.48
April 1, 2002	December 31, 2002	480,000	Floor	$1.90	--	--
April 1, 2002	December 31, 2002	1,912,500	Floor	$2.00	--	--
April 1, 2002	December 31, 2002	1,200,000	Swap	--	--	$2.40
April 1, 2002	December 31, 2002	675,000	Collar	$4.00	$6.75	--
		14,907,500				
January 1, 2003	December 31, 2003	560,000	Floor	$1.90	--	--
January 1, 2003	December 31, 2003	2,250,000	Floor	$2.00	--	--
January 1, 2003	December 31, 2003	1,400,000	Swap	--	--	$2.40
		4,210,000				
		19,117,500				

The counterparty for the $1.90 floor position and $2.40 swap price position is a subsidiary of Enron Corporation, which has filed for bankruptcy protection. The net liability owed to Enron as of March 31, 2002 was $3.0 million. We intend to monitor this position and will assess the credit exposure to the extent this position becomes a net asset.

The fair value of the commodity price derivative financial instruments at March 31, 2002 was a net liability of $1.5 million. Certain of the positions have not designated as cash flow hedges. Changes in fair value of the derivative financial instruments not designated as cash flow hedges are recorded in earnings.

Interest Rates

At March 31, 2002, we had long-term debt of $378.0 million. Of this amount, $220.0 million bears interest at a fixed rate of 11 1/4%. We had $158.0 million outstanding under our revolving bank credit facility, which is subject to floating market rates of interest. Borrowings under the bank credit facility bear interest at a fluctuating rate that is linked to LIBOR or the corporate base rate, at our option. Any increases in these interest rates can have an adverse impact on our results of operations and cash flow. In March 2001, we entered into an interest rate swap agreement to hedge the impact of interest rate changes on $25.0 million of our floating rate debt beginning on April 30, 2001 and expiring on April 30, 2002. As a result of this interest rate swap, we realized a loss of $159,000 in the first quarter of 2002. The fair value of this interest rate derivative financial instrument was a net liability of $59,000 at March 31, 2002.

PART II - OTHER INFORMATION

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

(a) The Company's annual meeting of stockholders was held in Frisco, Texas at 4:00 p.m., local time, on May 13, 2002.

(b) Proxies for the meeting were solicited pursuant to Regulation 14 under the Securities Exchange Act of 1934, as amended. There was no solicitation in opposition to the nominees listed in the proxy statement for election as Class B directors and such nominees were elected.

(c) Out of a total 33,139,128 shares of the Company's common stock and preferred stock outstanding and entitled to vote, 30,730,254 shares were present at the meeting in person or by proxy, representing approximately 93%. Matters voted upon at the meeting were as follows:

(i) Two Class B Director was reelected to Company's board of directors. The vote tabulation was as follows:

Nominee	For	Withheld
M. Jay Alllison	27,733,439	2,996,815
David W. Sledge	30,359,854	370,400

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

Class A Director	Class C Directors
Cecil E. Martin	Roland O. Burns
	David K. Lockett

(ii) The appointment of KPMG LLP as the Company's certified public accountants for 2002 was ratified by a vote of 33,129,128 shares for, no shares against and no shares abstaining. This ratification was not listed in the proxy statement but was voted on by the named proxies.

ITEM 6: EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibits

10.1 Amendment No. 3 dated April 15, 2002 to the Credit Agreement, dated as of December 17, 2001, by and among Comstock, as borrower, each lender from time to time party thereto, Toronto Dominion (Texas), Inc., as administrative agent, and Toronto-Dominion Bank, as Issuing Bank.

b. Reports on Form 8-K

Form 8-K Reports filed subsequent to December 31, 2001 are as follows:

Date	Item	Description
February 6, 2002	2	Historical and Proforma Financial Information of DevX Energy, Inc.
March 12, 2002	5	Issued $75 million of 11 1/4% Senior Notes due 2007
April 26, 2002	4	Changes in registrant's certifying accountant

SIGNATURES

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

COMSTOCK RESOURCES, INC.

/s/M. JAY ALLISON

Date May 14, 2002 M. Jay Allison, Chairman, President and Chief Executive Officer (Principal Executive Officer)

/s/ROLAND O. BURNS

Date May 14, 2002 Roland O. Burns, Senior Vice President, Chief Financial Officer, Secretary, and Treasurer (Principal Financial and Accounting Officer)

THIRD AMENDMENT TO CREDIT AGREEMENT

This Third Amendment to Credit Agreement (this "Third Amendment") dated as of April 15, 2002, to be effective as set forth in Section 5 hereof, is among Comstock Resources, Inc., a Nevada corporation ("Borrower"), the Lenders from time to time party to the Credit Agreement (as defined below), Toronto Dominion (Texas), Inc., ("Administrative Agent"), and The Toronto-Dominion Bank ("Issuing Bank").

PRELIMINARY STATEMENT

A. The Borrower, the Lenders, the Administrative Agent and the Issuing Bank have entered into that certain Credit Agreement dated as of December 17, 2001, as amended by the First Amendment to Credit Agreement dated as of December 26, 2001, and as further amended by the Second Amendment to Credit Agreement dated as of February 4, 2002 (such Credit Agreement, as amended by such First Amendment to Credit Agreement and by such Second Amendment to Credit Agreement, and as otherwise amended, restated or supplemented from time to time until the date hereof, the "Credit Agreement").

B. The Borrower intends to sell certain Oil and Gas Properties located in Nueces County, Texas having a fair market value of less than $1,000,000 in the aggregate.

C. The Borrower, the Administrative Agent, the Issuing Bank and the Lenders intend to amend Section 10.1 of the Credit Agreement to permit the Administrative Agent to release from the lien of the Security Documents without the consent of the Lenders any assets of the Borrower or any Guarantor sold, assigned, transferred or conveyed by Borrower or such Guarantor pursuant to a Disposition permitted by Section 7.5 of the Credit Agreement.

D. The Borrower, the Lenders, the Administrative Agent and the Issuing Bank intend to amend certain provisions of the Credit Agreement as set forth herein.

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

Section 5. Definitions. Unless otherwise defined in this Third Amendment, each capitalized term used in this Third Amendment has the meaning assigned to such term in the Credit Agreement.

Section 6. Amendment of Credit Agreement. Section 10.1(h) of the Credit Agreement is hereby amended and restated in its entirety to provide as follows:

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

Section 7. Consent to Release of Liens. The Lenders hereby consent to the release by the Administrative Agent of any and all liens created by any of the Security Documents on the assets of Comstock Oil & Gas, Inc. set forth on Exhibit A hereto.

Section 8. Ratification. The Borrower hereby ratifies and confirms all of the Obligations under the Credit Agreement and the other Loan Documents.

Section 9. Effectiveness. This Third Amendment shall become effective as of the date first written above upon satisfaction of each of the conditions set forth in this Section 5:

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

Section 10. Governing Law. This Third Amendment shall be governed by, and construed in accordance with, the laws of the State of New York (without giving effect to the principles thereof relating to conflicts of law except section 5-1401 of the New York General Obligations Law).

Section 11. Miscellaneous. (a) On and after the effectiveness of this Third Amendment, each reference in each Loan Document to "this Agreement", "this Note", "this Mortgage", "hereunder", "hereof" or words of like import, referring to such Loan Document, and each reference in each other Loan Document to "the Credit Agreement", "the Notes", "the Mortgages", "thereunder", "thereof" or words of like import referring to the Credit Agreement, the Notes, or the Mortgage or any of them, shall mean and be a reference to such Loan Document, the Credit Agreement, the Notes, the Mortgage or any of them, as amended or otherwise modified by this Third Amendment; (b) the execution, delivery and effectiveness of this Third Amendment shall not, except as expressly provided

herein, operate as a waiver of any default of the Borrower or any other Loan Party or any right, power or remedy of the Administrative Agent, the Issuing Bank and the Lenders under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents; (c) this Third Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement; and (d) delivery of an executed counterpart of a signature page to this Third Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Third Amendment.

Section 12. Final Agreement. THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES.

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

BORROWER:

COMSTOCK RESOURCES, INC.,
a Nevada corporation

By:/s/ROLAND O. BURNS

Name: Roland O. Burns
Title: Senior Vice President

ADMINISTRATIVE AGENT, ISSUING BANK
AND LENDERS:

TORONTO DOMINION (TEXAS), INC.
as Administrative Agent and Lender

By:/s/NEVA NESBITT

Name: Neva Nesbitt
Title: Vice President

THE TORONTO-DOMINION BANK,
as Issuing Bank

By:/s/NEVA NESBITT

Name: Neva Nesbitt
Title: Manager, Syndication and Credit
Administration

BANK OF MONTREAL,
as Syndication Agent and Lender

By:/s/ JAMES V. DUCOTE

Name: James V. Ducote
Title: Director

FORTIS CAPITAL CORP.

By:/s/DARRELL W. HOLLEY

Name: Darrell W. Holley
Title: Managing Direct

By:/s/DAVID MONTGOMERY

Name: David Montgomery
Title: Vice President

BANK OF SCOTLAND

By:/s/JOSEPH FRATUS

Name: Joseph Fratus
Title: Vice President

WASHINGTON MUTUAL BANK, FA

By:/s/MARK M. ISENEE

Name: Mark M. Isensee
Title: Vice President

CIBC INC.

By:/s/NIRA Q. CATIKIS

Name: Nura Q. Catikis
Title:Authorized Signatory

COMERICA BANK-TEXAS

By:/s/PETER L. SEFZIK

Name: Peter L. Sefzik
Title: Assistant Vice President

COMPASS BANK

By: /s/DOROTHY MARCHAND

Name: Dorothy Marchand
Title: Senior Vice President

PNC BANK, NATIONAL ASSOCIATION

By:/s/DOUG CLARK

Name: Doug Clark
Title: Vice President

UNION BANK OF CALIFORNIA, N.A.

By:/s/SEAN MURPHY

Name: Sean Murphy
Title: Assistant Vice President

HIBERNIA NATIONAL BANK

By:/s/DARIA MAHONEY

Name: Daria Mahoney
Title: Vice President

NATEXIS BANQUES POPULAIRES

By:/s/DONOVAN C. BROUSSARD

Name: Donovan C. Broussard
Title: Vice President

By:/s/DANIEL PAYER

Name Daniel Payer
Title: Vice President

ACKNOWLEDGMENT BY GUARANTORS

Each of the undersigned Guarantors hereby (i) consents to the terms and conditions of that certain Third Amendment to Credit Agreement dated as of April 15, 2002 (the Third Amendment), (ii) acknowledges and agrees that its consent is not required for the effectiveness of the Third Amendment, (iii) ratifies and acknowledges its respective Obligations under each Loan Document to which it is a party, and (iv) represents and warrants that (a) no Default or Event of Default has occurred and is continuing, (b) it is in full compliance with all covenants and agreements pertaining to it in the Loan Documents, and (c) it has reviewed a copy of the Third Amendment.

COMSTOCK OIL & GAS, INC.
COMSTOCK OIL & GAS HOLDINGS, INC.
COMSTOCK OIL & GAS - LOUISIANA, LLC
COMSTOCK OFFSHORE, LLC
DEVX ENERGY, INC., a Delaware corporation
DEVX ENERGY, INC., a Nevada corporation
DEVX OPERATING COMPANY

By: /s/ROLAND O. BURNS

Name: Roland O. Burns
Title: Senior Vice President