

TENGASCO INC
Form 10-Q
August 14, 2012

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, 2012

Commission File No. 1-15555

Tengasco, Inc.
(Exact name of registrant as specified in its charter)

Delaware
State or other jurisdiction
of Incorporation or
organization

87-0267438
(IRS Employer Identification
No.)

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

(865-675-1554)

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (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 (§232.405 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.

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

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ___ No X

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 60,787,413 common shares at August 6, 2012.

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Tengasco, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(unaudited)

(in thousands, except share data)

	June 30, 2012	December 31, 2011
Assets		
Current		
Cash and cash equivalents	\$ 60	\$ 68
Accounts receivable	1,954	1,579
Accounts receivable – related party	166	265
Inventory	1,327	823
Deferred tax asset-current	164	164
Commodity derivative asset-current	37	142
Other current assets	104	79
Total current assets	3,812	3,120
Restricted cash	121	121
Loan fees, net	83	82
Oil and gas properties, net (full cost accounting method)	25,513	20,206
Pipeline facilities, net	6,778	6,865
Methane project, net	4,487	5,102
Other property and equipment, net	487	426
Deferred tax asset-noncurrent	9,124	10,077
Total assets	\$ 50,405	\$ 45,999

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

Tengasco, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets

(unaudited)

(in thousands, except share data)

	June 30, 2012	December 31, 2011
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable – trade	\$ 1,235	\$ 1,203
Accounts payable – other	166	265
Accrued liabilities	592	710
Current maturities of long-term debt	131	103
Total current liabilities	2,124	2,281
Asset retirement obligation	2,045	1,927
Long term debt, less current maturities	14,124	11,694
Total liabilities	18,293	15,902
Stockholders' equity		
Common stock, \$.001 par value, authorized 100,000,000 shares, 60,787,413 and 60,737,413 shares issued and outstanding	61	61
Additional paid-in capital	55,650	55,595
Accumulated deficit	(23,599)	(25,559)
Total stockholders' equity	32,112	30,097
Total liabilities and stockholders' equity	\$ 50,405	\$ 45,999

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

Tengasco, Inc. and Subsidiaries
Condensed 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	
	2012	2011	2012	2011
Revenues	\$ 5,230	\$ 4,785	\$ 10,196	\$ 8,447
Cost and expenses				
Production costs and taxes	2,006	1,678	3,768	3,202
Depreciation, depletion, and amortization	904	666	1,657	1,237
General and administrative	600	719	1,359	1,242
Total cost and expenses	3,510	3,063	6,784	5,681
Net income from operations	1,720	1,722	3,412	2,766
Other income (expense)				
Interest expense	(206)	(164)	(394)	(309)
Gain (loss) on derivatives	15	60	(105)	(306)
Gain on sale of assets	33	8	67	11
Total other income (expenses)	(158)	(96)	(432)	(604)
Income before income tax	1,562	1,626	2,980	2,162
Income tax expense	(475)	(649)	(1,020)	(831)
Net income	\$ 1,087	\$ 977	\$ 1,960	\$ 1,331
Net income per share				
Basic and diluted	\$ 0.02	\$ 0.02	\$ 0.03	\$ 0.02
Shares used in computing earnings per share				
Basic	60,763,237	60,687,413	60,750,325	60,687,413
Diluted	61,214,257	60,761,140	61,236,066	60,761,881

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

Tengasco, Inc. and Subsidiaries
Condensed Consolidated Statements of Stockholders' Equity
(unaudited)
(In thousands, except share data)

Common Stock					
	Shares	Amount	Paid in Capital	Accumulated Deficit	Total