

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.

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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.

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

	June 30, 2010	December 31, 2009
	(unaudited)	
<b>Assets</b>		
<b>Current</b>		
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
<b>Total current assets</b>	<b>4,181</b>	<b>2,425</b>
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
<b>Total assets</b>	<b>\$ 42,001</b>	<b>\$ 41,174</b>

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)	
<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities</b>		
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
<b>Total current liabilities</b>	<b>3,471</b>	<b>2,554</b>
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
<b>Total liabilities</b>	<b>14,100</b>	<b>14,331</b>
<b>Stockholders' equity</b>		
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)
<b>Total stockholders' equity</b>	<b>27,901</b>	<b>26,843</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 42,001</b>	<b>\$ 41,174</b>

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
<b>Revenues and other income</b>				
Oil and gas revenues	\$ 3,288	\$ 2,352	\$ 6,141	\$ 4,250
Pipeline transportation revenues	3	2	1	4
<b>Total revenues</b>	<b>3,291</b>	<b>2,354</b>	<b>6,142</b>	<b>4,254</b>
<b>Cost and other deductions</b>				
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
<b>Total cost and other deductions</b>	<b>2,723</b>	<b>2,280</b>	<b>5,153</b>	<b>4,427</b>
<b>Net income (loss) from operations</b>	<b>568</b>	<b>74</b>	<b>989</b>	<b>(173)</b>
<b>Other income (expense)</b>				
Interest expense	(174)	(155)	(352)	(309)
Gain (loss) on derivatives	721	-	883	-
<b>Total other income (expenses)</b>	<b>547</b>	<b>(155)</b>	<b>531</b>	<b>(309)</b>
<b>Income tax expense</b>	<b>(379)</b>	<b>-</b>	<b>(516)</b>	<b>-</b>
<b>Net income (loss)</b>	<b>\$ 736</b>	<b>\$ (81)</b>	<b>\$ 1,004</b>	<b>\$ (482)</b>
<b>Net income (loss) per share</b>				
Basic and diluted	\$ 0.01	\$ (0.00)	\$ 0.02	\$ (0.01)