

COMSTOCK RESOURCES INC
Form 10-Q
August 04, 2009

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

FORM 10-Q

(Mark One)

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

For the Quarter Ended June 30, 2009

OR

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

Commission File No. 001-03262

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

NEVADA
(State or other jurisdiction of
incorporation or organization)

94-1667468
(I.R.S. Employer
Identification Number)

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

Telephone No.: (972) 668-8800

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The number of shares outstanding of the registrant's common stock, par value \$.50, as of August 4, 2009 was 46,620,445.

COMSTOCK RESOURCES, INC.

QUARTERLY REPORT

For the Quarter Ended June 30, 2009

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Fourth Amendment to the Lease Agreement dated May 8, 2009 between the Company and

Stonebriar I Office Partners, Ltd.

Awareness Letter of Ernst & Young LLP

Section 302 Certification of the Chief Executive Officer

Section 302 Certification of the Chief Financial Officer

Certification for the Chief Executive Officer as required by Section 906

Certification for the Chief Financial Officer as required by Section 906

PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(Unaudited)June 30,
2009December 31,
2008

ASSETS

(In thousands)

Cash and Cash Equivalents	\$	3,970	\$	6,281
Accounts Receivable:				
Oil and gas sales		23,615		34,401
Joint interest operations		4,852		7,876
Marketable Securities		36,099		48,868
Derivative Financial Instruments		11,922		13,974
Deferred Income Tax Asset		10,196		4,995
Other Current Assets		14,287		13,633
Total current assets		104,941		130,028
Property and Equipment:				
Unevaluated oil and gas properties		117,719		116,489
Oil and gas properties, successful efforts method		2,134,042		1,960,544
Other property and equipment		6,153		6,162
Accumulated depreciation, depletion and amortization		(736,336)		(638,480)
Net property and equipment		1,521,578		1,444,715
Other Assets		2,748		3,147
	\$	1,629,267	\$	1,577,890

LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts Payable	\$	65,479	\$	99,460
Accrued Expenses		14,801		14,995
Total current liabilities		80,280		114,455
Long-term Debt		315,000		210,000
Deferred Income Taxes Payable		182,975		185,870
Reserve for Future Abandonment Costs		5,830		5,480
Total liabilities		584,085		515,805
Commitments and Contingencies				
Stockholders' Equity:				
Common stock – \$0.50 par, 75,000,000 shares authorized, 46,620,445 and 46,442,595 shares outstanding at June 30, 2009 and December 31, 2008, respectively		23,310		23,221
Additional paid-in capital		425,648		415,875
Retained earnings		596,774		613,906

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Accumulated other comprehensive income (loss)	(550)	9,083
Total stockholders' equity	1,045,182	1,062,085
	\$ 1,629,267	\$ 1,577,890

The accompanying notes are an integral part of these statements.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008

(In thousands, except per share amounts)

Revenues:				
Oil and gas sales	\$ 64,875	\$ 172,022	\$ 133,226	\$ 299,743
Gain on sale of assets	—	21,444	—	21,204
Operating expenses:				
Oil and gas operating	17,485	23,362		