

July 12, 2005

Mr. Timothy A. Larkin  
Executive Vice President, Chief Financial Officer and Chief  
Accounting Officer  
Warren Resources, Inc.  
489 Fifth Avenue, 32nd Floor  
New York, NY 10017

Re: Warren Resources, Inc.  
Registration Statement on Form S-3  
Filed June 15, 2005  
File No. 333-125835  
Form 10-K for Fiscal Year Ended December 31, 2004  
Filed March 17, 2005  
File No. 0-33275

Dear Mr. Larkin:

We have reviewed your filing and have the following comments. We have limited our review to only your financial statements and related disclosures and do not intend to expand our review to other portions of your documents. Where indicated, we think you should revise your document in response to these comments. If you disagree, we will consider your explanation as to why our comment is inapplicable or a revision is unnecessary. Please be as detailed as necessary in your explanation. In some of our comments, we may ask you to provide us with information so we may better understand your disclosure. After reviewing this information, we may raise additional comments.

Please understand that the purpose of our review process is to assist you in your compliance with the applicable disclosure requirements and to enhance the overall disclosure in your filing. We look forward to working with you in these respects. We welcome any questions you may have about our comments or any other aspect of our review. Feel free to call us at the telephone numbers listed at the end of this letter.  
Form S-3

General

1. Please note that we are monitoring the Form S-3 for compliance with comments issued on the Form 10-K for the year ended December 31, 2004.

Form 10-K for the Fiscal Year Ended December 31, 2004

Business and Properties, page 4

Natural Gas and Oil Reserves, page 13

2. We note your disclosure of "PV10". Please be advised that this disclosure is considered a non-GAAP measure. As such, please provide all the disclosures required in Regulation S-K Item 10(e). For further guidance refer to the Frequently Asked Questions Regarding the Use of Non-GAAP Financial Measures at the SEC website at [www.sec.gov/divisions/corpfin/faqs/nongaapfaq.htm](http://www.sec.gov/divisions/corpfin/faqs/nongaapfaq.htm)

Management Discussion and Analysis of Financial Condition and

Results  
of Operations, page 31

Overview, page 32

3. In your tables of revenue and expense from gas and oil sales and from turnkey contracts, you present the measure gross profit. It appears that your gross profit measures do not include depreciation, depletion, amortization and impairment expenses relating to your oil and gas properties and your property, plant and equipment. The guidance in SAB Topic 11:B accommodates the separate presentation of multiple components attributable to cost of sales. However, a discussion of gross profit should include all such costs related to such revenues. Any depreciation, depletion, amortization and impairment expense that is related to cost of sales may be displayed on a separate line item; however, this item must appear before presenting gross profit and be reflected in that metric. Please modify your presentation accordingly; or expand your disclosure to describe any particular facts and circumstances that you believe would justify your current display.

Liquidity and Capital Resources, page 38

4. We note the details of your stock option plans included in Note E to the consolidated financial statements. Based on your closing stock price as of the December 31, 2004 balance sheet date, you have 1.8 million vested options that are considered "in the money". Revise your disclosure to include a discussion of your stock based compensation programs and the potential impact of the exercise of these options and other forms of stock based compensation on your liquidity as required under Item 303(a)(1) of Regulation S-K.

Preferred Stock, page 40

5. The potential redemption or conversion of your preferred stock appears to be a commitment or uncertainty that may be reasonably likely to have material effects on your financial condition or results of operations. Expand your discussion to address the effects of such redemption or conversion on your financial condition and results of operations. Refer to Financial Reporting Codification Section 501.02.

Off-Balance Sheet Arrangements, page 41

6. Your discussion describes the general terms that are the basis for your repurchase commitment under your drilling programs. Please revise this discussion to address all the disclosures required under Regulation S-K Item 303(a)(4)(i)(A) through (D) for such off-balance sheet commitments.

Item 8 - Financial Statements and Supplementary Data

Consolidated Balance Sheets, page F-3

7. We note you classify your 8% convertible preferred stock as Stockholders' Equity. You also indicate in Note E on pages F-19 and F-20 that you are accreting the carrying value of the preferred stock to its redemption price. Under the measurement guidance of EITF Topic D-98, accretion to the redemption value is appropriate if it is probable that the security will become redeemable. However,

your classification of this item as stockholders' equity would indicate that you have determined that it is not probable the security will become redeemable. If true, accretion to the redemption value is not required. Tell us what facts and circumstances you considered in determining how your convertible preferred securities should be classified on your balance sheet and explain to us how your treatment conforms to the guidance of ETIF Topic D-98. We may have further comment.

Note A - Organization and Accounting Policies, page F-8

Principles of Consolidation, page F-8

8. Expand your discussion to address your consolidation policy for the limited liability companies disclosed in Note J.

Capitalized Interest, page F-10

9. Please expand your policy disclosure for capitalized interest to include:

- \* how you determine the dates that such capitalization will begin and end,
- \* whether the work being done on a portion of the acreage allows interest capitalization on the entire block,
- \* the effect of interruptions and suspensions of activity on such capitalization, and
- \* how qualifying expenditures are determined.

Note E - Stockholders Equity, page F-19

10. Expand your disclosure to include the amount of redemption requirements redeemable at fixed or determinable prices in each of the five years following the date of the latest balance sheet presented, as required by FAS 129, paragraph 8.

Engineering Comments

Business and Properties, page 4

Wilmington Townlot Unit, page 10

11. We note that the Magness litigation no longer presents any obstacle to the development of your proved undeveloped reserves in the Wilmington Townlot Unit. Please furnish to us the current schedule of development for this project. Include a spread sheet of estimated future capital investment with a brief description of significant expenditures.

Closing Comments

As appropriate, please amend your filing and respond to these comments within 10 business days or tell us when you will provide us with a response. You may wish to provide us with marked copies of the amendment to expedite our review. Please furnish a cover letter with your amendment that keys your responses to our comments and provides any requested information. Detailed cover letters greatly facilitate our review. Please understand that we may have additional comments after reviewing your amendment and responses to our comments.

We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filing to be certain that the filing includes all information required under the Securities Exchange Act of 1934 and that they have provided all information investors require for an informed investment decision. Since the

company and its management are in possession of all facts relating to a company's disclosure, they are responsible for the accuracy and adequacy of the disclosures they have made.

In connection with responding to our comments, please provide, in writing, a statement from the company acknowledging that:

\* the company is responsible for the adequacy and accuracy of the disclosure in the filing;

\* staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the filing; and

\* the company may not assert staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

In addition, please be advised that the Division of Enforcement has access to all information you provide to the staff of the Division of Corporation Finance in our review of your filing or in response to our comments on your filing.

You may contact Gary Newberry at (202) 551-3761, April Sifford, Branch Chief, at (202) 551-3684 if you have questions regarding comments on the financial statements and related matters. You may contact Ronald Winfrey, Petroleum Engineer, at (202) 551-3704 with questions about engineering comments. Please contact Jason Wynn at (202) 551-3796 or me at (202) 551-3740 with any other questions.

Sincerely,

H. Roger Schwall  
Assistant Director

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