

COMSTOCK RESOURCES INC
Form 10-Q
August 09, 2007

**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 Quarterly Period Ended June 30, 2007

OR

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

Commission File No. 0-16741

COMSTOCK RESOURCES, INC.

(Exact name of registrant as specified in its charter)

NEVADA
(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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

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 9, 2007 was 44,406,995.

COMSTOCK RESOURCES, INC.

QUARTERLY REPORT

For The Quarter Ended June 30, 2007

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

INTRODUCTORY NOTE

In the third quarter of 2006, Comstock Resources, Inc. ("Comstock" or the "Company") acquired additional interests in Bois d'Arc Energy, Inc. ("Bois d'Arc Energy") and, as a result, began including Bois d'Arc Energy in its financial statements as a consolidated subsidiary. In accordance with generally accepted accounting principles, Comstock has applied consolidation accounting for its ownership in Bois d'Arc Energy retroactively as of January 1, 2006. Revenues and expenses have been adjusted beginning January 1, 2006 to include Bois d'Arc Energy as a consolidated subsidiary. There was no effect on net income as a result of using the consolidation method. A summary of the impact of consolidating Bois d'Arc Energy on the previously reported financial results for the three and six months ended June 30, 2006 is included in Note 1 to the consolidated financial statements.

COMSTOCK RESOURCES, INC. AND SUBSIDIARIES**CONSOLIDATED BALANCE SHEETS**
(Unaudited)

	June 30,	December
	2007	31,
		2006
	<i>(In thousands)</i>	
ASSETS		
Cash and Cash		
Equivalents	\$ 48,882	\$ 10,715
Accounts Receivable:		
Oil and gas sales	68,011	56,328
Joint interest operations	22,963	19,233
Other Current Assets	19,630	12,552
Total current assets	159,486	98,828
Property and Equipment:		
Unevaluated oil and gas properties	13,009	13,645
Oil and gas properties, successful efforts method	2,809,677	2,511,782
Other property and equipment	9,423	8,483
Accumulated depreciation, depletion and amortization	(874,933)	(760,284)
Net property and equipment	1,957,176	1,773,626
Other Assets	4,979	5,671
	\$ 2,121,641	\$ 1,878,125
LIABILITIES AND STOCKHOLDERS' EQUITY		
Short-term		
Debt	\$ 7,764	\$ 3,250
Accounts Payable	151,812	132,504
Accrued Expenses	10,714	16,107
Total current liabilities	170,290	151,861
Long-term		
Debt	594,000	455,000
Deferred Income Taxes Payable	339,554	311,236
Reserve for Future Abandonment Costs	59,605	57,116
Minority Interest in Bois d'Arc Energy	238,855	220,349
Total liabilities	1,402,304	1,195,562
Commitments and Contingencies		
Stockholders' Equity:		
Common stock – \$0.50 par, 50,000,000 shares authorized, 44,406,995 and 44,395,495		
shares outstanding at June 30, 2007 and December 31, 2006, respectively	22,203	22,197
Additional paid-in capital	373,316	367,323
	323,818	293,043

Retained earnings		
Total stockholders' equity	719,337	682,563
	\$ 2,121,641	\$ 1,878,125

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,	
	2007	2006	2007	2006

(In thousands, except per share amounts)

Oil and gas sales	\$ 174,206	\$ 124,178	\$ 320,235	\$ 255,902
Operating expenses:				