

TENGASCO INC  
Form 10-Q  
May 14, 2007  
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 March 31, 2007

Commission File No. 0-20975

***Tengasco, Inc. and Subsidiaries***

(Exact name of issuer as specified in its charter)

Tennessee-  
State or other jurisdiction of  
Incorporation or organization

87-0267438  
(IRS Employer Identification No.)

10215 Technology Drive, Suite 301, Knoxville, TN 37932

(Address of principal executive offices)

(865-675-1554)

(Issuer's telephone number, including area code)

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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 check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Check One:

Large accelerated filer  Accelerated filer  Non-accelerated filer

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 59,138,705 common shares at May 1, 2007.

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TENGASCO, INC. AND SUBSIDIARIES

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## TENGASCO, INC. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEETS

## ASSETS

	March 31, 2007	
	(Unaudited)	December 31, 2006
<hr/>		
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 318,768	\$ 369,665
Accounts receivable	716,745	719,840
Participant receivables	20,565	13,008
Inventory	527,356	550,522
Other current assets	11,056	11,056
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<b>Total current assets</b>	<b>1,594,490</b>	1,664,091
Restricted Cash	120,500	120,500
Loan Fees	213,995	237,738
<b>Oil and gas properties, net (on the basis</b>		
of full cost accounting)	<b>12,988,083</b>	12,703,629
<b>Pipeline facilities, net</b>	<b>13,324,667</b>	13,460,667
<b>Other property and equipment, net</b>	<b>226,405</b>	267,713
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\$ 28,468,140 \$ 28,454,338

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*See accompanying notes to condensed consolidated financial statements*

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## TENGASCO, INC. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEETS

## LIABILITIES AND STOCKHOLDERS EQUITY

	March 31, 2007 (Unaudited)	December 31, 2006
<b>Current liabilities</b>		
Current maturities of long-term debt	\$55,280	\$65,267
Accounts payable	781,628	687,475
Accrued interest payable	-	8,432
Other accrued liabilities	138,089	30,410
<b>Total current liabilities</b>	<b>974,997</b>	791,584
Asset retirement obligation	525,632	512,015
Long term debt, less current maturities	2,710,559	2,730,534
<b>Total liabilities</b>	<b>4,211,188</b>	4,034,133
<b>Stockholders equity</b>		
Common stock, \$.001 par value; authorized 100,000,000 shares; 59,058,705 and 59,003,284 shares issued and outstanding	59,059	59,004
Additional paid-in capital	54,563,190	54,517,333
Accumulated deficit	(30,365,297)	(30,156,132)
<b>Total stockholders equity</b>	<b>24,256,952</b>	24,420,205
	<b>\$28,468,140</b>	\$28,454,338

See accompanying notes to condensed consolidated financial statements



## TENGASCO, INC. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	For the Three Months Ended March 31, 2007	For the Three Months Ended March 31, 2006
<b>Revenues and other income</b>		
Oil and gas revenues	\$1,749,771	\$2,076,142
Pipeline transportation revenues	19,408	22,791
Interest income	3,221	36
<b>Total revenues and other income</b>	<b>1,772,400</b>	2,098,969
<b>Costs and expenses</b>		
Production costs and taxes	963,130	855,510
Depreciation, depletion and amortization	476,051	405,886
General and administrative	345,588	398,225
Interest expense	71,023	22,089
Public relations	394	1,712
Professional fees	125,379	99,200
<b>Total costs and expenses</b>	<b>1,981,565</b>	1,782,622
<b>Net Loss /Income</b>	<b>\$(209,165)</b>	\$316,347
<b>Net Income/ Loss per share</b>		
Basic and diluted: Operations	\$.00	\$.01
<b>Total</b>	<b>\$.00</b>	\$.01

Shares used in computing Earnings per share



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Basic	<b>59,047,979</b>	58,605,109
Diluted	<b>59,047,979</b>	59,933,719
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*See accompanying notes to condensed consolidated financial statements*

## TENGASCO, INC. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS EQUITY

(Unaudited)

	<u>Common Stock</u> <u>Shares</u>	<u>Amount</u>	<u>Additional Paid in</u> <u>Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
Balance at December 31, 2006	59,003,284	\$ 59,004	\$ 54,517,333	\$ (30,156,132)	\$ 24,420,205
Net loss	-	-	-	(209,165)	(209,165)
Options & Compensation Expense					
	55,250	55	45,780	-	45,835
Common Stock Issued for Exercise of Warrants					
	171	-	77	-	77
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Balance March 31, 2007 (Unaudited)	59,058,705	\$ 59,059	\$ 54,563,190	\$ (30,365,297)	\$ 24,256,952
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*See accompanying notes to condensed consolidated financial statements*

## TENGASCO, INC. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	For the Three Months Ended March 31, 2007	For the Three Months Ended March 31, 2006
<b>Operating activities</b>		
Net Loss /Income	\$(209,165)	\$316,347
Adjustments to reconcile net loss/income to net cash used in operating activities:		
Depreciation, depletion and amortization	476,051	405,886
Accretion on Asset Retirement Obligation	15,360	16,930
(Gain)/Loss on sale of vehicles/equipment	(4,500)	(22,565 )
Compensation and services paid in stock options	26,815	53,374
Changes in assets and liabilities:		
Accounts receivable	3,095	283,847
Participants receivables	(7,557)	(581)
Other current assets	-	(5,000 )
Inventory	23,166	26,630
Accounts payable	94,153	(80,740 )
Accrued interest payable	(8,432)	
Other accrued liabilities	107,679	(172,927 )
Settlement on Asset Retirement Obligation	1,743	(27,411 )
<b>Net cash provided by operating activities</b>	<b>518,408</b>	<b>793,790</b>
<b>Investing activities</b>		
Additions to other property & equipment	-	(59,239 )
Decrease to other property & equipment	-	27,915
Net additions to oil and gas properties	(559,454)	(499,111 )
Drilling Program portion of additional drilling	-	219,450