

TENGASCO INC
Form 10-Q
August 13, 2010

-

U.S. Securities and Exchange Commission
Washington, D.C. 20549
Form 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2010

Commission File No. 1-15555

Tengasco, Inc.

(Exact name of issuer as specified in its charter)

Tennessee	87-0267438
State or other jurisdiction	(IRS Employer Identification
of Incorporation or	No.)
organization	

11121 Kingston Pike, Suite E, Knoxville, TN 37934
(Address of principal executive offices)

(865-675-1554)

(Issuer's telephone number, including area code)

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

Yes No

Indicate by checkmark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 231.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Edgar Filing: TENGASCO INC - Form 10-Q

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting
(Do not check if a smaller reporting company
company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 60,687,413 common shares at August 1, 2010.

TABLE OF CONTENTS

PART I.	FINANCIAL INFORMATION	PAGE
	ITEM 1. FINANCIAL STATEMENTS	
	* Condensed Consolidated Balance Sheets as of June 30, 2010 and December 31, 2009	3
	* Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2010 and 2009	5
	* Condensed Consolidated Statement of Stockholders' Equity for the six months ended June 30, 2010	6
	* Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2010 and 2009	7
	* Notes to Condensed Consolidated Financial Statements	8
	ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	22
	ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK	27
	ITEM 4T. CONTROLS AND PROCEDURES	30
PART II.	OTHER INFORMATION	30
	ITEM 1. LEGAL PROCEEDINGS	30
	ITEM 1A. RISK FACTORS	30
	ITEM 2. UNREGISTERD SALES OF EQUITY SECURITIES AND USE OF PROCEEDS	30
	ITEM 3. DEFAULTS UPON SENIOR SECURITIES	31
	ITEM 4. (REMOVED AND RESERVED)	31
	ITEM 5. OTHER INFORMATION	31
	ITEM 6. EXHIBITS	32
	* SIGNATURES	33
	* CERTIFICATIONS	34

Tengasco, Inc. and Subsidiaries
Consolidated Balance Sheets
(in thousands, except share data)

	June 30, 2010	December 31, 2009
	(unaudited)	
Assets		
Current		
Cash and cash equivalents	\$ 540	\$ 422
Accounts receivable	1,261	1,130
Participant receivables	17	18
Accounts receivable – related party	1,557	-
Inventory	620	581
Deferred tax asset-current	121	254
Other current assets	65	20
Total current assets	4,181	2,425
Restricted cash	121	121
Loan fees, net	94	146
Oil and gas properties, net (on the basis of full cost accounting)	12,181	12,360
Pipeline facilities, net	12,187	12,397
Methane project, net	4,365	4,403
Other property and equipment, net	239	306
Deferred tax asset-noncurrent	8,633	9,016
Total assets	\$ 42,001	\$ 41,174

See accompanying notes to condensed consolidated financial statements.

Tengasco, Inc. and Subsidiaries
Consolidated Balance Sheets
(in thousands, except share data)

	June 30, 2010	December 31, 2009
	(unaudited)	
Liabilities and Stockholders' Equity		
Current liabilities		
Current maturities of long-term debt	\$ 122	\$ 119
Accounts payable – trade	356	742
Accounts payable – other	1,557	-
Accrued liabilities	280	302
Unrealized derivative liability – current	356	748
Deferred conveyance oil and gas properties	82	490
Prepaid revenues – current	718	153
Total current liabilities	3,471	2,554
Asset retirement obligation	432	450
Prepaid revenues – noncurrent	135	700
Long term debt, less current maturities	10,017	10,062
Unrealized derivative liability – noncurrent	45	565
Total liabilities	14,100	14,331
Stockholders' equity		
Common stock, \$.001 par value; authorized 100,000,000 shares; 60,687,413 and 59,760,661 shares issued and outstanding	61	60
Additional paid –in capital	55,330	55,277
Accumulated deficit	(27,490)	(28,494)
Total stockholders' equity	27,901	26,843
Total liabilities and stockholders' equity	\$ 42,001	\$ 41,174

See accompanying notes to condensed consolidated financial statements.

Tengasco, Inc. and Subsidiaries
Consolidated Statements of Operations
(unaudited)
(In thousands, except share and per share data)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
Revenues and other income				
Oil and gas revenues	\$ 3,288	\$ 2,352	\$ 6,141	\$ 4,250
Pipeline transportation revenues	3	2	1	4
Total revenues	3,291	2,354	6,142	4,254
Cost and other deductions				
Production cost and taxes	1,535	1,310	2,850	2,374
Depletion, depreciation and amortization	628	483	1,151	959
General and administrative cost	509	406	1,001	834
Public relations	8	25	16	40
Professional fees	43	56	135	220
Total cost and other deductions	2,723	2,280	5,153	4,427
Net income (loss) from operations	568	74	989	(173)
Other income (expense)				
Interest expense	(174)	(155)	(352)	(309)
Gain (loss) on derivatives	721	-	883	-
Total other income (expenses)	547	(155)	531	(309)
Income tax expense	(379)	-	(516)	-
Net income (loss)	\$ 736	\$ (81)	\$ 1,004	\$ (482)
Net income (loss) per share				
Basic and diluted	\$ 0.01	\$ (0.00)	\$ 0.02	\$ (0.01)