

COMSTOCK RESOURCES INC  
Form DEF 14A  
April 03, 2012

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

SCHEDULE 14A  
(Rule 14a - 101)  
INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. \_\_\_)

Filed by the registrant [X]  
Filed by a party other than the registrant [ ]

Check the appropriate box:

- Preliminary proxy statement.
- Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2)).
- Definitive proxy statement.
- Definitive additional materials.
- Soliciting material pursuant to Rule 14a-11(c) or Rule 14a-12.

COMSTOCK RESOURCES, INC.  
(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- 1) Title of each class of securities to which transaction applies:
- 2) Aggregate number of securities to which transaction applies:
- 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth amount on which filing fee is calculated and state how it was determined):
- 4) Proposed maximum aggregate value of transaction:
- 5) Total fee paid:

- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offering fee was paid

previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of the filing.

- 1) Amount previously paid:
  - 2) Form, Schedule or Registration Statement No.:
  - 3) Filing party:
  - 4) Date filed:
-

COMSTOCK RESOURCES, INC.  
Notice of 2012 Annual Meeting of Stockholders  
and Proxy Statement

Please Complete, Sign, Date  
And Return Your Proxy  
Promptly

Tuesday, May 8, 2012  
10:00 A.M.  
Comstock Resources, Inc.  
Corporate Headquarters  
5300 Town and Country Blvd.  
3rd Floor  
Frisco, Texas 75034

April 3, 2012

Dear Comstock Stockholder:

We are pleased to invite you to attend the Annual Meeting of Stockholders of Comstock Resources, Inc. The meeting will be held at 10:00 a.m., local time, on Tuesday, May 8, 2012, at the company's headquarters at 5300 Town and Country Blvd., 3rd Floor, in Frisco, Texas. Your Board of Directors and management look forward to greeting those of you who are able to attend in person. We have included a map and directions to the meeting site on the back page of this proxy statement.

You will find enclosed the Notice of Annual Meeting of Stockholders on the following page that identifies four proposals for your action.

- At the meeting we will present a report on our 2011 operating results and on other matters of interest to you.
  - You will find enclosed our 2011 Annual Report, which includes our financial statements.

Your vote is important. The Board of Directors appreciates and encourages stockholder participation in our affairs. Whether or not you can attend the meeting, please read the Proxy Statement carefully, then vote through the internet, by telephone or sign, date and return the enclosed proxy promptly in the envelope provided, so that your shares will be represented at the meeting.

On behalf of the Board of Directors, thank you for your cooperation and continued support.

Sincerely,

M. Jay Allison  
Chairman of the Board and Chief Executive Officer



COMSTOCK RESOURCES, INC.

5300 Town and Country Blvd.  
Suite 500  
Frisco, Texas 75034

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held May 8, 2012

The 2012 Annual Meeting of Stockholders of Comstock Resources, Inc. will be held at the company's headquarters at 5300 Town and Country Blvd, 3rd Floor, in Frisco, Texas, on Tuesday, May 8, 2012, at 10:00 a.m., local time, for the following purposes:

1. To elect three Class C directors named in the proxy statement to serve a term of three years until their successors are duly elected and qualified;
2. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2012;
3. To hold an advisory vote on executive compensation; and
4. To approve the material terms of the performance goals under the 2012 Incentive Compensation Plan.

You must be a stockholder of record at the close of business on March 23, 2012 to be entitled to vote at the annual meeting.

Your participation in the company's affairs is important. Our officers will be present to respond to questions from stockholders. To ensure your representation, if you do not expect to be present at the meeting, please vote through the internet, by telephone or sign and date the enclosed proxy card and return it to us promptly. A stamped envelope has been provided for your convenience. The prompt return of proxies will ensure a quorum and save us the expense of future solicitation.

By Order of the Board of Directors,

Roland O. Burns  
Secretary  
April 3, 2012

IMPORTANT

TO ENSURE YOUR REPRESENTATION AT THE MEETING, PLEASE MARK, SIGN AND DATE THE ENCLOSED PROXY CARD AND RETURN IT AS PROMPTLY AS POSSIBLE IN THE ENCLOSED

ENVELOPE. NO POSTAGE NEED BE AFFIXED IF MAILED IN THE UNITED STATES. IF YOU ATTEND THE MEETING AND WISH TO VOTE IN PERSON, YOU MAY WITHDRAW YOUR PROXY.

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COMSTOCK RESOURCES, INC.

PROXY STATEMENT FOR  
ANNUAL MEETING OF STOCKHOLDERS

To Be Held May 8, 2012

INTRODUCTION

Our board of directors is soliciting your proxy to encourage your participation in the voting at the annual meeting and to obtain your support on the proposals being voted on. You are invited to attend the annual meeting and vote your shares directly. However, even if you do not attend, you may vote by proxy, which allows you to direct another person to vote your shares at the meeting on your behalf. Our executive offices are located at 5300 Town and Country Blvd., Suite 500, Frisco, Texas 75034.

This Proxy Solicitation

There are two parts to this solicitation: the proxy card and this proxy statement. The proxy card is the means by which you actually authorize another person to vote your shares in accordance with your instructions. We are first sending the notice, this proxy statement, and the proxy card on or about April 3, 2012 to all stockholders entitled to vote. This proxy statement provides you with a variety of information on the proposals and other matters that you may find useful in determining how to vote. It is divided into six sections following this Introduction:

- "Voting"
- "Security Ownership of Certain Beneficial Owners and Management"
- "Proposals to be Voted Upon"
- "Corporate Governance Matters"
- "Executive Compensation"
- "Other Matters"

We are soliciting your proxy for the 2012 annual meeting and will pay for soliciting these proxies. Our directors, officers and employees may solicit proxies in person, by telephone or by other electronic means of communication. We have retained Broadridge Financial Solutions, Inc. to assist in distributing proxy solicitation materials and to independently tabulate votes. We have also retained Innisfree M&A Incorporated ("Innisfree") to solicit proxies for this meeting. We will pay Innisfree approximately \$20,000 plus out-of-pocket expenses for their services. We will reimburse brokers and other nominees for reasonable out-of-pocket expenses they incur in forwarding these proxy materials to you if you are a beneficial owner.

Householding Information

Unless we have received contrary instructions, we may send a single copy of this proxy statement and notice of annual meeting to any household at which two or more stockholders reside if we believe the stockholders are members of the same family. Each stockholder in the household will continue to receive a separate proxy card. This process, known as "householding," reduces the volume of duplicate information received at any one household and helps to reduce our expenses. However, if stockholders prefer to receive multiple sets of our disclosure documents at the same address this year or in future years, the stockholders should follow the instructions described below, and we will send a separate copy to each stockholder.

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If the shares are registered in the name of the stockholder, the stockholder should contact us at 5300 Town and Country Blvd., Suite 500, Frisco, Texas 75034, Attn: Investor Relations, telephone number (800) 877-1322 to inform us of their request. If a bank, broker or other nominee holds the shares, the stockholder should contact the bank, broker or other nominee directly.

#### Electronic Availability of Proxy Materials for 2012 Annual Meeting

The Proxy Statement and our Annual Report to Stockholders for the year ended December 31, 2011 are available electronically on our website at [www.comstockresources.com](http://www.comstockresources.com).

#### The Annual Meeting

The annual meeting will be held on Tuesday, May 8, 2012 at our headquarters in Frisco, Texas, beginning at 10:00 a.m. local time. A quorum of stockholders is necessary to hold a valid meeting. A majority of our common stock must be represented at the annual meeting, whether in person or by proxy, for a quorum to exist. Abstentions will be counted in determining whether or not there is a quorum at the annual meeting.

#### Stockholders

On March 23, 2012, we had 48,121,346 issued and outstanding shares of common stock which are eligible to vote at the annual meeting. You are entitled to one vote at the annual meeting for each share of our common stock that you owned of record at the close of business on March 23, 2012. The number of shares you own (and may vote) is listed on the enclosed proxy card.

### VOTING

#### How to Vote Your Shares

You may vote your shares in person at the annual meeting, by internet, by telephone or by mail.

**Voting in Person.** Shares held in your name as the stockholder of record may be voted in person at the annual meeting. To vote in person, you must attend the annual meeting, and obtain and submit a ballot, which will be provided at the meeting. If your shares are held in the name of a broker, trustee or another nominee ("street name"), you may vote the shares in person at the annual meeting only if you obtain a legal proxy from the broker, trustee or nominee that holds your shares giving you the right to vote the shares. Even if you plan to attend the annual meeting, we recommend that you also submit your proxy or voting instructions as described below so that your vote will be counted if you later decide not to attend the meeting.

If you elect to vote your shares other than in person at the annual meeting, you will direct the designated persons (known as "proxies") to vote your shares at the annual meeting in accordance with your instructions. The board of directors has appointed M. Jay Allison and Roland O. Burns to serve as the proxies for the annual meeting.

**Voting by Internet.** Stockholders of record with internet access may submit proxies by following the "Vote by Internet" instructions on their proxy cards. Most stockholders who hold shares beneficially in street name may vote by accessing the website specified on the voting instruction cards provided by their brokers, trustee or nominees. Please check the voting instruction card for internet voting availability.



**Voting by Telephone.** Stockholders of record may submit proxies by following the "Vote by Phone" instructions on their proxy cards. Most stockholders who hold shares beneficially in street name may vote by phone by calling the number specified on the voting instruction card provided by their brokers, trustee or nominees. Please check the voting instruction card for telephone voting availability.

**Voting by Mail.** Stockholders of record may submit proxies by completing, signing and dating their proxy cards and mailing them in the accompanying pre-addressed envelopes. Stockholders who hold shares beneficially in street name may vote by mail by completing, signing and dating the voting instruction card provided and mailing them in the accompanying pre-addressed envelopes. Your proxy will be valid only if you sign, date and return it so that it is received before the annual meeting.

If you complete the entire proxy card, except the voting instructions, then the designated proxies will vote your shares "for" the election of the nominated directors, "for" the ratification of Ernst & Young LLP as our independent registered public accounting firm, "for" the advisory vote on executive compensation and "for" approval of the material terms of the performance goals under the 2012 Incentive Compensation Plan.

If any nominee for election to the board of directors is unable to serve, which is not anticipated, or if any other matters properly come before the meeting, then the designated proxies will vote your shares in accordance with their best judgment. The board of directors knows of no matters, other than those described above, to be presented for consideration at the annual meeting.

#### Changing Your Vote

You may change your vote at any time prior to the vote at the annual meeting, except that votes submitted through the internet or telephone must be received by 11:59 p.m., Eastern Time, on May 7, 2012. If you are the stockholder of record, you may change your vote by granting a new proxy bearing a later date (which automatically revokes the earlier proxy), by providing a written notice of revocation to our corporate secretary prior to your shares being voted, or by attending the annual meeting and voting in person. Attendance at the meeting will not cause your previously granted proxy to be revoked unless you specifically so request. For shares you hold beneficially in street name, you may change your vote by submitting new voting instructions to your broker, trustee or nominee, or, if you have obtained a legal proxy from your broker or nominee giving you the right to vote your shares, by attending the meeting and voting in person.

#### Where to Find Voting Results

We will publish the voting results in a current report to be filed on Form 8-K promptly following the adjournment of the meeting.



## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth stockholder information as of March 23, 2012 for persons known to us to be large stockholders (5% or more), directors or executive officers. Ownership of our common stock is shown in terms of "beneficial ownership." A person generally "beneficially owns" shares if he or she has either the right to vote those shares or dispose of them. More than one person may be considered to beneficially own the same shares. In this proxy statement, unless otherwise noted, a person has sole voting and dispositive power for those shares shown as beneficially owned by him or her. Shares shown as beneficially owned by our directors or executive officers include shares that they have the right to acquire by exercising options on or before May 31, 2012. The percentages shown in this proxy statement compare the person's beneficially owned shares with the total number of shares of our common stock outstanding on March 23, 2012 (48,121,346 shares) plus the number of unissued shares as to which such person has the right to acquire voting or dispositive power on or before May 31, 2012.

| Name of Beneficial Owner(1)   | Shares Beneficially Owned<br>Number(2) | Percent |
|---|--|---------|
| M. Jay Allison<br>President, Chief Executive Officer and<br>Chairman of the Board of Directors          | 1,891,204                              | 3.9%    |
| Roland O. Burns<br>Director, Senior Vice President, Chief<br>Financial Officer, Secretary and Treasurer | 774,112                                | 1.6%    |
| D. Dale Gillette<br>Vice President of Land and General Counsel  | 91,300                                 | *       |
| David K. Lockett<br>Director  | 63,036                                 | *       |
| Cecil E. Martin<br>Director   | 68,899                                 | *       |
| Stephen E. Neukom<br>Vice President of Marketing  | 71,000                                 | *       |
| Daniel K. Presley<br>Vice President of Accounting and Controller  | 65,000                                 | *       |
| Richard D. Singer<br>Vice President of Financial Reporting  | 47,400                                 | *       |
| David W. Sledge<br>Director   | 126,164(3)                             | *       |
| Nancy E. Underwood<br>Director  | 83,700                                 | *       |
| Mark A. Williams<br>Vice President of Operations  | 99,000                                 | *       |
| All Executive Officers and Directors as a Group (11<br>Persons)   | 3,380,815                              | 7.0%    |
| Artisan Partners Holdings LP<br>875 East Wisconsin Avenue, Suite 800, Milwaukee,<br>WI 53202            | 2,732,990(4)                           | 5.7%    |
| Blackrock, Inc.<br>40 East 52nd Street, New York, NY 10022  | 3,757,021(5)                           | 7.8%    |
| Capital Research Global Investors<br>333 South Hope Street, Los Angeles, CA 90071                       | 4,405,111(6)                           | 9.2%    |



|  |              |      |
|--|--------------|------|
| Dimensional Fund Advisors  | 2,388,081(7) | 5.0% |
| Palisades West, Building One, Bee Cave Road,<br>Austin, TX 78746 |              |      |

\* Indicates less than one percent.

- (1) Unless otherwise noted, the address of each beneficial owner is c/o Comstock Resources, Inc., 5300 Town and Country Blvd., Suite 500, Frisco, Texas 75034.
- (2) Includes shares issuable pursuant to stock options which are presently exercisable or exercisable on or before May 31, 2012 in the following amounts: Mr. Lockett—20,000 shares; Mr. Martin—20,000 shares; Mr. Sledge—10,000 shares; Ms. Underwood—20,000 shares; Mr. Williams—11,000 shares; and all executive officers and directors—81,000 shares.
- (3) Includes 41,800 shares held by Mr. Sledge as Trustee for the Allison Children Trusts.
- (4) Represents shares held on December 31, 2011, based on filing on Schedule 13G/A dated February 7, 2012.
- (5) Represents shares held on December 31, 2011, based on filing on Schedule 13G/A dated February 13, 2012.
- (6) Represents shares held on December 31, 2011, based on filing on Schedule 13G/A dated February 14, 2012.
- (7) Represents shares held on December 31, 2011, based on filing on Schedule 13G dated February 14, 2012.

PROPOSALS TO BE VOTED UPON

(1) Election of Directors

On the agenda for the annual meeting will be the election of three Class C directors each to serve a term of three years beginning at the annual meeting. If you do not vote for a particular nominee on your proxy card, your vote will not count either "for" or "against" the nominee. The election of the three nominees for director named below are all uncontested.

On November 8, 2011, our board of directors amended our bylaws to change the vote standard for the election of directors from a plurality to a majority of the votes cast in uncontested elections. In contested elections where the number of nominees exceeds the number of directors to be elected, the vote standard shall remain a plurality vote.

In an uncontested election, any nominee for director who has a majority of votes cast "withheld" from his or her election will be required to promptly tender his or her resignation to the board. The corporate governance/nominating committee will consider the tendered resignation and recommend to the board whether to accept or reject the resignation. The board will act on the committee's recommendation and publicly disclose its decision. Any director who tenders his or her resignation will not participate in the committee's recommendation or the board action regarding whether to accept or reject the tendered resignation.

Any vacancies in the board may be filled by a majority of the directors then in office. Each director elected in this manner will hold office until his or her successor is elected and duly qualified.

Our board of directors presently consists of six members comprised of three classes (Class A, B and C). Directors are elected in classes to serve terms of three years. The Class A directors, whose terms will expire in 2013, are Cecil E. Martin and Nancy E. Underwood. The Class B directors, whose terms will expire in 2014, are M. Jay Allison and David W. Sledge. The current Class C directors, whose terms expire at the annual meeting, are Roland O. Burns and David K. Lockett.

The board of directors has nominated Roland O. Burns and David K. Lockett for re-election to the board of directors. The board has also nominated Frederic D. Sewell as an additional Class C member of the board of directors.

Biographies for each of our nominees and directors who are continuing in office are provided below. We are also providing additional information, in a separate paragraph immediately below the biographical information, that briefly discusses the specific experience, qualifications and attributes which led to our conclusion that each nominee or director should serve on our board of directors.

Nominees for Three-Year Term

ROLAND O. BURNS, (52) Director, Senior Vice President, Chief Financial Officer, Secretary and Treasurer

Mr. Burns has been our senior vice president since 1994, chief financial officer and treasurer since 1990, our secretary since 1991 and a director since 1999. From 1982 to 1990, Mr. Burns was employed by the public accounting firm, Arthur Andersen. During his tenure with Arthur Andersen, Mr. Burns worked primarily in the firm's oil and gas audit practice. Mr. Burns was also a director, senior vice president and the chief financial officer of Bois d'Arc Energy, Inc. from the time of its formation in 2004 until its merger with Stone Energy Corporation in 2008. Mr. Burns received B.A. and M.A. degrees from the University of Mississippi in 1982 and is a Certified Public Accountant. Mr. Burns also serves on the board of directors of the University of Mississippi Foundation.



Mr. Burns is an experienced financial executive with extensive knowledge and experience in financial reporting, internal controls in the oil and gas industry, treasury and risk management, mergers and acquisitions, and regulatory compliance. Mr. Burns works with Mr. Allison to evaluate and consider business development opportunities and financing proposals. Mr. Burns, who is our principal contact with financial analysts, investors and investment bankers, updates the board on trends in the capital markets, including the availability of debt and equity financing and transactional activity in the oil and gas industry.

DAVID K. LOCKETT, (57) Director

Mr. Lockett has served as a director since 2001. Mr. Lockett is a vice president with Dell Inc. and has held executive management positions in several divisions within Dell since 1991. Mr. Lockett has been employed by Dell Inc. for the past 20 years and has been in the technology industry for the past 35 years. Mr. Lockett was a director of Bois d'Arc Energy, Inc. from 2005 until its merger with Stone Energy Corporation in 2008. Mr. Lockett received a B.B.A. degree from Texas A&M University in 1976.

Mr. Lockett joined Dell Inc. during its start-up years and has worked in executive level positions at Dell throughout his career. He is an experienced manager, having supervised large organizations through a series of business cycles in the highly competitive personal computer/peripheral business. Mr. Lockett shares the good business judgment and insight gained from these experiences with our board and also provides guidance from the perspective gained from a long career in a global market-focused company.

FREDERIC D. SEWELL, (77) Nominee for Director

Mr. Sewell has extensive experience in the oil and gas industry, where he has had a distinguished career as an executive leader and a petroleum engineer. Mr. Sewell was the co-founder of Netherland, Sewell and Associates, Inc. ("NSAI"), a worldwide oil and gas consulting firm, where he served as the chairman and chief executive officer until his retirement in 2008. Mr. Sewell is presently the president and chief executive officer of Sovereign Resources, LLC, an exploration and production company that he founded.

Mr. Sewell has over 50 years of experience as a petroleum engineer. During his career with NSAI, Mr. Sewell established relationships with many of the leading energy firms in the United States and gained extensive knowledge of domestic and international oil and gas operations. Mr. Sewell managed the growth of NSAI, which he co-founded in 1969, into one of the most respected worldwide upstream petroleum consulting organizations in the world.

#### Directors Continuing in Office

M. JAY ALLISON, (56) President, Chief Executive Officer and Chairman of the Board of Directors

Mr. Allison has been a director since 1987, and our president and chief executive officer since 1988. Mr. Allison was elected chairman of the board of directors in 1997. From 1987 to 1988, Mr. Allison served as our vice president and secretary. From 1981 to 1987, he was a practicing oil and gas attorney with the firm of Lynch, Chappell & Alsup in Midland, Texas. Mr. Allison was chairman of the board of directors of Bois d'Arc Energy, Inc. from the time of its formation in 2004 until its merger with Stone Energy Corporation in 2008. He received B.B.A., M.S. and J.D. degrees from Baylor University in 1978, 1980 and 1981, respectively. Mr. Allison also currently serves as a director of Tidewater Inc. and is on the board of regents for Baylor University.

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Mr. Allison has over 25 years of executive leadership experience in the oil and gas industry. Mr. Allison combines his educational background in business and in commercial law, along with his entrepreneurial spirit, his driven work ethic and extensive knowledge of the oil and gas industry, to pursue disciplined investments intended to enhance stockholder value. Mr. Allison's service on the board of directors and audit committee of Tidewater, Inc. also provides him with knowledge, experience and insight from a global perspective.

CECIL E. MARTIN, (70) Director

Mr. Martin has served as a director since 1989 and is currently the chairman of our audit committee and our Lead Director. Mr. Martin is an independent commercial real estate investor who has primarily been managing his personal real estate investments since 1991. From 1973 to 1991, he also served as chairman of a public accounting firm in Richmond, Virginia. Mr. Martin was a director and chairman of the audit committee of Bois d'Arc Energy, Inc. from May 2005 until its merger with Stone Energy Corporation in August 2008. Mr. Martin also serves on the board of directors of Crosstex Energy, Inc. and Crosstex Energy, L.P. and on the board of directors and audit committee of Garrison Capital, a privately held business development company. Mr. Martin holds a B.B.A. degree from Old Dominion University and is a Certified Public Accountant.

Mr. Martin brings to our board a combination of financial literacy and business management experience as well as an excellent understanding of the capital markets. Mr. Martin has a strong background in internal controls, financial reporting and financial analysis. He works closely with our chief financial officer, independent public accountants and internal auditors on a wide range of issues. His service on the compensation and audit committees of two other publicly traded companies allows him to bring a wide range of experience and insights as part of his service on our board.

DAVID W. SLEDGE, (55) Director

Mr. Sledge has served as a director since 1996. Mr. Sledge is a vice president of ProPetro Services, Inc., a Midland, Texas based oil field services company. Mr. Sledge was president and chief operating officer of Sledge Drilling Company until it was acquired by Basic Energy Services, Inc. in April 2007 and served as a vice president of Basic Energy Services, Inc. from April 2007 to February 2009. He served as an area operations manager for Patterson-UTI Energy, Inc. from May 2004 until January 2006. From March 2009 through October 2011, and from October 1996 until May 2004, Mr. Sledge managed his personal investments in oil and gas exploration activities. Mr. Sledge was a director of Bois d'Arc Energy, Inc. from May 2005 until its merger with Stone Energy Corporation in August 2008. Mr. Sledge is a past director of the International Association of Drilling Contractors and is a past chairman of the Permian Basin chapter of this association. He received a B.B.A. degree from Baylor University in 1979.

Mr. Sledge is an experienced oil field executive who has managed and started drilling and oil field service companies during a career that spans more than 30 years. Mr. Sledge's experience ranges from founding and directing the operations of a drilling rig business to serving as an executive manager for one of the largest drilling companies in the United States. Mr. Sledge has extensive contacts in the oil and gas industry, which, coupled with his oil field experience, makes him a valuable resource in understanding industry trends, operating practices and business prospects.



NANCY E. UNDERWOOD, (60) Director

Ms. Underwood has served as a director since 2004. Ms. Underwood is owner and president of Underwood Financial Ltd., a position she has held since 1986. Ms. Underwood holds B.S. and J.D. degrees from Emory University and practiced law at an Atlanta, Georgia based law firm before joining River Hill Development Corporation in 1981. Ms. Underwood currently serves on the executive board and campaign steering committee of the Southern Methodist University Dedman School of Law and on the board of trustees of the Presbyterian Hospital of Dallas Foundation.

Ms. Underwood has over fifteen years of experience managing a commercial real estate investment company. Along with the legal experience gained from ten years as a practicing attorney, she brings to our board the business acumen gained from managing a business and knowledge and experience gained from evaluating and closing real estate transactions.

There are no family relationships among any of our officers or directors.

The board of directors recommends that stockholders vote FOR the election of Messrs. Burns, Lockett and Sewell. Proxies solicited by the board of directors will be so voted unless stockholders specify otherwise in their proxies.

(2) Ratification of Appointment of Independent Registered Public Accounting Firm

The board of directors, upon the recommendation of the audit committee, has appointed Ernst & Young LLP as our independent registered public accounting firm to audit our consolidated financial statements for 2012. Stockholders are being asked to ratify this appointment. Ernst & Young LLP has served in this capacity since 2003. Representatives of Ernst & Young LLP are expected to be present at the annual meeting and will have the opportunity to make a statement if they desire to do so, and will be available to answer your questions.

The board of directors recommends that stockholders vote FOR such ratification. Proxies solicited by the board of directors will be so voted unless stockholders specify otherwise in their proxies.

The affirmative vote of the holders of a majority of the shares of common stock present or represented and entitled to vote at the annual meeting is necessary for ratification of the appointment of the independent registered public accounting firm.

(3) Advisory Vote on Executive Compensation

We are seeking your advisory vote on the compensation for our named executive officers. We ask that you support the compensation of our named executive officers. As described in detail in the Executive Compensation section of this proxy statement, our executive officer compensation programs are intended to attract, motivate and retain the key executives who drive our success and industry leadership. Please read the Compensation Discussion and Analysis, as well as the disclosures of the key components of compensation for our named executive officers, for additional details about our executive compensation programs. Pay that reflects performance and alignment of that pay with the long-term interests of our stockholders are key principles that underlie our compensation program.





We are asking our stockholders to indicate their support for our named executive officer compensation as described in this proxy statement. This proposal, commonly known as a "say-on-pay" proposal, gives our stockholders the opportunity to express their views on our named executive officers' compensation. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this proxy statement. Accordingly, we will ask our stockholders to vote "FOR" the following resolution at the Annual Meeting:

"RESOLVED, that the compensation of the named executive officers, as disclosed in the Company's Proxy Statement for the 2012 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the 2011 Summary Compensation Table and the other related tables and disclosure is hereby approved."

At our last annual meeting of stockholders on May 17, 2011, our stockholders voted to vote on the say-on-pay proposal every year at our annual meeting. As a result, we will continue to submit our say-on-pay proposal to our stockholders at each annual meeting. We expect to ask our stockholders in 2017 to vote on a proposal regarding the frequency of the vote on the say-on-pay proposal, as required by the Securities and Exchange Commission rules.

Although the vote is advisory, and does not bind the compensation committee or our board of directors to any particular acts, our board and our compensation committee value the opinions of our stockholders. To the extent there is any significant vote against the named executive officer compensation as disclosed in this proxy statement, we will consider our stockholders' concerns and the compensation committee will evaluate whether any actions are necessary to address those concerns.

The board of directors unanimously recommends a vote "FOR" approval of the resolution regarding the compensation of our named executive officers, as disclosed in this proxy statement pursuant to the compensation disclosure rules of the Securities and Exchange Commission.

The affirmative vote of the holders of a majority of the shares of common stock present or represented and entitled to vote at the annual meeting is necessary for the approval of the resolution regarding the compensation of our named executive officers.

(4) Approval of the Material Terms of Performance Goals Under the 2012 Incentive Compensation Plan

On March 12, 2012, upon recommendation by the compensation committee, the board of directors adopted the Comstock Resources, Inc. 2012 Incentive Compensation Plan (the "Bonus Plan"). The Bonus Plan provides for annual bonuses that are intended in part to qualify as "performance-based compensation" under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"). Section 162(m) limits our ability to deduct for federal income tax purposes any compensation in excess of \$1 million paid to our chief executive officer and certain other highly compensated officers, unless the compensation qualifies as performance-based compensation. We have made awards to officers and employees that qualify as performance-based compensation deductible under Section 162(m) of the Code. As required under Section 162(m) and related regulations, our stockholders are being asked to approve the material terms of the performance goals (including the business criteria on which any qualified performance goals are based) under the Bonus Plan so that awards made by our compensation committee to our employees and officers can qualify as performance-based compensation deductible under Section 162(m).



For purposes of Section 162(m), the material terms of the performance goals include (i) the employees eligible to receive compensation under the Bonus Plan; (ii) a description of the business criteria on which the performance goal is based; and (iii) the maximum amount of compensation that can be paid to a participant if the performance goal is achieved. These aspects of the Bonus Plan are included in the following summary of the Bonus Plan. This summary is qualified in its entirety by reference to the complete text of the Bonus Plan, which is attached to this Proxy Statement as Appendix A. A copy of the Bonus Plan will be provided, at no charge, to any stockholder upon request.

#### Awards under the Bonus Plan

The Bonus Plan provides for incentive cash bonuses. The terms, conditions and limitations applicable to any cash awards under the Bonus Plan will be determined by the compensation committee.

#### Eligibility

All of our employees are eligible to receive awards under the Bonus Plan. We currently have 134 employees, all of which have been awarded incentive cash bonuses.

#### Administration

The compensation committee has discretion to determine the employees who will be granted awards, the sizes of awards, and the terms and conditions of awards, subject to the limitations in the Bonus Plan. In addition, the compensation committee has full and final authority to interpret the Bonus Plan and may adopt rules and regulations in order to carry out the Bonus Plan.

#### Performance Awards

At the discretion of the compensation committee, any of the employee awards may be made in the form of a performance award. A performance award is any award that is subject to the attainment of one or more future performance goals. The terms, conditions and limitations applicable to any performance award are decided by the compensation committee.

In making awards intended to meet the standards of Section 162(m) of the Code, the compensation committee may base a performance goal on one or more of the following business criteria:

- revenue
- net income
- stock price
- earnings per share
- operating income
- after-tax operating income
- oil and natural gas reserve growth
- proceeds from dispositions
- earnings before interest and taxes
- earnings before interest, taxes, depreciation, amortization
- net cash flow
- other cash flow measures
- total stockholder return
- return on capital
- return on invested capital
- return on equity
- return on assets
- costs per unit of production
- production volumes
- reserve replacement measures
- finding and development costs

- and exploration expense ("EBITDAX")
- leverage ratios
- safety and environmental performance

Performance goals need not be based upon an increase or positive result under a particular business criterion and could include, for example, maintaining the status quo or limiting economic losses. Performance goals may also be based on performance relative to a peer group of companies.

The compensation committee will establish performance goals for each year from the list of business criteria listed above. As described below in our Compensation Discussion and Analysis, the compensation committee has established targeted performance goals for 2012 which measure our growth in earnings before interest, taxes, depreciation, amortization and exploration costs (“EBITDAX”), total stockholder return as compared to our peer group, improvement in our leverage ratio (total debt to EBITDAX), and our growth in oil production.

#### Employee Award Limitations

Under the Bonus Plan, no employee may be granted during any calendar year cash awards (including performance awards) having an aggregate value determined on the grant date in excess of \$5,000,000.

#### Amendment, Modification, and Termination

Our board of directors may amend, modify, suspend, or terminate the Bonus Plan at any time for the purpose of addressing changes in legal requirements or for other purposes permitted by law. However, no amendment shall be effective prior to approval by our stockholders if such approval is required by law or the requirements of the exchange on which our common stock is listed.

#### Term

No awards may be made under the Bonus Plan after December 31, 2022.

#### Federal Income Tax Consequences

The following is a brief summary of the federal income tax aspects of awards that may be made under the Bonus Plan based on existing U.S. federal income tax laws. This summary is general in nature and does not address issues related to the tax circumstances of any particular participant. This summary does not attempt to describe any state, local or non-U.S. tax consequences.

An employee will recognize ordinary income upon receipt of payments pursuant to a cash performance award. An employee will be subject to withholding for federal, and generally for state and local, income taxes at the time the employee recognizes income with respect to cash received pursuant to a cash performance award.

Subject to the limitations of Section 162(m) of the Code, we will be entitled to a deduction for U.S. federal income tax purposes that corresponds as to timing and amount with the compensation income recognized by the employee.

#### Plan Benefits

Because awards under the Bonus Plan are granted at the discretion of the compensation committee, it is not possible for us to state the amount of awards that may be granted to the named executive officers or to any other employees if the performance goals are approved by our stockholders. No awards have been made under the Bonus Plan that are contingent on stockholder approval of the material terms of the performance goals.



#### Required Vote and Recommendation of the Board of Directors

A majority of the shares present in person or by proxy at the meeting and entitled to vote on the proposal is required for approval of the material terms of performance goals under the Bonus Plan. Brokers do not have discretion to vote on this proposal without instruction. If you do not instruct your broker how to vote on this proposal, your broker will deliver a non-vote on this proposal. Abstentions will have the same effect as votes against the proposal, but broker non-votes will not affect the outcome of the voting on the proposal.

The board of directors recommends that stockholders vote FOR the approval of the material terms of performance goals under the Bonus Plan.

### CORPORATE GOVERNANCE MATTERS

#### Corporate Governance Principles and Code of Business Conduct and Ethics

The board of directors has adopted a set of corporate governance guidelines, a code of business conduct and ethics and a policy regarding the approval of related party transactions. These materials are available on our website at [www.comstockresources.com](http://www.comstockresources.com), and are available upon written request to our corporate secretary.

#### Determinations of Director Independence

Under rules adopted by the New York Stock Exchange ("NYSE"), we must have a majority of independent directors. No board member qualifies as independent unless the board of directors affirmatively determines that the director has no material relationship with us (either directly, or as a partner, shareholder or officer of an organization that has a relationship with us). In evaluating each director's independence, the board of directors considers all relevant facts and circumstances and relationships and transactions between each director, his or her family members or any business, charity or other entity in which the director has an interest in us, our affiliates, or our executives. As a result of this review, the board of directors affirmatively determined that Messrs. Lockett and Sewell are independent from us and our management. Of the directors continuing in office, the board has determined that Messrs. Sledge and Martin and Ms. Underwood are independent according to the NYSE's rules.

#### Board of Director Meetings and Committees

Our board of directors held seven meetings during 2011. We have four standing committees: the audit committee, the compensation committee, the corporate governance / nominating committee and the executive committee. During 2011, the audit committee held six meetings, the compensation committee held one meeting and the executive committee and the corporate governance / nominating committee each held one meeting. All of our directors attended all of the board and their respective committee meetings during 2011. All of our directors are strongly encouraged to attend the Annual Meeting and they all attended the 2011 Annual Meeting.

#### Board Leadership Structure

The position of board chairman is filled by our chief executive officer. We believe this combined leadership structure is appropriate for us because our chairman and chief executive officer (i) conveys a singular, cohesive message to our stockholders, employees, industry partners and the investment community and (ii) eliminates any ambiguity as to who is accountable for our performance. Our directors and management team engage frequently and directly in the flow of information and ideas and we believe our combined leadership structure facilitates the quality, quantity and timeliness of the information flow and communication.





Since our board chairman is also a member of management, our board of directors has designated Mr. Cecil Martin, a non-management director, as "Lead Director." The Lead Director serves a three-year term which expires in May 2013. The responsibilities of the Lead Director include:

- Coordinating the scheduling of board meetings and preparation of agenda material for board meetings and executive sessions;
- Defining the scope, quality, quantity and timeliness of the flow of information between management and the board of directors;
  - Chairing all meetings of non-management directors;
  - Overseeing the process of hiring, firing, evaluating and compensating the chief executive officer;
    - Approving the retention of consultants who report directly to the board of directors;
- Facilitating communication between the directors and the chief executive officer, communicate the directors' perspectives and consensus view to the chief executive officer;
- Assisting the board of directors and officers in assuring compliance with and implementation of our governance principles;
- Serving as an independent point of contact for stockholders wishing to communicate with the board of directors;
- Acting as principal liaison between the independent directors and the chief executive officer on sensitive issues; and
  - Leading the board of directors in anticipating and responding to crises.

#### Risk Oversight

One of the responsibilities of our board is to review and evaluate the process in place to assess the major risks facing our company and periodically review management's assessment of the major risks as well as options for their mitigation. Our board leadership structure and our practice of a high degree of interaction between our directors and members of senior management facilitates this oversight function. The information flow and communication between our board and senior management regarding long-term strategic planning and short-term operational reporting includes matters of material risk inherent in our business of exploring for and producing oil and natural gas. Also, our audit committee, among other duties, is charged with overseeing significant financial risk exposures and the steps management has taken to monitor, control and report such exposures and has compliance oversight responsibilities.

#### Adoption of Written Charters

The board of directors has in place charters for each of the audit committee, the compensation committee and the corporate governance / nominating committee. A copy of the charter for each committee is available on our website at [www.comstockresources.com](http://www.comstockresources.com). The charters of these committees are also available upon written request to our corporate secretary.



## Related Party Transactions

The board of directors has in place a written policy regarding the approval of related party transactions. At any regularly scheduled audit committee meeting, management will recommend any related party transactions that are contemplated, and such transactions will require the audit committee's approval. Generally, a "related party" is each of our executive officers, directors, nominees for director, any immediate family member of each of the foregoing, any stockholder owning greater than five percent of our outstanding shares, and any entity owned or controlled by any of the foregoing. Transactions that are available to all of our employees generally or totaling less than \$5,000 when aggregated with all similar transactions are excluded from the policy.

With respect to the standards applied by the audit committee when deciding whether to approve a related party transaction, the audit committee generally focuses upon three broad concepts, as follows:

- Ensuring that the transaction will not interfere with the objectivity and independence of any related party's judgment or conduct in carrying out his or her duties and responsibilities to the company,
- Determining whether the transaction is fair to the company, and
- Assessing whether the transaction otherwise would be against the best interests of the company and our stockholders.

We along with M. Jay Allison, our chairman of the board and chief executive officer, and Roland O. Burns, our senior vice president and a director, formed an entity in which we jointly own and operate a private airplane. The entity is owned 80% by us and 10% by each of Messrs. Allison and Burns. Each party funded their respective share of the acquisition costs of the airplane in exchange for their ownership interest. The airplane is leased to and managed by a third party operator. The airplane, which is intended to be used primarily for company business, also provides charter services to third parties and is available for personal use by Messrs. Allison and Burns. Direct costs associated with the operation of the airplane are paid by the party using the airplane while fixed costs, to the extent not offset by third party charter revenue, are paid by the parties based on their relative ownership interest. This relationship was approved by the audit committee in accordance with our policy on related-party transactions.

## Corporate Governance / Nominating Committee

The primary duties of the corporate governance / nominating committee are to assist the board of directors in identifying and evaluating candidates for members on our board of directors and to nominate candidates for election to the board. The members of the corporate governance / nominating committee are Messrs. Lockett (Chairman) and Sledge and Ms. Underwood.

The board of directors, in its reasonable business judgment, has determined that all three members of the corporate governance / nominating committee are independent under the listing standards of the NYSE and the rules of the SEC.

## Director Nominations Process

As indicated above, the nominating functions of the board of directors are handled by the corporate governance / nominating committee pursuant to its charter. In evaluating nominees for membership on the board, the corporate governance / nominating committee applies the board qualification standards set forth in our corporate governance guidelines. Under these qualification standards, the corporate governance / nominating committee will take into account many factors, including education, business, governmental and civic experience, broad and diverse backgrounds, communication, interpersonal and other required skills, independence, wisdom, integrity, an understanding and general acceptance of our current corporate philosophy, a valid business or professional knowledge and experience that can bear on our problems and deliberations, an inquiring mind, the willingness to speak one's mind

and ability to challenge and stimulate management, future orientation and the willingness to commit the required time and energy.

Other than the foregoing, there are no stated minimum criteria for director nominees, although the corporate governance / nominating committee may consider such other factors as it may deem are in the best interests of us and our stockholders. The corporate governance / nominating committee evaluates each individual in the context of the board of directors as a whole, with the objective of recommending nominees who can best perpetuate the success of the business, be an effective director in conjunction with the full board, and represent stockholder interests through the exercise of sound judgment using their diversity of experience in these various areas.

Our corporate governance / nominating committee regularly assesses the appropriate size of the board of directors, and whether any vacancies on the board are expected due to retirement or otherwise. In the event that vacancies are anticipated, or otherwise arise, the corporate governance / nominating committee will consider various potential candidates who may come to the attention of the committee through current board members, professional search firms, stockholders or other persons. Each candidate brought to the attention of the corporate governance / nominating committee, regardless of who recommended such candidate, is considered on the basis of the criteria set forth in our corporate governance guidelines.

As stated above, the corporate governance / nominating committee will consider candidates proposed for nomination by our stockholders. Stockholders may propose candidates by submitting the candidate's name and qualifications for board membership to: Corporate Governance / Nominating Committee, c/o Roland O. Burns, Corporate Secretary, Comstock Resources, Inc., 5300 Town and Country Boulevard, Suite 500, Frisco, Texas 75034. Although the corporate governance / nominating committee does not require the stockholder to submit any particular information regarding the qualifications of the stockholder's candidate, the level of consideration that the corporate governance / nominating committee will give to the stockholder's candidate will be commensurate with the quality and quantity of information about the candidate that the nominating stockholder makes available to the committee.

#### Director Compensation

In 2011, our non-employee directors each received directors' fees of \$78,000. In addition, the chairman of each committee received an additional retainer as follows: audit - \$28,000, compensation - \$19,000 and corporate governance / nominating - \$11,000. The Lead Director receives an additional annual retainer of \$35,000. For 2012, the directors' fees for our non-employee directors was increased to \$80,000 and the additional retainer to be paid to the chairman of each committee is as follows: audit - \$30,000, compensation \$20,000 and corporate governance/nominating \$10,000. The Lead Director will receive an additional retainer of \$36,000 in 2012. In addition, we reimburse our directors for expenses, including travel, they incur in connection with attending board or committee meetings.



During 2011 each director received grants of restricted stock which vest three years subsequent to the grant date. The following table sets forth certain information with respect to the value of the restricted stock grants made in 2011:

| Name of Director   | Grant Date   | Number of Restricted Shares (#)(1) | Grant Date Fair Value of Restricted Stock Awards |
|--------------------|--------------|------------------------------------|--|
| David K. Lockett   | May 17, 2011 | 6,500                              | \$172,380  |
| Cecil E. Martin    | May 17, 2011 | 6,500                              | \$172,380  |
| David W. Sledge    | May 17, 2011 | 6,500                              | \$172,380  |
| Nancy E. Underwood | May 17, 2011 | 6,500                              | \$172,380  |

(1) Restrictions lapse on May 17, 2014.

The following table sets forth the compensation of our non-employee directors for services during 2011. Our executive officers do not receive additional compensation for serving on the board of directors.

| Name of Director(1) | Fees Earned or Paid in Cash | Grant Date Fair Value of Stock Awards(2) | Total     |
|---------------------|-----------------------------|--|-----------|
| David K. Lockett    | \$89,000                    | \$172,380                                | \$261,380 |
| Cecil E. Martin     | \$141,000                   | \$172,380                                | \$313,380 |
| David W. Sledge     | \$97,000                    | \$172,380                                | \$269,380 |
| Nancy E. Underwood  | \$78,000                    | \$172,380                                | \$250,380 |

(1) The non-employee directors held stock options as of December 31, 2011 in the following amounts: Mr. Lockett—20,000 shares, Mr. Martin—20,000 shares, Mr. Sledge—10,000 shares, and Ms. Underwood—20,000 shares.

(2) Amounts represent restricted stock grants of 6,500 shares per director in 2011 with a grant date fair value of \$26.52 per share. Such shares vest on May 17, 2014.

The compensation committee may award stock options, restricted stock, stock appreciation rights, restricted stock units or performance units to non-employee directors in its discretion under our 2009 Long-term Incentive Plan.



Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers, directors and persons who own more than 10% of our common stock to file with the Commission and the NYSE initial reports of ownership of our common stock and other equity securities, and reports of certain transactions in our securities. Such persons are required by the Commission regulations to furnish us with copies of all Section 16(a) forms they file. The Commission regulations require us to identify anyone who filed a required report late during the most recent fiscal year. Based upon a review of these records and amendments thereto, all of these filing requirements for 2011 were timely met.

## The Audit Committee

The primary responsibility of the audit committee is to assist the board of directors in overseeing management and our independent auditors in fulfilling their responsibilities in the financial reporting process of our company. The members of the audit committee are Messrs. Martin (Chairman) and Lockett and Ms. Underwood.

The board of directors, in its reasonable business judgment, has determined that all three members of the audit committee are independent under the listing standards of the NYSE and the rules of the Commission. In addition, the board of directors has determined that Mr. Martin is an "audit committee financial expert," as such term is defined in Item 407(d)(5)(ii) of Regulation S-K promulgated by the Commission.

## Audit Committee Report

The audit committee assists the board of directors in overseeing: (1) the integrity of Comstock's financial statements, (2) Comstock's compliance with legal and regulatory requirements, (3) the independence, qualifications and performance of Comstock's independent registered public accounting firm and (4) Comstock's performance of its internal audit function. The board of directors has made a determination that the members of the audit committee satisfy the requirements of the NYSE listing standards as to independence, financial literacy and experience. The board of directors also determined that Mr. Martin is an "audit committee financial expert," as defined by the rules of the Commission. The audit committee has in place a procedure for receiving and addressing anonymous complaints regarding financial or accounting irregularities. The audit committee set up a toll free ethics and compliance hotline managed by an independent third party. This hotline is available 24 hours a day, seven days a week, to enable employees to communicate concerns to management without fear of retaliation.

Management is responsible for the preparation, presentation and integrity of Comstock's financial statements, accounting and financial reporting principles, and internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. The independent registered public accounting firm is responsible for performing an independent audit of the consolidated financial statements in accordance with generally accepted auditing standards. Consistent with its oversight role, the audit committee met with Ernst & Young LLP with and without management present to discuss the results of their examinations and evaluations of Comstock's internal controls. The audit committee also reviewed and discussed Comstock's compliance with Section 404 of the Sarbanes-Oxley Act of 2002, including the Public Company Accounting Oversight Board's Auditing Standard No. 5 regarding the audit of internal control over financial reporting.

In performing its oversight role, the audit committee has reviewed and discussed the audited financial statements with management and the independent registered public accounting firm. The committee has also discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1 AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The committee has received the written disclosures and the letter from Ernst & Young LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding Ernst & Young LLP's communications with the audit committee concerning independence, as currently in effect, and has discussed with Ernst & Young LLP the firm's independence.



Based on the review and discussions referred to in the above paragraph, the audit committee recommended to the board of directors that the audited financial statements be included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2011, for filing with the Securities and Exchange Commission.

The members of the audit committee are not professionally engaged in the practice of auditing or accounting for Comstock and are not experts in auditor independence standards. Members of the audit committee rely without independent verification on the information provided to them and on the representations made by management and Comstock's registered public accounting firm. Accordingly, the audit committee's oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or appropriate internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the audit committee's considerations and discussions referred to above do not assure that the audit of Comstock's financial statements has been carried out in accordance with generally accepted auditing standards, that the financial statements are presented in accordance with generally accepted accounting principles, or that Ernst & Young LLP is in fact independent. The independent registered public accounting firm is responsible for performing an audit of the financial statements and of management's assessment of the effectiveness of the Company's internal control over financial reporting in accordance with the standards of the Public Accounting Oversight Board.

Submitted by the audit committee of the board of directors.

Cecil E. Martin, Chairman

David K. Lockett

Nancy E. Underwood

#### Compensation Committee

The primary duties of the compensation committee are to assist the board of directors in establishing remuneration arrangements for executive officers and directors and to administer our executive compensation programs. The members of the compensation committee are Messrs. Sledge (Chairman), Lockett and Martin. The compensation committee reviews and discusses with management the Compensation Discussion and Analysis (the "CD&A") required by the Commission and recommends to the board that the CD&A be included in our proxy statement. The compensation committee also produces an annual compensation committee report for inclusion in our proxy statement.

The board of directors, in its reasonable business judgment, has determined that all three members of the compensation committee are independent under the listing standards of the NYSE and the rules of the Commission.

#### Compensation Committee Interlocks and Insider Participation

None of the members of the compensation committee are, or have been, employees of Comstock or are employees of any entity for which an executive officer serves on the board of directors.

#### Compensation Committee Report

The compensation committee determines the objectives for Comstock's executive compensation and benefit programs and discharges the responsibilities relating to the compensation of Comstock's executive officers. The specific duties of the compensation committee are set forth in its charter, which was adopted by the board of directors. The compensation committee has reviewed and discussed the CD&A contained on pages 19 through 27 of this proxy statement with management and, based upon this review and discussion, the committee recommended to the board of

directors, and the board approved, that the CD&A be included in this proxy statement and incorporated by reference into the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011.

Submitted by the compensation committee of the board of directors.

David W. Sledge, Chairman

David K. Lockett

Cecil E. Martin

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

This Compensation Discussion and Analysis ("CD&A") provides a detailed description of our executive compensation objectives, practices, and programs. In addition, this CD&A provides a detailed description of major changes in our compensation practices and programs implemented by our compensation committee.

**Overview and Objectives of Our Executive Compensation Program.** Our compensation committee has responsibility for establishing and administering the compensation objectives, policies and plans for our executive officers. All of our executive officers are compensated pursuant to the same executive compensation program. The compensation program and the executive officers' compensation are approved by the compensation committee. The committee bases its decisions concerning specific compensation elements and total compensation paid or awarded to our executive officers on several different objectives, which include:

- Providing compensation that is competitive with the compensation of companies that have operations similar to us and are in similar markets for executive talent;
- Encouraging focus on both short-term and long-term performance, promoting stockholder value through strategic business decisions and achievement of performance objectives;
- Providing performance-based incentive compensation intended to vary with company and individual performance, while appropriately moderating the impact of the cyclical nature of our business; and
- Facilitating ownership of our common stock by our executive officers through equity-based incentives so that management's interests are closely aligned with those of stockholders in terms of both risk and reward.

Our executive team, led by M. Jay Allison, our chief executive officer, and Roland O. Burns, our senior vice president and chief financial officer, is highly regarded in the industry. The long tenure of Messrs. Allison and Burns is a key factor in driving stockholder value. The committee believes it is critical to continually invest in retaining this leadership team, and continually reward them for performance. Their experience is particularly critical during 2012 as we strategically position ourselves to grow our oil production and reserves. Their compensation will reflect our performance when measured against these objectives.

Our compensation committee held one regular meeting during 2011 and it has met once during the first quarter of 2012. In December 2011, the committee approved base salaries for 2012, 2011 bonuses and restricted stock awards. The base salary, bonuses and stock-based compensation in 2011 reflect our financial and operating performance for 2011.



Key Changes to Our Compensation Practices since the 2011 Say on Pay Vote. Of the stockholders who voted on our 2011 "Say on Pay" proposal, 66% voted in favor of the proposal. In response to the lower than expected affirmative vote, our board of directors and compensation committee conducted a comprehensive analysis of our compensation practices. In addition, management was directed by the compensation committee to contact major stockholders in order to better understand the reasons behind the vote outcome. In November 2011, the compensation committee engaged Longnecker & Associates, LLC ("L&A") to serve as the committee's independent executive compensation consultant and to assist in the committee's re-evaluation of our compensation practices. L&A is one of the leading compensation consulting firms in the energy industry. Following this evaluation, and based on L&A's recommendations, our compensation committee adopted several major changes in our compensation practices with respect to establishing compensation for our executive officers. Among these are the following:

- In the past, the committee has not formally "benchmarked" the compensation of our executive officers against a peer group. The committee has utilized an industry survey and reviewed proxy statement data in an ad hoc and informal review. The committee directed L&A to identify a peer group, analyze total direct compensation for our named executive officers, and assess the market competitiveness of our compensation program. Based on their input, the committee made adjustments to the compensation program through a benchmarking process.
- In the past, annual bonuses, including the bonuses for 2011, have been determined on a fully discretionary basis, considering our performance relative to other exploration and production companies and each executive's individual contributions. Beginning in 2012, the committee has established a performance bonus plan which will directly link our executives' annual bonuses to our achievement of specific targeted performance metrics.

2011 Performance Overview. The depressed market for natural gas continues to plague natural gas focused exploration and production companies such as Comstock. As a result, management has made a strategic decision going forward to increase our oil production and reserves. This focus should allow us to increase revenues and profitability given the strong current market for oil as compared to the depressed market for natural gas. Our stock performance underperformed during 2011 as compared with our peer group, although stock prices for nearly all natural gas-focused exploration and production companies have been and continue to be negatively impacted in a substantial way by low natural gas prices. We had a strong year in oil and gas reserve growth in 2011, achieving 25% reserve growth with our successful Haynesville shale and Eagle Ford shale drilling programs and our acquisitions. Proved oil reserves increased 661% and now comprise 15% of total proved reserves as compared to 2010 when they represented only 2% of the total proved reserves. We undertook several initiatives in 2011 to accomplish our strategic shift towards oil. We leased acreage prospective for oil development in South Texas and implemented a successful Eagle Ford shale drilling program. In December 2011, through a significant acquisition, we established a new core region in West Texas targeting oil. In this current environment of low natural gas prices, our low cost structure allowed us to grow production by 31% in 2011. We also increased our revenue by 24% and our operating cash flow by 35%. We continued to improve our cost structure in 2011 and have one of the lowest cost structures in the industry. Despite meeting all our goals on operating performance, low natural gas prices and the outlook for natural gas caused our stock to underperform in 2011.





**Linking Pay to Performance.** We believe our executives' overall compensation should rise or fall based on our performance and the individual's performance. More than one-half of our executive officers' total compensation is in the form of equity so that management's interests are closely aligned with those of our stockholders in terms of both risk and reward. For our chief executive officer, annual incentives comprised 35% of his total 2011 compensation package and long term incentives comprised 55% of his total compensation, resulting in 90% of the total compensation package being at risk. This pay for performance link is demonstrated by the reduction in compensation to our executives in 2011 following similar reductions made in 2010. This is observed most significantly in the compensation paid to our chief executive officer, whose total compensation since 2009 has been reduced by 47% as our stock price has declined by 62% over the same period.

**Compensation Components.** Compensation components for our executive officers include base salary, an annual cash bonus, restricted stock awards, supplemental retirement benefits and employment agreements that provide post-termination compensation in certain circumstances for certain executives. The compensation committee has not established formal policies or guidelines with respect to the mix of base salary, annual cash bonus and stock-based awards to be paid or awarded to the executive officers. In general, the compensation committee believes that a greater percentage of the compensation for the executive officers and other senior members of management should be stock-based awards and should be based on individual and overall corporate performance to align the interests of our executive officers with our stockholders. Our compensation program is consistently applied such that all employees are focused upon achieving success within a consistent risk profile. The deferred vesting of stock-based compensation is intended to ensure that all employees remain focused upon building stockholder value through disciplined investments, and there are no compensation incentives which are reasonably likely to have a material adverse effect. Most of our stock awards vest four years from the award date.

**Role of Officers.** In 2011, the compensation committee and the board of directors made all compensation decisions for Mr. Allison and Mr. Burns. The compensation committee and the board of directors reviewed the performance of the chief executive officer and set his compensation. Mr. Allison was not present during these discussions. The chief executive officer made compensation recommendations to the compensation committee and the board of directors with respect to compensation for the other executive officers, who were not present during these discussions.

**Role of the Compensation Consultant.** In an effort to align the compensation of our officers competitively with the market, the compensation committee retained L&A to review levels and incentive components of our executives' compensation. The primary role of L&A was to provide the compensation committee with market data and information regarding compensation trends in our industry and to make recommendations regarding base salaries, the design of our incentive programs and executive compensation levels. Our management did not direct or oversee the retention or activities of L&A with respect to our executive compensation program. L&A also provided assistance in reviewing this Compensation Discussion and Analysis.

**Determining Market Compensation – Use of Benchmarking.** L&A assisted our compensation committee by making recommendations regarding an appropriate peer group against which to benchmark our executives' compensation. Selection of the companies within the peer group was based not only upon the total revenue and market capitalization of companies within the exploration and production industry, but also the core areas in which the companies compete, the complexity of their operations and the percentage of natural gas versus oil that the companies produce. The thirteen companies within the peer group approved by the compensation committee have median revenues of approximately \$1.5 billion and median market capitalization of \$6 billion, and natural gas comprises an average of 75% of their total proved reserves.



The peer group companies selected by our committee are the following:

|                        |                         |                         |
|------------------------|-------------------------|-------------------------|
| Cabot Oil & Gas Corp.  | Forest Oil Corp.        | Ultra Petroleum Corp.   |
| Cimarex Energy Co.     | QEP Resources, Inc.     | Whiting Petroleum Corp. |
| Concho Resources, Inc. | Range Resources Corp.   | WPX Energy, Inc.        |
| Contango Oil & Gas Co. | SM Energy, Inc.         |                         |
| EQT Corp.              | Southwestern Energy Co. |                         |

The composition of our peer group will be reviewed each year and may change based on business combinations, asset acquisitions and/or sales, and other types of transactions that cause peer companies to no longer exist or no longer be comparable.

We are aware that institutional shareholder advisors, such as Institutional Shareholder Services, Glass Lewis and others utilize methodologies to determine "peer groups" that may differ from our process. While we understand and appreciate their approach, we believe that the peer group identified by our compensation committee is appropriate and meaningful. If the institutional stockholder advisor identifies companies in the peer group relying upon GICS codes, for example, the resulting peer group would include many companies whose operations are dissimilar to ours, because their reserves are predominately comprised of oil.

L&A compiled compensation data for the peer group from a variety of sources, including proxy statements and other publicly filed documents. L&A also provided to the committee published survey compensation data from multiple sources, which makes up 50% of the market weight. L&A utilized the following surveys: Economic Research Institute, Mercer, Inc. and Towers Watson. For each survey, L&A adjusted the data to appropriately reflect companies similar in size to us.

The combination of published survey data and peer compensation data was then used to compare the compensation of our executive officers to comparably titled persons at companies within our peer group and in the survey data.

We believe that our peer group selection process is analytically sound and appropriate to our industry. Based on our market comparison approach, we have made compensation decisions that assure our total compensation is market competitive, which will assist us in retaining our leadership team, an important factor in ensuring our long-term viability and strong stockholder returns. Our committee's process in 2011 was more rigorous and objective than in prior years, providing a framework for continually improving the link between pay and performance.

**Determination of 2012 Base Salaries.** Base salaries for executive officers are based on each individual's responsibilities, experience and performance, taking into account among other things, the individual's initiative, contributions to our overall performance, managerial ability and handling of special projects. These same factors are applied to establish base salaries for other key management employees. Base salaries for executive officers generally are reviewed annually for possible adjustment. The compensation committee determines the base salary of our chief executive officer and senior vice president. The chief executive officer determines the base salary of all other executives other than the senior vice president. Each executive officer recommends the base salary for all employees that are in the executive officer's areas of responsibility. The chief executive officer and the senior vice president review the recommendations for salaries and bonuses for all other employees and adjust them as they deem appropriate. The compensation committee reviews the recommendations for all employees after approval by the chief

executive officer and the senior vice president and approves them or adjusts them as they deem appropriate.

L&A reviewed the market competitiveness of our base salaries compared to the approved peer group companies and utilizing published survey sources in the oil and gas industry. L&A determined that base salaries for our chief executive officer and senior vice president have consistently been below the 50th percentile of the market. Because a performance bonus plan has been adopted for 2012, described below, under which bonuses will be tied to a multiple of base salary, this negatively impacts our executives' targeted total compensation relative to market. L&A recommended that the committee align base salaries for our chief executive officer and senior vice president with the 75th percentile of market. This market percentile indicates that the incumbent is a seasoned executive, with the visionary aptitude to lead by setting goals and objectives for others to achieve optimal corporate performance.

Our compensation committee approved 2012 base salaries for Messrs. Allison and Burns at the 75th percentile for the market, which represents an increase from 2011 salaries, which as noted above were at or below the 50th percentile for the market. The committee considered the long tenure of Messrs. Allison and Burns, their complementary skills and capabilities as a team to lead us in meeting the challenging goals and objectives for 2012, and the enhanced importance of retention of this team to achieve these objectives. Based on these factors and L&A's recommendation, the committee determined that the proposed 2012 salaries of \$775,000 and \$525,000 for Mr. Allison and Mr. Burns, respectively, were appropriate.

**Determination of 2011 Bonuses.** Annual cash bonuses for all full-time employees are provided in order to promote achievement of our business objectives of increasing stockholder value by growing production and reserves on a profitable basis. All of our full-time employees participate in an annual bonus plan with the same performance objectives as those used for executive officers. In determining 2011 bonuses, our committee reviewed the achievements of Messrs. Allison and Burns during 2011, considering both short-term and long-term goals and objectives, operational and financial performance, and the strategic business decisions made during 2011. In a continuing environment of low natural gas prices, our low cost structure has allowed us to grow production by 31% in 2011. Our overall cost structure is one of the lowest in the industry. Solid reserve growth was achieved with the Haynesville shale and Eagle Ford shale drilling programs and a significant acquisition completed in December 2011 established a new core area focused on oil. Based on this strategic initiative, our oil production is expected to increase from 4% of production at the beginning of 2011 to approximately 20% by the end of 2012. This substantial shift is expected to have a positive effect on our revenues and operating results.

In evaluating our financial performance for 2011, the committee considered performance in the context of the year's economic environment and specifically, the low natural gas prices which negatively impacted our operating performance. Low natural gas prices caused stock prices for nearly all natural gas-focused exploration and production companies to decline during 2011. Therefore, based on the committee's continuing desire to promote strong executive/stockholder alignment, the committee approved bonuses for Messrs. Allison and Burns for 2011 of \$2,420,000 and \$925,000, which represent reductions from the bonuses in 2010 by 14% and 5%, respectively.

**Response to the 2011 Say on Pay Vote: Adoption of a Performance Bonus Plan.** In order to more clearly link pay to performance, the committee adopted a performance bonus plan for 2012. Measured achievement against pre-determined performance metrics will determine 50% of each of our named executive officer's 2012 bonus. The remaining 50% of the officer's bonus will continue to be determined based on subjective factors. The committee believes that a portion of the annual incentive bonus must remain discretionary to reflect qualitative individual performance or non-market related performance. No employee has a guaranteed right to any discretionary bonus as a substitute for a performance bonus in the event that performance targets are not met or that our stockholders fail to approve the material terms of the 2012 Incentive Compensation Plan.



The target bonus opportunity is stated as a percentage of base salary. Based on the experience, long-tenure and proven performance of the executive team through this depressed natural gas market, L&A recommended that the bonus opportunity be aligned between the market 75th and 90th percentiles. A threshold, target and maximum bonus opportunity is identified and associated with specific achievement against pre-determined goals. The threshold, target, and maximum bonus opportunities for our chief executive officer and senior vice president are as follows:

| Position                | Threshold            | Target              | Maximum              |
|-------------------------|----------------------|---------------------|----------------------|
| Chief Executive Officer | 62.5% of base salary | 125% of base salary | 250% of target bonus |
| Senior Vice President   | 50% of base salary   | 100% of base salary | 200% of target bonus |

The 2012 bonus criteria measure the overall company performance for year-over-year growth in earnings before interest, taxes, depreciation, amortization and exploration expense ("EBITDAX") and oil production, total stockholder return as compared to our peer group, and improvement in our leverage ratios. These criteria reflect our 2012 strategic objective of increasing oil production and reducing the percentage of our business impacted by natural gas prices. These metrics are weighted equally to determine 50% of the bonus. The remaining bonus is determined subjectively by the committee, which evaluates individual performance, relative industry performance, industry conditions as well as acquisition and divestiture activity. The committee sets no specific goals relating to these factors.

For each of the four bonus criteria, the performance goals for 2012 are as follows:

|   | Threshold       | Target            | Maximum         |
|---|-----------------|-------------------|-----------------|
| EBITDAX Growth                                  | 10%             | 15%               | 20%             |
| Oil Production Growth                           | 100%            | 150%              | 200%            |
| Total Stockholder Return compared to Peer Group | 50th Percentile | 62.5th Percentile | 75th Percentile |
| Leverage Ratio (Total Debt to EBITDAX)          | 3.5x            | 3.25x             | 3.0x or less    |

Achievement levels will be interpolated between threshold, target and maximum goals in order to determine the performance bonus amount.

**Stock-Based Awards.** Our executive officers and other key employees are eligible to receive stock-based awards under our 2009 Long-term Incentive Plan (the "2009 Plan"). The objectives of the 2009 Plan are to attract and retain key employees, to motivate them to achieve long-range goals and to reward individual performance. Because employees' compensation from stock-based awards is based on our stock price performance, our compensation committee believes stock-based awards create a strong incentive to improve long-term financial performance and increase stockholder value. Factors used to set the range of stock-based awards granted include management's and the compensation committee's perception of the incentive necessary to motivate individuals to join the company and the role and impact of the various management levels in achieving key strategic results. Awards made in 2011 under the



2009 Plan to executive officers and other employees consisted entirely of restricted stock grants. Stock-based awards are forfeited if the individual does not remain employed for the vesting period. Initial grants of restricted stock generally vest 25% per year over a period of four years from the date of grant. Subsequent grants made after the initial grant vest in full four years following the date of the award. The compensation committee believes the four-year vesting schedule for restricted stock grants enhances the retention value of these awards. The compensation committee believes that the retention value of restricted stock grants supports additional awards to our executive officers who already own a significant number of shares because at any given date, each executive officer has four years of awards subject to forfeiture.

L&A reviewed our stock-based award program and had several recommendations summarized as follows: (i) that we continue to utilize restricted stock awards; (ii) that we establish a "target" long-term incentive award, as a percentage of base salary, to align award values with the market; and (iii) that the committee consider utilizing performance shares in addition to restricted stock. For 2012, L&A recommended a targeted long-term incentive award of 650% of base salary for our chief executive officer and 500% of base salary for our senior vice president. The committee intends to review the results of its newly established performance bonus plan during 2012 and will consider awards of performance shares in the future.

The compensation committee recommends stock-based awards for our executive officers and managerial employees. After considering the recommendations of L&A, our committee approved the following restricted stock awards, which vest four years from the grant date:

|         |         |
|---------|---------|
| M. Jay  | 212,000 |
| Allison | shares  |
| Roland  | 86,000  |
| O.      | shares  |
| Burns   |         |

The value of 2011 awards represented 489% and 293% of Mr. Allison's and Mr. Burns' 2012 base salary. The value of the restricted stock awards for Messrs. Allison and Burns in 2012 are approximately 19% lower than the value of the awards made in 2010.

The compensation committee then reviewed total compensation approved in the form of 2012 base salary, 2011 bonus and 2011 long-term incentive awards. The committee determined that, in light of the continued decline in 2011 of stock prices of exploration and production companies including Comstock, a reduction in total compensation for Messrs. Allison and Burns is appropriate. When compared to last year, the total compensation for Messrs. Allison and Burns has been reduced by 13% and 8%, respectively.

**Supplemental Executive Retirement Plan.** We also have a supplemental retirement plan for our executive officers. The purpose of this plan is to provide supplemental retirement benefits to all of our executive officers. Under this plan, we contribute five percent of each participant's annual cash compensation to purchase a variable universal life insurance policy. Each participant directs the investment of the policy's cash values among a selection of mutual funds offered by the carrier. During employment, the participants may designate a beneficiary to receive payment of the death benefit (reduced by the amount of the premiums paid by us, which are repaid to us), but have no other rights of ownership in the policy. Upon a participant's retirement or after four years of service or upon a change of control of our company, the policy will be transferred to the participant. Contributions to this plan totaled \$366,200 in 2011.

**Other Benefits.** Our executive officers receive medical, group life insurance and other benefits including matching contributions under our 401(k) plan that are available generally to all of our salaried employees over 21 years of age. We have no defined benefit retirement plans for any of our employees.

**Stock Ownership and Retention Requirements.** We have a stock ownership and retention policy that applies to each of our directors and the chief executive officer, senior vice president and all vice presidents. The purpose of the ownership requirements is to further our goal of increasing stockholder value and to further align the interests of our directors and key executives with the interests of our stockholders. Satisfaction of the policy requires that individuals attain and retain holdings of our common stock with a cost basis equal to the following multiple of the individual's compensation, defined as either a director's cash retainer fee or an officer's base salary:



- 1x for non-employee directors;
- 3x for all Vice Presidents; and
- 5x for the Chief Executive Officer and Senior Vice President.

An individual's cost basis is equal to (1) his or her actual cost, in the case of purchases in the open market, (2) the fair market value of the shares at the date of exercise of stock options or stock appreciation rights, or (3) the fair market value of the shares at the date of vesting of restricted shares, restricted stock units or performance units. Each person's stock ownership requirement will be adjusted annually each January 1 to reflect any changes in his or her retainer or base salary. For the purpose of counting the shares owned, only vested share equivalents under Comstock-sponsored plans will count as shares owned. Share equivalents will not include any amounts attributable to outstanding unexercised stock options or unvested equity awards. Company policy prohibits all employees, including executives, from entering into put or call options on our stock.

Generally, individuals have a five-year period to attain their stock ownership requirements, so that directors and executives subject to the ownership requirements as of January 1, 2009 are required to achieve their goals by January 1, 2014. At any time at which the individual's stock ownership requirement has not been met, including during the initial five-year period to attain compliance, the individual will be required to retain at least 50% of "Net Shares" received upon vesting of restricted stock, restricted stock units and performance units. "Net Shares" are defined to include shares of common stock that are owned by the individual after shares are sold, swapped or traded to pay applicable withholding taxes. Subsequent to achieving the initial stock ownership requirement, all directors and executives are required to continuously maintain stock ownership at their specified levels.

If an individual does not meet the applicable ownership requirements, then he or she is subject to certain restrictions upon the vesting of equity awards, and may only dispose of shares for particular reasons set forth in the policy and upon receipt of permission for the transfer by the corporate secretary.

The policy provides a hardship exemption, for which an individual must submit a request to the corporate secretary, who will review the request with the chief executive officer, or the chairman of the nominating / corporate governance committee in the case of a request by the chairman or chief executive officer, and will make the final decision.

Upon our request, and at least annually, individuals subject to the ownership requirements are required to provide a schedule disclosing the number and cost basis of shares owned. The ownership requirements are administered by the corporate secretary. The board of directors may amend the ownership requirements in its sole discretion. Presently all of our directors and our executive officers, with the exception of Mr. Williams, have attained or exceeded their ownership requirements under this policy.

**Limitation on Income Tax Deduction for Executive Compensation.** As discussed above, Section 162(m) of the Code generally limits the corporate income tax deduction for compensation paid to each executive officer, other than the chief financial officer, shown in the summary compensation table to \$1 million, unless the compensation is "performance-based compensation" and qualifies under certain other exceptions. Our policy is primarily to design and administer compensation plans which support the achievement of long-term strategic objectives and enhance stockholder value. The committee will also attempt to structure compensation programs that are tax-advantageous to us to the extent the programs are consistent with our compensation philosophy. Awards of restricted stock and cash compensation do not qualify under Section 162(m). Our shareholders are being asked to approve the material terms of the performance goals set forth in our Bonus Plan which will ensure that our executives' performance bonuses qualify as "performance-based compensation."



**Risk and Our Employee Compensation Program.** The compensation committee reviewed the possible relationship between risk and our incentive compensation program for all employees. The compensation committee believes that there are no compensation incentives which encourage excessive risk and are reasonably likely to have a material adverse effect on the company. The design of our incentive compensation program, which seeks to eliminate any excessive risks, includes 1) basing cash bonuses and equity awards on the achievement of our business objectives of increasing stockholder value by growing production and reserves on a profitable basis, 2) the multi-year vesting of restricted stock awards, 3) the use of equity as a significant portion of incentive compensation, and 4) stock ownership and retention requirements for our officers.

**Clawback Provisions.** Our chief executive officer and chief financial officer are currently subject to the forfeiture of bonuses and profits stipulated by Section 304 of the Sarbanes Oxley Act of 2002. However, we currently have not adopted express "clawback" provisions with respect to compensation elements which would allow us to recoup paid compensation from designated officers in the event of a financial restatement. Our compensation committee will continue to review the appropriateness of clawback provisions and will adopt provisions consistent with the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act when final regulatory guidance is issued by the Securities and Exchange Commission.



Summary Compensation Table. The following table reflects the elements of compensation earned by our named executive officers under our executive compensation programs as follows:

| Name and Principal Position                       | Year              | Salary    | Bonus       | Stock Awards(1) | Non-Qualified Deferred Compensation Earnings(2) | All Other Compensation(3)(4) | Total        |
|---|-------------------|-----------|-------------|-----------------|---|------------------------------|--------------|
| M. Jay Allison                                    | 2011              | \$570,000 | \$2,420,000 | \$3,788,440     | —   | \$118,989                    | \$6,897,429  |
| President and Chief Executive Officer             | 2010              | \$550,000 | \$2,800,000 | \$4,652,750     | \$105,558                                       | \$105,559                    | \$8,213,867  |
|   | 2009              | \$530,000 | \$4,000,000 | \$8,203,500     | \$208,316                                       | \$105,359                    | \$13,047,175 |
|   | Roland O. Burns   | 2011      | \$400,000   | \$925,000       | \$1,536,820                                     | —                            | \$37,256     |
| Senior Vice President and Chief Financial Officer | 2010              | \$385,000 | \$975,000   | \$1,886,250     | \$70,688  | \$37,108                     | \$3,354,046  |
|   | 2009              | \$371,000 | \$1,330,000 | \$3,281,400     | \$112,913                                       | \$37,009                     | \$5,132,322  |
|   | Mark A. Williams  | 2011      | \$280,000   | \$450,000       | \$1,000,720                                     | —                            | \$7,350      |
| Vice President of Operations                      | 2010              | \$238,500 | \$195,000   | \$188,625       | —   | \$7,350                      | \$629,475    |
|   | 2009              | \$225,000 | \$200,000   | \$309,910       | —   | \$7,350                      | \$742,260    |
|   | D. Dale Gillette  | 2011      | \$311,000   | \$300,000       | \$178,700                                       | —                            | \$11,396     |
| Vice President of Land and General Counsel        | 2010              | \$300,000 | \$225,000   | \$226,350       | \$12,424  | \$10,889                     | \$774,663    |
|   | 2009              | \$290,000 | \$300,000   | \$401,060       | \$14,594  | \$7,840                      | \$1,013,494  |
|   | Stephen E. Neukom | 2011      | \$228,000   | \$275,000       | \$175,126                                       | —                            | \$8,162      |
| Vice President of Marketing                       | 2010              | \$220,000 | \$205,000   | \$206,230       | —   | \$8,086                      | \$639,316    |
|   | 2009              | \$212,000 | \$275,000   | \$364,600       | —   | \$8,014                      | \$859,614    |

(1) Grant date fair value of restricted stock grants which vest on January 1 of the fourth year subsequent to the grant date except for the stock awards to Mr. Williams which vest 12,000 shares per year on January 1, 2013, 2014 and 2015, and 20,000 shares on January 1, 2016.

(2) Where applicable, amounts for 2010 and 2009 include above market aggregate earnings. Excludes below market returns (losses) from the Company's deferred compensation plans in all periods.

(3) The value of all perquisites provided to each executive officer by us did not exceed \$10,000 for 2009, 2010 and 2011 and therefore no perquisites are included in this table.

(4)



Amounts in this column include life insurance premiums paid by us of \$95,459 for Mr. Allison and \$28,553 for Mr. Burns in each of 2009, 2010 and 2011.

Salary (\$): Values shown represent the base salary earnings of the named executive officers for 2011.

Bonus (\$): Values reflect the cash bonus earned by the named executive officers in 2011.

Stock Awards (\$): This column represents the grant date fair value of grants of restricted stock made during 2011.

Non-Qualified Deferred Compensation Earnings (\$): This column reflects "above market" earnings on non-qualified deferred compensation plans. This is the difference between (i) actual earnings on the cash surrender values of universal life insurance policies owned by us insuring each executive under our Supplemental Executive Retirement Plan, and (ii) market interest rates, as determined pursuant to the SEC's rules.

All Other Compensation (\$): This column represents the value of the additional benefits provided by us that include the employer match under our 401(k) plan, life insurance premiums paid by us for the benefit of certain executive officers, and the value of insurance provided under our Supplemental Executive Retirement Plan.

Outstanding Equity Awards at December 31, 2011. The following table sets forth certain information with respect to the value of outstanding equity awards held by our named executives at December 31, 2011.

| Name and Principal Position   | Stock Option Awards  |                       |                        | Stock Awards                                      |   |
|---|--|-----------------------|------------------------|---|---|
|   | Number of Securities Underlying Unexercised Options - Exercisable(#) | Option Exercise Price | Option Expiration Date | Number of Shares of Stock That Have Not Vested(#) | Market Value of Shares of Stock That Have Not Vested(1) |
| M. Jay Allison<br>President and<br>Chief Executive<br>Officer                 | —  | —                     | —                      | 200,000(2)  | \$3,060,000   |
|   |  |                       |                        | 200,000(3)  | \$3,060,000   |
|   |  |                       |                        | 225,000(4)  | \$3,442,500   |
|   |  |                       |                        | 185,000(5)  | \$2,830,500   |
|   |  |                       |                        | 212,000(6)  | \$3,243,600   |
|   |  |                       |                        |   |   |
| Roland O. Burns<br>Senior Vice<br>President and<br>Chief Financial<br>Officer | —  | —                     | —                      | 81,000(2)   | \$1,239,300   |
|   |  |                       |                        | 81,000(3)   | \$1,239,300   |
|   |  |                       |                        | 90,000(4)   | \$1,377,000   |
|   |  |                       |                        | 75,000(5)   | \$1,147,500   |
|   |  |                       |                        | 86,000(6)   | \$1,315,800   |
|   |  |                       |                        |   |   |
| Mark A.<br>Williams<br>Vice President of<br>Operations                        | 11,000   | \$32.50               | December 1, 2015       | 5,000(2)  | \$76,500  |
|   |  |                       |                        | 19,500(3)   | \$298,350   |
|   |  |                       |                        | 20,500(4)   | \$313,650   |
|   |  |                       |                        | 19,500(5)   | \$298,350   |
|   |  |                       |                        | 20,000(6)   | \$306,000   |
|   |  |                       |                        |   |   |
| D. Dale Gillette<br>Vice President of<br>Land and<br>General Counsel          | —  | —                     | —                      | 10,000(2)   | \$153,000   |
|   |  |                       |                        | 10,000(3)   | \$153,000   |
|   |  |                       |                        | 11,000(4)   | \$168,300   |
|   |  |                       |                        | 9,000(5)  | \$137,700   |
|   |  |                       |                        | 10,000(6)   | \$153,000   |
|   |  |                       |                        |   |   |
| Stephen E.<br>Neukom<br>Vice President of<br>Marketing                        | —  | —                     | —                      | 9,000(2)  | \$137,700   |
|   |  |                       |                        | 9,000(3)  | \$137,700   |
|   |  |                       |                        | 10,000(4)   | \$153,000   |
|   |  |                       |                        | 8,200(5)  | \$125,460   |
|   |  |                       |                        | 9,800(6)  | \$149,940   |
|   |  |                       |                        |   |   |

(1) Market value was based on the closing price for our common stock on the last trading day of 2011 of \$15.30 per share.

- (2) These stock grants vested on January 1, 2012.  
(3) These stock grants will vest on January 1, 2013.  
(4) These stock grants will vest on January 1, 2014.  
(5) These stock grants will vest on January 1, 2015.

- (6) These stock grants will vest on January 1, 2016.

Grants of Plan-Based Awards in 2011. The following table sets forth certain information with respect to the value of grants of stock-based awards to each of our named executive officers during 2011.

| Name and Principal Position  | Grant Date           | Stock Awards                    |  |
|--|----------------------|---------------------------------|--|
|  |                      | Number of Shares of Stock(#)(1) | Grant Date Fair Value of Stock Awards(2) |
| M. Jay Allison<br>President and<br>Chief Executive<br>Officer              | December<br>12, 2011 | 212,000                         | \$3,788,440                              |
| Roland O. Burns<br>Senior Vice President<br>and<br>Chief Financial Officer | December<br>12, 2011 | 86,000                          | \$1,536,820                              |
| Mark A. Williams<br>Vice President of<br>Operations                        | December<br>12, 2011 | 56,000                          | \$1,000,720                              |
| D. Dale Gillette<br>Vice President of Land<br>and<br>General Counsel       | December<br>12, 2011 | 10,000                          | \$178,700                                |
| Stephen E. Neukom<br>Vice President of<br>Marketing                        | December<br>12, 2011 | 9,800                           | \$175,126                                |

- (1) Dividends are payable on the outstanding restricted shares. Except for Mr. Williams, each of these stock awards vests on January 1, 2016. The grants to Mr. Williams vest at 12,000 shares per year on January 1, 2013, 2014 and 2015, and 20,000 shares vest on January 1, 2016.
- (2) The grant date fair value of restricted stock awards was based upon the closing price for the Company's stock on December 12, 2011 of \$17.87 per share.

Option Exercises and Stock Vested in 2011. The following table sets forth certain information with respect to the value of stock options exercised and restricted shares which vested during the year ended December 31, 2011.

| Name and Principal Position | Stock Options                            |                            | Restricted Stock                        |                           |
|-----------------------------|--|----------------------------|---|---------------------------|
|                             | Number of Shares Acquired on Exercise(#) | Value Realized on Exercise | Number of Shares Acquired on Vesting(#) | Value Realized on Vesting |

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|  |   |   |         |             |
|--|---|---|---------|-------------|
| M. Jay Allison<br>President and Chief<br>Executive Officer                 | — | — | 185,000 | \$4,543,600 |
| Roland O. Burns<br>Senior Vice President and<br>Chief<br>Financial Officer | — | — | 75,000  | \$1,842,000 |
| Mark A. Williams<br>Vice President of<br>Operations                        | — | — | 3,000   | \$73,680    |
| D. Dale Gillette<br>Vice President of Land<br>and<br>General Counsel       | — | — | 10,000  | \$245,600   |
| Stephen E. Neukom<br>Vice President of<br>Marketing                        | — | — | 8,500   | \$208,760   |

Non-Qualified Deferred Compensation. The following table sets forth certain information with respect to the non-qualified deferred compensation of the named executives in 2011. Under our supplemental retirement plan, we contribute annually five percent of each executive's annual cash compensation to purchase a variable universal life insurance policy on his life. During employment, he may designate a beneficiary to receive payment of the death benefit (reduced by the amount of the premiums paid by us, which are repaid to us), but has no other rights of ownership in the policy. Upon his having attained four years of service and electing retirement, or upon a change in control, the policy is transferred to him. No withdrawals or distributions were made in 2011.

| Name and<br>Principal Position  | Company<br>Contributions(1) | Aggregate<br>Earnings(2) | Aggregate<br>Balance at End<br>of<br>Year |
|---|-----------------------------|--------------------------|---|
| M. Jay Allison<br>President and Chief Executive<br>Officer              | \$168,500                   | \$3,990                  | \$1,461,461                               |
| Roland O. Burns<br>Senior Vice President and<br>Chief Financial Officer | \$68,750                    | \$—                      | \$627,457                                 |
| D. Dale Gillette<br>Vice President of Land and<br>General Counsel       | \$26,800                    | \$—                      | \$98,121                                  |
| Stephen E. Neukom<br>Vice President of Marketing                        | \$21,650                    | \$226                    | \$162,613                                 |

(1) Company contributions have not been included in the Summary Compensation Table for this or any prior (2) years.

Above market portion of the aggregate earnings has been included in the Summary Compensation Table in each year. Below market losses were not included in the Summary Compensation Table.

Employment Agreements. We have employment agreements with Messrs. Allison and Burns. These agreements include separate provisions wherein Messrs. Allison and Burns will receive certain prescribed benefits based upon changes in their employment status or in the event of a change in control. The compensation committee believes that it is in our best interests as well as the best interests of our stockholders to offer such benefits to these executive officers. We compete for executive talent in a highly competitive market in which companies routinely offer similar benefits to senior executives. The compensation committee believes that providing change in control benefits to senior executives allows them to evaluate objectively whether a potential change in control transaction is in the best interest of our stockholders, without having to be concerned regarding their future employment. It allows them to focus on the negotiations during such a transaction when we would require thoughtful leadership to ensure a successful outcome.

A "change in control" is defined to include a variety of events, including significant changes in stock ownership, changes in our board, certain mergers and consolidations, and the sale or disposition of all or substantially all of our consolidated assets.

Potential Payments Upon Termination. Under the employment agreements with Messrs. Allison and Burns, we are required to provide compensation to these officers in the event we terminate the executive's employment without cause or the executive terminates his employment with good reason, including assignment of duties inconsistent with his position or requiring him to be based at any other location. The agreements provide that the base salary for Messrs. Allison and Burns will be no less than \$775,000 and \$525,000, respectively. If the executive dies, the agreements provide for payment of six months of annualized total compensation to the executive's estate. The agreements provide for the payment of severance benefits if the executive's employment is terminated by us without cause or by the executive for good reason in an amount equal to 150% of his then current salary and most recent bonus, plus a payment equal to the cost of continued medical benefits for eighteen months and the employee's tax costs on this payment. If there is a change in control and the executive terminates his employment within six months thereafter (or at any time thereafter by the executive for good reason) or if the executive's employment is terminated by us without cause at any time thereafter, the severance benefit payable to the executive is 299% of his base salary and highest annual bonus. In connection with a change in control, Messrs. Allison and Burns will be entitled to gross-up payments if they are subject to the excise tax imposed by Section 4999 of the Code.

The employment agreements provide that Messrs. Allison and Burns will maintain the confidentiality of our confidential and proprietary information for as long as the information is not publicly disclosed.

The following tables quantify compensation that would become payable under the employment agreements and other arrangements if the named executive's employment had terminated on December 31, 2011, based on, where applicable, our closing stock price on that date. Due to the number of factors that affect the amount of any benefits provided upon the events discussed below, actual amounts paid or distributed may be different. If one of the named executives were to die or become disabled, his unvested stock awards would become vested. Under our Supplemental Executive Retirement Plan, the named executives are entitled to receive a distribution of the life insurance policies insuring their lives in the event of termination of employment. This is reflected in the table below in the "Present Value of Deferred Compensation Benefits."

#### Involuntary Termination Without Cause or Termination With Good Reason

| Name and Principal Position  | Salary(1)   | Bonus(2)    | Present Value of Deferred Compensation Benefits | Continuation of Health Benefits(3) |
|--|-------------|-------------|---|------------------------------------|
| M. Jay Allison<br>President and Chief Executive Officer              | \$1,162,500 | \$3,630,000 | \$1,461,461                                     | \$82,796                           |
| Roland O. Burns<br>Senior Vice President and Chief Financial Officer | \$787,500   | \$1,387,500 | \$627,457                                       | \$82,796                           |
| Mark A. Williams<br>Vice President of Operations                     | —           | —           | —   | —                                  |
| D. Dale Gillette<br>Vice President of Land and General Counsel       | —           | —           | \$98,121  | —                                  |
| Stephen E. Neukom<br>Vice President of Marketing                     | —           | —           | \$162,613                                       | —                                  |

Amount equal to 150% of annual base salary.

(1) Amount equal to 150% of fiscal year bonus.

(2) Amount equal to the cost of continued medical and dental coverage for 18 months, increased for

(3) the employee's taxes on the payment.





## Termination Following a Change in Control

| Name and Principal Position  | Salary(1)   | Bonus(2)     | Present Value of Deferred Compensation Benefits | Continuation of Health Benefits(3) | Value of Unvested Stock Awards(4) | Excise Tax Reimbursement(5) |
|--|-------------|--------------|---|------------------------------------|-----------------------------------|-----------------------------|
| M. Jay Allison<br>President and Chief Executive Officer              | \$2,317,250 | \$11,960,000 | \$1,461,461                                     | \$82,796                           | \$15,636,600                      | —                           |
| Roland O. Burns<br>Senior Vice President and Chief Financial Officer | \$1,569,750 | \$3,976,700  | \$627,457                                       | \$82,796                           | \$6,318,900                       | —                           |
| Mark A. Williams<br>Vice President of Operations                     | —           | —            | —   | —                                  | —\$1,292,850                      | —                           |
| D. Dale Gillette<br>Vice President of Land and General Counsel       | —           | —            | \$98,121  | —                                  | \$765,000                         | —                           |
| Stephen E. Neukom<br>Vice President of Marketing                     | —           | —            | \$162,613                                       | —                                  | \$703,800                         | —                           |

(1) Amount equal to 299% of annual base salary.

(2) Amount equal to 299% of highest bonus paid during the employee's tenure with the Company.

(3) Amount equal to the cost of continued medical and dental coverage for 18 months, increased for the employee's taxes on the payment.

(4) The value of the stock awards is based on our December 31, 2011 closing stock price of \$15.30 per share.

(5) No excise tax would be triggered based upon a hypothetical change in control as of December 31, 2011.

## OTHER MATTERS

## Independent Registered Public Accounting Firm and Fees

We have retained Ernst & Young LLP as our registered public accounting firm, as recommended by the audit committee and approved by the board of directors. The table below indicates the amounts billed by Ernst & Young LLP during 2010 and 2011 for services provided to us.

|                       | 2010       | 2011       |
|-----------------------|------------|------------|
| Audit fees            | \$ 850,000 | \$ 960,000 |
| Audit related fees(1) | 2,160      | —          |

|             |            |            |
|-------------|------------|------------|
| Tax fees(2) | 12,910     | —          |
| Total       | \$ 865,070 | \$ 960,000 |

(1) Audit related fees consist of fees for assurance and related services that are reasonably related to the performance (2) of the audit or review of our financial statements.

Tax fees include fees for tax compliance, tax advice and tax planning. The audit committee does not believe these services have impacted Ernst & Young LLP's independence.

#### Audit Committee's Pre-Approval Policy and Procedures

The audit committee's policy is to pre-approve all audit and permissible non-audit services provided by the independent registered public accounting firm. These services may include audit services, audit related services, tax services and other services. Pre-approval is detailed as to the particular service or category of service and is subject to a specific engagement authorization. The audit committee requires the independent registered public accounting firm and management to report on the actual fees charged for each category of service at audit committee meetings throughout the year.

During the year, circumstances may arise when it becomes necessary to engage the independent registered public accounting firm for additional services not contemplated in the original pre-approval. In those instances, the audit committee requires specific pre-approval authority from the chairman of the audit committee, who must report on such approvals at the next scheduled audit committee meeting. All fiscal year 2011 audit and non-audit services provided by the independent registered public accounting firm were pre-approved by the audit committee.

#### Stockholder Proposals

Any stockholder who desires to submit a proposal for presentation at our 2013 Annual Meeting of Stockholders and wishes to have such proposal included in our proxy materials must submit the proposal to us at our principal executive offices no later than December 4, 2012 unless we notify the stockholder otherwise. Only those proposals that are timely received by our Corporate Secretary and proper for stockholder action (and otherwise proper) will be included in our proxy materials.

Written request for inclusion of any stockholder proposal should be addressed to: Roland O. Burns, Corporate Secretary, Comstock Resources, Inc., 5300 Town and Country Blvd., Suite 500, Frisco, Texas 75034. We recommend that such proposal be sent by certified mail, return receipt requested. Any stockholder who intends to bring business to the 2013 Annual Meeting of Stockholders, but not include the business in our proxy statement, must give written notice to our corporate secretary at the address set forth above by February 19, 2013.

There were no stockholder proposals submitted for the 2012 Annual Meeting.

#### Stockholder Communications

Interested parties may communicate directly with the entire Board of Directors or with our outside directors by submitting a letter addressed to the member or members of the Board of Directors to whom the communication is addressed, to Roland O. Burns, Corporate Secretary, Comstock Resources, Inc., 5300 Town and Country Blvd., Suite 500, Frisco, Texas, 75034. All such communications, other than unsolicited commercial solicitations or communications, will be forwarded to the appropriate director for review.

#### Annual Report

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2011, as filed with the SEC, will be sent to any stockholder without charge upon request. You may forward written requests to Investor Relations, Comstock Resources, Inc., 5300 Town and Country Blvd., Suite 500, Frisco, Texas 75034. Oral requests may be made by calling our principal executive offices at (800) 877-1322. Our Annual Report on Form 10-K is also available on the SEC's website [www.sec.gov](http://www.sec.gov) and our website [www.comstockresources.com](http://www.comstockresources.com).

Roland O. Burns

Secretary

Frisco, Texas  
April 3, 2012



COMSTOCK RESOURCES, INC.

2012 Incentive Compensation Plan

1. Objectives. The Comstock Resources, Inc. 2012 Incentive Compensation Plan (the "Plan") is designed to attract and retain key employees and reward them for making contributions to the success of Comstock Resources, Inc. (the "Company"). These objectives are to be accomplished by making awards under the Plan and thereby providing Participants with performance incentives to enhance stockholder value.

2. Definitions. As used herein, the terms set forth below shall have the following respective meanings:

"Award" means an award of an annual incentive to an Employee.

"Award Agreement" means a written agreement between the Company and a Participant that sets forth the terms, conditions and limitations applicable to an Award, to the extent that the Committee deems necessary.

"Board" means the Board of Directors of the Company.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Committee" means the Compensation Committee of the Board which has been designated by the Board to administer the Plan.

"Employee" means any person who is receiving remuneration for personal services (or could be receiving remuneration except for an authorized leave of absence) as an employee of the Company.

"Participant" means an Employee to whom an Award has been made under this Plan.

"Performance Award" means an Award made pursuant to this Plan that is subject to the attainment in the future of one or more Performance Goals.

"Performance Goal" means one or more standards established by the Committee to determine in whole or in part whether a Performance Award shall be earned.

"Performance Period" means the period, whether annual or covering multiple years, over which the Performance Goals are measured in determining whether a Performance Award is earned.

"Qualified Performance Award" means a Performance Award made to a Participant that is intended to qualify as qualified performance-based compensation under Section 162(m) of the Code, as described in Paragraph 5(b)(2) of the Plan.

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3. Administration.

(a) This Plan shall be administered by the Committee except as otherwise provided herein.

(b) Subject to the provisions hereof, the Committee shall have full and exclusive power and authority to administer this Plan and to take all actions that are specifically contemplated hereby or are necessary or appropriate in connection with the administration hereof. The Committee shall also have full and exclusive power to interpret this Plan and to adopt such rules, regulations and guidelines for carrying out this Plan as it may deem necessary or proper. The Committee may, in its discretion, waive any restriction or other provision of this Plan or an Award or otherwise amend or modify an Award in any manner that is either (i) not adverse to the Participant to whom such an Award was granted or (ii) consented to by such Participant. The Committee may correct any defect or supply any omission or reconcile any inconsistency in this Plan or in any Award in the manner and to the extent the Committee deems necessary or desirable to further the Plan purposes. Any decision of the Committee in the interpretation and administration of this Plan shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned. No member of the Committee or officer of the Company to whom it has delegated authority in accordance with the provisions of Paragraph 4 of this Plan shall be liable for anything done or omitted to be done by him or her, by any member of the Committee or by any officer of the Company in connection with the performance of any duties under this Plan, except for his or her own willful misconduct or as expressly provided by statute.

4. Delegation of Authority. The Board or Committee may delegate to the Chief Executive Officer and to other employees of the Company its administrative duties under this Plan (excluding its granting authority) pursuant to such conditions or limitations as the Committee may establish.

5. Awards.

(a) Each Award made hereunder may, in the discretion of the Committee, be embodied in an Award Agreement, which shall contain such terms, conditions, performance requirements and limitations as shall be determined by the Committee in its sole discretion and shall, if required by the Committee, be signed by the Participant to whom the Award is granted and signed for and on behalf of the Company. All or part of an Award may be subject to conditions established by the Committee, which may include, but are not limited to, continuous service with the Company, achievement of specific business objectives, and other comparable measurements of performance. The terms, conditions and limitations applicable to any Awards granted pursuant to this Plan shall be determined by the Committee.

(b) Performance Awards. Awards under the Plan shall be in the form of Performance Awards. The terms, conditions and limitations applicable to any Performance Awards granted to Participants pursuant to this Plan shall be determined by the Committee, subject to the limitations set forth below. The Committee shall set Performance Goals in its discretion which, depending on the extent to which they are met, will determine the amount of Performance Awards that will be paid to the Participant.

(1) Nonqualified Performance Awards. Performance Awards granted to Employees that are not intended to qualify as qualified performance-based compensation under Section 162(m) of the Code, shall be based on achievement of such goals and be subject to such terms, conditions and restrictions as the Committee or its delegate shall determine.



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(2) **Qualified Performance Awards.** Performance Awards granted to Employees under the Plan that are intended to qualify as qualified performance-based compensation under Section 162(m) of the Code shall be paid solely on account of the attainment of one or more pre-established, objective Performance Goals established by the Committee prior to the earlier to occur of (x) 90 days after the commencement of the Performance Period to which the Performance Goal relates and (y) the lapse of 25% of the Performance Period (as scheduled in good faith at the time the goal is established), and in any event while the outcome is substantially uncertain. A Performance Goal is objective if a third party having knowledge of the relevant facts could determine whether the goal is met. Such a Performance Goal may be based on one or more business criteria that apply to the Employee, one or more business units, divisions or geographic regions of the Company, the Company as a whole, or, if desired by the Committee, by comparison to a peer group of companies, and may include one or more of the following: revenue, net income, stock price, market share, earnings per share, other earnings measures, return on equity, return on assets, costs, shareholder value, EBIT, EBITDA, EBITAX, funds from operations, cash flow, cash from operations, net cash flow, net cash flow before financing activities, other cash flow measures, total shareholder return, return on capital, return on invested capital, operating income, after-tax operating income, reserve additions, proceeds from dispositions, production volumes, reserve replacement measures, finding and development costs, total market value, petroleum reserve measures and safety and environmental performance measures. Unless otherwise stated, such a Performance Goal need not be based upon an increase or positive result under a particular business criterion and could include, for example, maintaining the status quo or limiting economic losses (measured, in each case, by reference to specific business criteria). In interpreting Plan provisions applicable to Performance Goals and Qualified Performance Awards, it is the intent of the Plan to conform with the standards of Section 162(m) of the Code and Treasury Regulation § 1.162-27(e)(2)(i), as to grants to those Employees whose compensation is, or is likely to be, subject to Section 162(m) or the Code, and the Committee in establishing such goals and interpreting the Plan shall be guided by such provisions. Prior to the payment of any compensation based on the achievement of Performance Goals applicable to Qualified Performance Awards, the Committee must certify in writing that applicable Performance Goals and any of the material terms thereof were, in fact, satisfied. Subject to the foregoing provisions, the terms, conditions and limitations applicable to any Qualified Performance Awards made pursuant to this Plan shall be determined by the Committee.

(c) Notwithstanding anything to the contrary contained in this Plan, the following limitation shall apply to any Awards made hereunder: no Participant may be granted Awards (including Awards that are granted as Performance Awards) in respect of any calendar year having a value determined on the date of grant in excess of \$5,000,000.

#### 6. Payment of Awards.

(a) **General.** Payment of Awards shall be made in cash during the calendar year that follows the annual performance period, and in the case of Performance Awards, only following the Committee's certification that the Performance Goals have been met. The Award Agreement shall specify whether the Participant must remain employed until the payment date in order to receive payment of the Award.

(b) **Deferral.** With the approval of the Committee, amounts payable in respect of Awards may be deferred, either in the form of installments or a future lump sum payment, in compliance with the requirements of Section 409A of the Code. The Committee may permit selected Participants to elect to defer payments of some or all types of Awards in accordance with procedures established by the Committee or the Board.

7. **Taxes.** The Company shall have the right to deduct applicable taxes from any Award payment and withhold, at the time of delivery of cash under this Plan, an appropriate amount of cash for payment of taxes or other amounts required by law or to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for withholding of such taxes.

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8. **Amendment, Modification, Suspension or Termination.** The Board may amend, modify, suspend or terminate this Plan for the purpose of meeting or addressing any changes in legal requirements or for any other purpose permitted by law except that (i) no amendment or alteration that would impair the rights of any Participant under any Award previously granted to such Participant shall be made without such Participant's consent and (ii) no amendment or alteration shall be effective prior to approval by the Company's stockholders to the extent such approval is required by applicable legal requirements or applicable requirements of the securities exchange on which the Company's Common Stock is listed.

9. **Termination of Employment.** Upon the termination of employment by a Participant, any unpaid Awards shall be treated as provided in the specific Award Agreement evidencing the Award. In the event of such a termination, the Committee may, in its discretion, waive any restriction or other provision of this Plan or an Award or otherwise amend or modify the Award in any manner that is either (i) not adverse to such Participant or (ii) consented to by such Participant.

10. **Assignability.** Unless otherwise determined by the Committee and provided in the Award Agreement or the terms of an Award, no Award shall be assignable or otherwise transferable except by will, by beneficiary designation or the laws of descent and distribution.

11. **Right to Employment.** Nothing in the Plan or an Award Agreement shall interfere with or limit in any way the right of the Company to terminate any Participant's employment at any time, or confer upon any Participant any right to continue in the employment of the Company.

12. **Successors.** All obligations of the Company under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

13. **Section 409A.** This Plan is intended to comply with Section 409A of the Code and ambiguous provisions, if any, shall be construed in a manner that is compliant with or exempt from the application of Section 409A. The Plan shall not be amended or terminated in a manner that would cause the Plan or any amounts payable under the Plan to fail to comply with the requirements of Section 409A, to the extent applicable, and further, the provisions of any purported amendment or termination that may reasonably be expected to result in such non-compliance shall be of no force or effect with respect to the Plan.

14. **Governing Law.** This Plan and all determinations made and actions taken pursuant hereto shall be governed by and construed in accordance with the laws of the State of Texas.

15. **Effective Date and Term of Plan.** The Plan shall be effective upon receiving stockholder approval of the material terms of the Performance Goals under the Plan at the 2012 annual meeting of the stockholders. No Award shall be made under the Plan after December 31, 2022.

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COMSTOCK RESOURCES, INC.  
ANNUAL MEETING OF STOCKHOLDERS  
May 8, 2012  
10:00 a.m.  
at the Company Headquarters

Directions to

Comstock Resources, Inc.  
5300 Town and Country Blvd., Suite 300  
Frisco, Texas 75034

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COMSTOCK RESOURCES, INC.  
5300 TOWN AND COUNTRY BLVD.  
SUITE 500  
FRISCO, TX 75034

VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)  
Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

KEEP THIS PORTION FOR YOUR RECORDS

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

DETACH AND RETURN THIS PORTION ONLY

COMSTOCK RESOURCES, INC.

For All    Withhold All    For All Except    To withhold authority to vote for any individual nominee(s), mark "For All Except" and write the number(s) of the

nominee(s) on the line below.

The Board of Directors recommends you vote FOR the following:

- 1. Election of Three (3)  
Class C Directors  
(term expires in 2015)

Nominees:

- 01) Roland O. Burns
- 02) David K. Lockett
- 03) Frederic D. Sewell

For      Against      Abstain

- 2. Proposal to ratify the appointment of Ernst & Young LLP, independent registered public accounting firm, for 2012.
- 3. Proposal to approve, by non-binding vote, executive compensation.
- 4. Proposal to approve the material terms of the performance goals under the 2012 Incentive Compensation Plan.

NOTE: The proxies are authorized to vote, in their discretion, on such other business as may properly come before the meeting or any adjournment thereof.

THIS PROXY CARD, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED. IF NO DIRECTION IS MADE BUT THE CARD IS SIGNED, THIS PROXY CARD WILL BE VOTED FOR THE ELECTION OF ALL NOMINEES UNDER PROPOSAL 1, FOR PROPOSAL 2, FOR PROPOSAL 3, FOR PROPOSAL 4, AND IN THE DISCRETION OF THE PROXIES WITH RESPECT TO SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING.

Please indicate if you would like to be contacted regarding consolidating your Registered and brokerage accounts.

Yes      No

NOTE: Please sign exactly as your name(s) appear(s) on this Proxy. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation, please sign in full corporate name by president or other authorized officer. If a partnership, please sign in partnership name by authorized person.

Signature [PLEASE SIGN WITHIN BOX]

Date

Signature (Joint Owners)

Date



ANNUAL MEETING OF STOCKHOLDERS OF  
COMSTOCK RESOURCES, INC.  
May 8, 2012

Your vote is important.  
Thank you for voting.

(Complete and mail the proxy card only if you do not vote by phone or internet.)

Proxy Card must be signed and dated on the reverse side.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:  
The Notice and Proxy Statement and Annual Report are available at  
[www.comstockresources.com](http://www.comstockresources.com) and [www.proxyvote.com](http://www.proxyvote.com).

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PROXY

COMSTOCK RESOURCES, INC.  
THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS  
ANNUAL MEETING OF STOCKHOLDERS – TUESDAY, MAY 8, 2012

The undersigned hereby appoints M. Jay Allison and Roland O. Burns, and each of them with full power of substitution, attorneys, agents and proxies of the undersigned to vote as directed on the reverse side the shares of stock which the undersigned would be entitled to vote, if personally present, at the Annual Meeting of Stockholders of Comstock Resources, Inc., to be held Tuesday, May 8, 2012 at 10:00 a.m. and any adjournment or adjournments thereof, and in their own discretion upon any other matter which may properly come before this meeting.

The undersigned hereby revokes any proxy or proxies heretofore given to vote upon or act with respect to such shares of stock and hereby ratifies and confirms all that said attorneys, their substitutes, or any of them, may lawfully do by virtue hereof.

Continued and to be marked, signed and dated on reverse side.

