

TENGASCO INC
Form 8-K
February 25, 2015

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):

February 19, 2015

Tengasco, Inc.
(Exact Name of Registrant as specified in its charter)

Commission File Number 1-15555

Delaware 87-0267438
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

6021 S. Syracuse Way, Suite 117, Greenwood Village CO
(Address of Principal Executive Office)

(720)- 420-4460
(Registrant's Telephone number)

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 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers;
5.02 Compensatory Arrangements of Certain Officers

Tengasco, Inc. (NYSE MKT: TGC) announced today that on February 19, 2015, in response to the current global market factors affecting revenues from sales of the Company's production of crude oil, the Board of Directors of the Company is implementing reductions in the current compensation of the Company's officers.

As to the Company's Chief Financial Officer and interim Chief Executive Officer Michael J. Rugen, Mr. Rugen's salary as CFO and bonus as CEO will be reduced effective February 2, 2015 by 18% from current levels, or about \$42,000 per year. The 18% reduction will remain in place until the market price of crude oil, calculated as a thirty day trailing average of WTI postings as published by the U.S. Energy Information Administration meets or exceeds \$70 per barrel when his compensation shall revert to the levels in place before the reductions became effective. At such time, if any, that the market price of crude oil, calculated as a thirty day trailing average of WTI postings as published by the U.S. Energy Information Administration meets or exceeds \$85 per barrel, all previous reductions made will be reimbursed to Mr. Rugen if he is still employed by the Company. Mr. Rugen expressly consented to this reduction as not constituting a "termination without Cause" under the terms of his Compensation Agreement dated September 18, 2013 but permitting him to invoke that provision in the event prices do recover as set out above but the compensation reduction is not rescinded or the reductions are not repaid.

As to the Company's Vice President, General Counsel, and Corporate Secretary Cary V Sorensen, the Company and Mr. Sorensen reached agreement on February 25, 2015 that as of March 2, 2015 his annual salary would be set at \$91,000 per annum, a reduction from his current salary of \$137,500 per annum, in consideration of the Company's agreement to permit Mr. Sorensen to serve as a full time employee from a virtual office in Galveston, Texas with presence in the Denver area headquarters as required. He will remain eligible for certain existing benefits: 401-K plan, bonus potential; Company-paid state bar membership dues and charges, and mobile phone charges. The Company also pays reasonable and customary office operating expenses. The Company would pay for business travel on a mileage basis and out of pocket travel costs. However, as to health insurance, Mr. Sorensen will obtain a combination of private/governmental health and disability insurance in lieu of the Company plans, with the Company reimbursing up to \$13,000 per year in premiums incurred by him in doing so, resulting in about \$9,000 in savings to the Company compared to current insurance premium costs. In addition, Mr. Sorensen's \$91,000 salary will be reduced effective March 2, 2015 by 10%. In like manner as set out above for Mr. Rugen, the 10% reduction on Mr. Sorensen's salary will remain in place until the market price of crude oil, calculated as a thirty day trailing average of WTI postings as published by the U.S. Energy Information Administration meets or exceeds \$70 per barrel when his salary shall revert to \$91,000 per annum. At such time, if any, that the market price of crude oil, calculated as a thirty day trailing average of WTI postings as published by the U.S. Energy Information Administration meets or exceeds \$85 per barrel, all previous reductions made from the \$91,000 salary level will be reimbursed to Mr. Sorensen if he is still employed by the Company. This agreement is not an employment contract, but does provide that in the event Mr. Sorensen were terminated without cause during the year following, he would receive a severance payment in the amount of six months' salary in effect at time of any such termination.

SIGNATURES

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

Dated: February 25, 2015

Tengasco, Inc.

By: s/Michael J. Rugen
Michael J. Rugen,
Chief Executive Officer
