

DAWSON GEOPHYSICAL CO
Form 8-K
June 23, 2011

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K
CURRENT REPORT**

**Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
Date of report (date of earliest event reported): June 22, 2011 (June 17, 2011)
DAWSON GEOPHYSICAL COMPANY
(Exact name of Registrant as specified in its charter)**

TEXAS
(State of incorporation
or organization)

001-34404
(Commission file number)

75-0970548
(I.R.S. employer identification
number)

**508 W. WALL, SUITE 800
MIDLAND, TEXAS**
(Address of principal executive offices)

79701
(Zip code)

Registrant's telephone number, including area code: (432) 684-3000
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

On June 17, 2011, Dawson Geophysical Company (the Company) renewed and extended its revolving line of credit loan agreement with Western National Bank. Under the renewed facility, the total amount available for the Company to borrow remains \$20.0 million, subject to a borrowing base calculation based on the Company's then-outstanding accounts receivable, as more fully described in the loan agreement.

Under the renewed facility (which relates back to June 2, 2011), from June 1 through June 30, 2011, interest will accrue at an annual rate equal to the Prime Rate, minus three-quarters percent (0.75%). Beginning as of July 1, 2011, interest will accrue at an annual rate equal to either: (a) the 30-day London Interbank Offered Rate (LIBOR), plus two and one-quarter percent (2.25%), or (b) the Prime Rate, minus three-quarters percent (.75%) as the Company directs monthly, subject to an interest rate floor of four percent (4%). The renewed loan agreement contains customary covenants for credit facilities of this type, including limitations on disposition of assets and mergers and reorganizations. The Company is also obligated to meet certain financial covenants under the renewed loan agreement, including maintaining specified ratios with respect to cash flow coverage, debt to tangible net worth, and current assets and liabilities. The Company's obligations under the renewed loan agreement are secured by a security interest in its accounts receivable, equipment and related collateral. As of June 21, 2011, no amounts were outstanding under the loan agreement.

All outstanding amounts owed under the renewed loan agreement will become due and payable no later than the maturity date of June 2, 2013, and are subject to acceleration upon the occurrence of events of default which the Company considers usual and customary for an agreement of this type, including failure to make payments under loan agreement, non-performance of covenants and obligations or insolvency or bankruptcy (as described in the loan agreement).

The foregoing description of the renewed loan agreement does not purport to be complete and is qualified in its entirety by reference to the Revolving Line of Credit Loan Agreement and the Security Agreement, which are filed as Exhibits 10.1 and 10.2 to this Current Report on Form 8-K.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information provided in Item 1.01 to this Current Report on Form 8-K is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>EXHIBIT NUMBER</u>	<u>DESCRIPTION</u>
10.1	Revolving Line of Credit Loan Agreement, dated as of June 2, 2011, between the Company and Western National Bank.
10.2	Security Agreement, dated as of June 2, 2011, between the Company and Western National Bank.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DAWSON GEOPHYSICAL COMPANY

Date: June 22, 2011

By: /s/ Christina W. Hagan
Christina W. Hagan
Executive Vice President, Secretary and
Chief Financial Officer

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