

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Schedule 14D-9
(Rule 14d-101)

SOLICITATION/RECOMMENDATION STATEMENT UNDER SECTION 14(d)(4) OF THE SECURITIES
EXCHANGE ACT OF 1934

Tengasco, Inc.
(Name of Subject Company)

Tengasco, Inc.
(Name of Person Filing Statement)

COMMON STOCK, PAR VALUE \$0.001 PER SHARE (Title of Class of Securities)

88033R205
(CUSIP Number of Class of Securities)

Cary V. Sorensen, Vice President, General Counsel
Tengasco, Inc.
6021 S. Syracuse Way, Suite 117
Greenwood Village, CO 80111
720-420-4460

With Copy to
John Elofson
Kristin Lentz
Davis, Graham & Stubbs LLP
1550 17th Street, Suite 500
Denver, CO 80202
(303) 892-9400

(Name, address and telephone number of person authorized to receive notices and communications on behalf of
the person filing statement)

Check the box if the filing relates solely to preliminary communications made before the commencement of a
tender offer.

INTRODUCTION

This Solicitation/Recommendation Statement on Schedule 14D-9 (the “Schedule 14D-9”) relates to an offer by ICN Fund I, LLC (“ICN”), a Texas limited liability company, to purchase all of the issued and outstanding shares (the “Shares”) of the common stock, par value \$0.001 per share (the “Common Stock”), of Tengasco, Inc., a Delaware corporation (the “Company” or “Tengasco”), at a price of \$0.2736 per Share (the “Offer Price”). As discussed below, the Board of Directors of the Company (the “Board”) unanimously recommends that the Company’s stockholders reject the offer and not tender Shares for purchase pursuant to the offer.

Item 1. Subject Company Information

The Company’s name and the address and telephone number of its principal executive office are as follows:

Tengasco, Inc.
6021 S. Syracuse Way, Suite 117
Greenwood Village, CO 80111
(720) 420-4460

The title of the class of equity securities to which this Schedule 14D-9 relates is the Company’s Common Stock, of which there were 60,842,413 shares outstanding as of June 26, 2015.

Item 2. Identity and Background of Filing Person

The Company is the person filing this Schedule 14D-9. The Company’s name, address and business telephone number are set forth in Item 1 above.

This Schedule 14D-9 relates to the tender offer by ICN pursuant to which ICN has offered to purchase, subject to certain terms and conditions, all of the 60,842,413 outstanding Shares of Common Stock at a cash purchase price of \$0.2736 per share. The Offer is on the terms and subject to the conditions described in the Tender Offer Statement on Schedule TO filed by ICN with the Securities and Exchange Commission (the “SEC”) on June 26, 2015 (together with the exhibits thereto, the “Schedule TO”). Unless the Offer is extended, it will expire on August 5, 2015. The value of the consideration offered, together with all of the terms and conditions applicable to the tender offer, is referred to in this Schedule 14D-9 as the “Offer.”

ICN’s business address and telephone number are listed in its Schedule TO as 14511 Falling Creek Drive, Suite 105, Houston, TX 77014; (281) 782-5332.

The Company’s website address is www.tengasco.com. The information on the Company’s website should not be considered a part of this Schedule 14d-9 and is not incorporated herein by reference.

Item 3. Past Contacts, Transactions, Negotiations and Agreements

To the knowledge of the Company, as of the date of this Schedule 14D-9, there are no material agreements, arrangements or understandings or any actual or potential conflicts of interest between the Company or its affiliates and ICN and its executive officers, directors or affiliates.

In addition, as of the date of this Schedule 14D-9, there are no material agreements, arrangements, or understandings or any actual or potential conflicts of interest between Tengasco or its affiliates and the executive officers, directors, or affiliates of Tengasco, except for agreements, arrangements or understandings and actual or potential conflicts of interest discussed in the sections entitled ITEM 11. EXECUTIVE COMPENSATION and ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE in the Company’s Annual Report on Form 10-K for the year ended December 31, 2014 and incorporated by this reference. Those sections are included as Exhibits E(1) and E(2) hereto, respectively.

Item 4. The Solicitation or Recommendation

(a) Solicitation or Recommendation.

The Board has thoroughly evaluated and assessed the terms of the Offer. The Board has unanimously determined that the Offer is not in the best interests of the stockholders of the Company and recommends that the Company's stockholders reject the Offer and not tender their Shares to ICN pursuant to the Offer.

The Board acknowledges that each stockholder must evaluate whether to tender its shares to ICN pursuant to the Offer and that an individual stockholder may determine to tender based on, among other things, its individual liquidity needs.

(b) Reasons for the Recommendation.

In reaching the conclusions and in making the recommendation described above, the Board (1) consulted with the Company's management; (2) reviewed the terms and conditions of the Offer; (3) considered other information relating to the Company's historical financial performance, portfolio of properties and future opportunities; and (4) evaluated various factors in light of the Board's knowledge of the Company's business, financial condition, properties, and future prospects.

The reasons for the Board's recommendation include, without limitation:

- the Board's belief that, given the timing of the Offer and the Offer Price, the Offer represents an opportunistic attempt to purchase the Shares at an inadequate price level and thereby deprive the Company's stockholders who tender Shares in the Offer of the potential opportunity to realize the full long-term value of their investment in the Company. (However, there can be no assurance as to the actual long term value of the Shares as such value is dependent on a number of factors including general economic conditions and the other factors discussed in Item 8 below);
- the Board's knowledge of the value of the Company's assets;
- the fact that the Board believes the value of the Company's proved oil reserves is in excess of the value represented by the Offer Price; and
- the existence of errors and inconsistencies in the Schedule TO that, in the Board's view, undermine the credibility and seriousness of the Offer (see Item 8 below for additional information regarding this issue).

In view of the number of reasons and interdependence of them, the Board did not find it practical to attempt to quantify or assign any relative weight to the specific reasons listed or otherwise considered.

In light of these reasons, the Board has unanimously determined that the Offer is not in the best interests of the Company's stockholders. Accordingly, the Board of Directors unanimously recommends that the stockholders reject the Offer and not tender their Shares to ICN for purchase pursuant to the Offer.

(c) No Intent to Tender.

As of June 26, 2015, Tengasco's directors and officers as a group beneficially owned an aggregate of 20,907,878 outstanding shares (no options are included), representing 34.36% of the total number of outstanding Shares. Tengasco's directors and officers are entitled to participate in the Offer on the same basis as other stockholders; however, all of its directors and officers have advised the Company that they do not intend to tender any of their Shares in response to the Offer (whether such Shares are held of record or beneficially).

Item 5. Person/Assets Retained, Employed, Compensated or Used

None.

Item 6. Interest in Securities of the Subject Company

No transactions with respect to the Common Stock have been effected by the Company or, to the Company's best knowledge, by any of its executive officers, directors, affiliates or subsidiaries within the 60 days preceding the date of filing of this Schedule 14d-9, except that on July 2, 2015 each of the four directors of the Company was granted options to purchase 6,250 Shares at the closing price of the Shares on July 1, 2015 for service as a director in the second quarter of calendar 2015. This quarterly option grant as director compensation has occurred routinely each quarter since 2011 and the option grants have been timely reported on Forms 4 filed by the directors with the SEC.

Item 7. Purposes of the Transaction and Plans or Proposals

In response to the Offer, the Company has not undertaken and is not engaged in any negotiations which relate to: (i) a tender offer or other acquisition of the Company's securities by the Company, any of its subsidiaries or any other person; (ii) an extraordinary transaction, such as a merger, reorganization or liquidation involving the Company or any of its subsidiaries; (iii) purchase, sale or transfer of a material amount of assets of the Company or any of its subsidiaries; or (iv) any material change in the present dividend rate or policy, or indebtedness or capitalization of the Company. Additionally, there is no transaction, board resolution, agreement in principle, or signed contract that has been adopted or entered into in response to the Offer which relates to or would result in one or more of the foregoing matters.

Although no such actions have been undertaken or negotiated in response to the Offer, the Company routinely maintains contact with other participants in its industry regarding a wide range of potential business transactions. It has not ceased, and has no intention of ceasing, such activity as a result of the Offer. The Company's policy has been, and continues to be, not to disclose the existence or content of any such discussions with third parties (except as may be required by law) as any such disclosure could jeopardize any future negotiations that the Company may conduct. Accordingly, the Board has instructed management not to disclose the possible terms of any such transactions or proposals, or the parties thereto, unless and until required by law or the Board otherwise determines disclosure to be advisable.

Item 8. Additional Information

(a) The Offer Contains Inconsistent and Misleading Information

As indicated in Item 4 above, one of the reasons the Board has recommended that shareholders not tender their Shares in the Offer is the existence of errors and inconsistencies in the Schedule TO that, in the Board's view, undermine the credibility and seriousness of the Offer. For example, although ICN at one point in the Offer to Purchase filed with the Schedule TO correctly states that there is no "Tender Offer Agreement" between ICN and Tengasco (see page 2), ICN nevertheless continues to refer to the nonexistent Tender Offer Agreement throughout its Offer to Purchase as if such an agreement had been entered into by ICN and the Company (see, e.g., page 2 of the Offer to Purchase: "[W]e [i.e., ICN] have agreed in the Tender Offer Agreement that, subject to our right to terminate the Tender Offer Agreement in accordance with its terms, [ICN] must extend the Offer (i) on one or more occasions, for successive periods (the length of such period to be determined by [ICN]) of not more than twenty (20) business days each (or for such longer period as [ICN] and the Company may agree)..."). In addition, later in the document (page 6), ICN confusingly refers to the Offer itself as the "Tender Offer Agreement." Further, the Schedule TO refers to a press release, dated June 25, 2015 issued by ICN and the Company, although no such press release exists. In the Board's view, these incorrect and inconsistent disclosures are not merely confusing and misleading, but suggest a lack of seriousness and credibility on the part of ICN. The Board believes that an offeror who is unwilling or incapable of providing clear and correct disclosures in its Schedule TO and related documents may also be unwilling or incapable of consummating the offer described in the document.

(b) Other Important Information

Statements contained in this Schedule 14D-9 other than statements of historical fact are forward-looking statements. Such statements are subject to certain risks and uncertainties, as well as known and unknown risks, which could cause actual results to differ materially from those projected or anticipated. Therefore, such statements are not intended to be a guarantee of the Company's performance in future periods. Such forward-looking statements can generally be identified by the Company's use of forward-looking terminology such as "may," "will," "expect," "intend," "anticipate," "estimate," "believe," "continue" or other similar words. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date this Schedule 14D-9 is filed with the SEC. The Company makes no representation or warranty (express or implied) about the accuracy of any such forward-looking statements contained in this Schedule 14d-9, and does not intend to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

In addition to the foregoing, the Company faces certain additional risks as described more fully in the section entitled "Item 1A. Risk Factors" in the Annual Report on Form 10-K filed by the Company with the SEC on March 30, 2015 and incorporated herein by reference.

Item 9. Materials to Be Filed as Exhibits

| Exhibit No. | Document |
|-------------|---|
| (a)(1) | Press release of Tengasco, Inc. dated June 30, 2015 |
| (a)(2) | Press release of Tengasco, Inc. dated July 13, 2015 |
| (e)(1) | ITEM 11. EXECUTIVE COMPENSATION included in the Annual Report on Form 10-K for the year ended December 31, 2014 filed by Tengasco, Inc. with the SEC on March 30, 2015 |
| (e)(2) | ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE included in the Annual Report on Form 10-K for the year ended December 31, 2014 filed by Tengasco, Inc. with the SEC on March 30, 2015 |

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Schedule 14D-9 is true, complete and correct.

TENGASCO, INC.

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

For Immediate Release

Tengasco's Board of Directors to Review Unsolicited Tender Offer from ICN Fund I, LLC

Stockholders Advised to Take No Action Pending Review

Greenwood Village, Colorado, June 30, 2015 -- Tengasco, Inc. (NYSE MKT: TGC) today confirmed that ICN Fund I, LLC commenced an unsolicited tender offer on June 26, 2015 to acquire all of the outstanding shares of Tengasco common stock at a price of \$0.2736 per share. Consistent with its fiduciary duties, Tengasco's Board of Directors, in consultation with its advisors, will review the offer. The Board intends to advise stockholders of its formal position regarding the tender offer within ten business days (July 13, 2015) by making available to Tengasco's stockholders and filing with the Securities and Exchange Commission (the "SEC") a solicitation/recommendation statement on Schedule 14D-9. Tengasco's stockholders are advised to take no action at this time pending the review of the tender offer by the Company's Board.

Important Additional Information

Tengasco's stockholders are strongly advised to carefully read Tengasco's solicitation/recommendation statement on Schedule 14D-9, when it becomes available, regarding the tender offer referred to in this press release because it will contain important information. Free copies of the solicitation/recommendation statement on Schedule 14D-9, which will be filed by Tengasco with the SEC, will be available at the SEC's website at www.sec.gov, or at Tengasco's website at www.tengasco.com or by writing to Tengasco at 6021 S. Syracuse Way, Suite 117, Greenwood Village, CO 80111, Attention: Corporate Secretary.

The statements contained in this release that are not purely historical are forward-looking statements within the meaning of applicable securities laws. Forward-looking statements include statements regarding "expectations," "anticipations," "intentions," "beliefs," or "strategies" regarding the future. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond the Company's control. Additional information concerning these and other risks can be found in the Company's public filings with the SEC, including the discussion under the heading "Risk Factors" in the Company's most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q. The Company's actual results could differ materially from the forward-looking statements. **The Company undertakes no obligation to update any forward-looking statements in order to reflect any event or circumstance occurring after the date of this release or currently unknown facts or conditions or the occurrence of unanticipated events.**

Contact: Cary V. Sorensen, Vice President

(720) 420-4460

FOR IMMEDIATE RELEASE

Tengasco's Board of Directors Rejects Unsolicited Tender Offer from ICN Fund I, LLC

Finds Offer Not in Stockholders' Best Interests and Recommends Stockholders Not Tender Shares in the Offer

Greenwood Village, Colorado, July 13, 2015 -- Tengasco, Inc. (NYSE MKT: TGC) ("Tengasco" or the "Company") announced today that its Board of Directors has unanimously rejected the unsolicited tender offer from ICN Fund I, LLC ("ICN") to acquire all of the outstanding shares of the Company for \$0.2736 per share. The Company today filed with the Securities and Exchange Commission its "Solicitation/Recommendation Statement on Schedule 14D-9" relating to the offer by ICN, which includes the recommendation of the Board that shareholders not tender in the offer. The Schedule 14D-9 may be found on the SEC's website, sec.gov by searching for Company Filings under our ticker symbol "TGC", or on the Company's website www.tengasco.com.

As reported in the Schedule 14d-9, the Board consulted with the Company's management, reviewed the terms and conditions of the ICN's offer; considered other information relating to the Company's historical financial performance, portfolio of properties and future opportunities; and evaluated various factors in light of the Board's knowledge of the Company's business, financial condition, properties, and future prospects. As a result of this review and analysis, the Board unanimously determined that the offer is not in the best interests of the Company's stockholders. Accordingly, the Board unanimously recommended that the stockholders reject the offer and not tender their shares to ICN for purchase pursuant to the offer.

The reasons for the Board's recommendation included: the Board's belief that, given the timing of the offer and the offer price, the offer represents an opportunistic attempt to purchase the shares at an inadequate price and thereby deprive the Company's tendering stockholders of the potential opportunity to realize the full long-term value of their investment in the Company; the Board's knowledge of the value of the Company's assets; the Board's belief that the value of the Company's proved oil reserves exceeds the value represented by the offer price; and the existence of errors and inconsistencies in ICN's offering documents that, in the Board's view, undermine the credibility and seriousness of the offer.

The Company stated in its Schedule 14D-9 that as of June 26, 2015, Tengasco's directors and officers as a group owned 20,907,878 outstanding shares, representing 34.36% of the total number of the Company's outstanding shares. The Company reported that all of its directors and officers holding shares have advised the Company that they do not intend to tender any of their shares in response to the offer.

Cautionary Statement Regarding Forward-Looking Statements

Statements contained in this release other than statements of historical fact are forward-looking statements. Such statements are subject to certain risks and uncertainties, as well as known and unknown risks, which could cause actual results to differ materially from those projected or anticipated. Therefore, such statements are not intended to be a guarantee of the Company's performance in future periods. Such forward-looking statements can generally be identified by the Company's use of forward-looking terminology such as "may," "will," "expect," "intend," "anticipate," "estimate," "believe," "continue" or other similar words. The future value of the Company's properties and stock are subject to numerous risks and uncertainties, including future commodity prices and general economic conditions and other risk factors discussed in the Company's filings with the SEC, all of which are incorporated by reference herein. Readers are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date this release is issued. The Company makes no representation or warranty (express or implied) about the accuracy of any such forward-looking statements contained in this release, and does not intend to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Important Additional Information

Tengasco's stockholders are strongly advised to carefully read the Company's solicitation/recommendation statement regarding the tender offer referred to in this press release because it contains important information. Free copies of the solicitation/recommendation statement are available at the websites noted above or by writing to the Company 6021 S. Syracuse Way, Suite 117, Greenwood Village, CO 80111, Attention: Corporate Secretary.

Contact: Cary V. Sorensen, Vice President

(720) 420-4460

ITEM 11. EXECUTIVE COMPENSATION
Executive Officer Compensation

The following table sets forth a summary of all compensation awarded to, earned or paid to, the Company's Chief Executive Officer, Chief Financial Officer and other executive officers whose compensation exceeded \$100,000 during fiscal years ended December 31, 2014 and December 31, 2013.

| SUMMARY COMPENSATION TABLE | | | | | | |
|--|------|---------|--------|---------------|-------------------------------------|---------|
| Name and Principal Position | Year | Salary | Bonus | Option Awards | All Other Compensation ¹ | Total |
| | | (\$) | (\$) | (\$) | (\$) | (\$) |
| Michael J. Rugen, Chief Financial Officer Chief Executive Officer (interim) ² | 2014 | 186,716 | 68,343 | - | 53,597 | 308,656 |
| | 2013 | 155,770 | 52,500 | - | 14,828 | 223,098 |
| Cary V. Sorensen, General Counsel | 2014 | 137,940 | 5,000 | - | 9,788 | 152,728 |
| | 2013 | 137,940 | - | - | 10,221 | 148,161 |
| Jeffrey R. Bailey, Chief Executive Officer (former) ³ | 2013 | 98,500 | 27,000 | - | 6,933 | 132,433 |
| Charles P. McInturff, Vice President ⁴ | 2013 | 182,970 | - | - | 12,335 | 195,305 |

¹ The amounts in this column consist of the Company's matching contributions to its 401 (k) plan, personal use of company vehicles, and the portion of company-wide group term life insurance premiums allocable to these named executive officers.

² Mr. Rugen was appointed interim Chief Executive Officer on June 28, 2013. The information for Mr. Rugen for 2014 and 2013 includes compensation for his services as both CEO and CFO. The bonus in 2014 and 2013 include \$33,068 and \$15,000 respectively for quarterly bonuses paid to Mr. Rugen as compensation to serve in the capacity as CEO.

³ Mr. Bailey resigned as Chief Executive Officer of the Company on June 28, 2013.

⁴ Mr. McInturff resigned as Vice President of the Company on December 16, 2013.

Outstanding Equity Awards at Fiscal Year-End

| Name | OPTION AWARDS | | | |
|------------------|---|---|-----------------------|------------------------|
| | Number of securities underlying unexercised options | Number of securities underlying unexercised options | Option exercise price | Option expiration date |
| | exercisable | unexercisable | | |
| Michael J. Rugen | 400,000 | - | \$ 0.50 | 9/27/2015 |
| Cary V. Sorensen | 74,000 | - | \$ 0.44 | 8/29/2015 |

Option and Award Exercises

During 2013, Mr. McInturff received a \$59,520 payment in lieu of exercising his fully exercisable options to purchase 400,000 shares. This payment is the same economic benefit to Mr. McInturff as if he had made a cashless exercise of the options, and the Company elected to make such payment in lieu of issuing the shares and the resulting dilutive effect of doing so. These options were to expire on February 1, 2013. No other options were exercised during 2014 or 2013.

Employment Contracts and Compensation Agreements

On September 18, 2013, the Company and its Chief Financial Officer and interim Chief Executive Officer Michael J. Rugen entered into a written Compensation Agreement as reported on Form 8-K filed on September 24, 2013. Under the terms of the Compensation Agreement, Mr. Rugen's annual salary will increase from \$150,000 to \$170,000 per year in his capacity as Chief Financial Officer, and he will receive a bonus of \$7,500 per quarter for each quarter during which he also serves as interim Chief Executive Officer. At June 1, 2014, Mr. Rugen's salary was increased to \$199,826 per year in his capacity as Chief Financial Officer, the quarterly bonus received while in the capacity as interim Chief Financial Officer was increased to \$8,815 per quarter. The increases at June 1, 2014 were for cost of living adjustments related to the relocation of the corporate office from Knoxville to Greenwood Village. The Compensation agreement is not an employment contract, but does provide that in the event Mr. Rugen were terminated without cause, he would receive a severance payment in the amount of six month's salary in effect at the time of any such termination.

On February 25, 2015, the Company and its Vice President, General Counsel, and Corporate Secretary Cary V. Sorensen entered into a written Compensation Agreement as reported on Form 8-K filed on February 19, 2015. Under the terms of the Compensation Agreement, effective March 2, 2015, Mr. Sorensen's annual salary will be reduced from \$137,500 to \$91,000 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. The Compensation agreement is not an employment contract, but does provide that in the event Mr. Sorensen were terminated without cause, he would receive a severance payment in the amount of six month's salary in effect at the time of any such termination.

There are presently no other employment contracts relating to any member of management. However, depending upon the Company's operations and requirements, the Company may offer long-term contracts to executive officers or key employees in the future.

Compensation and Stock Option Committee

The members of the Compensation/Stock Option Committee during 2014 were Matthew K. Behrent, Hughree F. Brooks, and Richard M. Thon, with Mr. Brooks acting as Chairman. Messrs. Behrent, Brooks, and Thon meet the current independence standards established by the NYSE MKT Rules to serve on this Committee.

The Board of Directors has adopted a charter for the Compensation/Stock Option Committee which is available at the Company's internet website, www.tengasco.com.

The Compensation/Stock Option Committee's functions, in conjunction with the Board of Directors, are to provide recommendations with respect to general and specific compensation policies and practices of the Company for directors, officers and other employees of the Company. The Compensation/Stock Option Committee expects to periodically review the approach to executive compensation and to make changes as competitive conditions and other circumstances warrant and will seek to ensure the Company's compensation philosophy is consistent with the Company's best interests and is properly implemented. The Committee determines or recommends to the Board of Directors for determination the specific compensation of the Company's Chief Executive Officer and all of the Company's other officers. Although the Committee may seek the input of the Company's Chief Executive Officer in determining the compensation of the Company's other executive officers, the Chief Executive Officer may not be present during the voting or deliberations with respect to his compensation. The Committee may not delegate any of its responsibilities unless it is to a subcommittee formed by the Committee, but only if such subcommittee consists entirely of directors who meet the independence requirements of the NYSE MKT Rules.

The Compensation/Stock Option Committee is also charged with administering the Tengasco, Inc. Stock Incentive Plan (the "Stock Incentive Plan"). The Compensation/Stock Option Committee has complete discretionary authority with respect to the awarding of options and Stock Appreciation Rights ("SARs"), under the Stock Incentive Plan, including, but not limited to, determining the individuals who shall receive options and SARs; the times when they shall receive them; whether an option shall be an incentive or a non-qualified stock option; whether an SAR shall be granted separately, in tandem with or in addition to an option; the number of shares to be subject to each option and SAR; the term of each option and SAR; the date each option and SAR shall become exercisable; whether an option or SAR shall be exercisable in whole, in part or in installments and the terms relating to such installments; the exercise

price of each option and the base price of each SAR; the form of payment of the exercise price; the form of payment by the Company upon the exercise of an SAR; whether to restrict the sale or other disposition of the shares of common stock acquired upon the exercise of an option or SAR; to subject the exercise of all or any portion of an option or SAR to the fulfillment of a contingency, and to determine whether such contingencies have been met; with the consent of the person receiving such option or SAR, to cancel or modify an option or SAR, provided such option or SAR as modified would be permitted to be granted on such date under the terms of the Stock Incentive Plan; and to make all other determinations necessary or advisable for administering the Plan.

The Compensation/Stock Option Committee met four (4) times in Fiscal 2014. The Committee has the authority to retain a compensation consultant or other advisors to assist it in the evaluation of compensation and has the sole authority to approve the fees and other terms of retention of such consultants and advisors and to terminate their services. The Committee did not retain any such consultants or advisors in 2014.

Compensation of Directors

The Board of Directors has resolved to compensate members of the Board of Directors for attendance at meetings at the rate of \$250 per day, together with direct out-of-pocket expenses incurred in attendance at the meetings, including travel. The Directors, as of the date of this Report, have waived all such fees due to them for prior meetings.

Members of the Board of Directors may also be requested to perform consulting or other professional services for the Company from time to time, although at this time no such arrangements are in place. The Board of Directors has reserved to itself the right to review all directors' claims for compensation on an *ad hoc* basis.

Board members currently receive fees from the Company for their services as director. They may also from time to time be granted stock options under the Tengasco, Inc. Stock Incentive Plan. A separate plan to issue cash and/or shares of stock to independent directors for service on the Board and various committees was authorized by the Board of Directors and approved by the Company's shareholders. A copy of the Plan is posted at the Company's website at www.tengasco.com. However, no award was made to any independent director under that separate plan in Fiscal 2014.

DIRECTOR COMPENSATION FOR FISCAL 2014

| | Fees earned or paid in cash | Option awards compensation ⁵ | Total |
|--------------------|-----------------------------|---|-----------|
| Name | (\$) | (\$) | (\$) |
| Matthew K. Behrent | \$ 15,000 | \$ 5,464 | \$ 20,464 |

⁵ The amounts represented in this column are equal to the aggregate grant date fair value of the award computed in accordance with FASB ASC Topic 718, Compensation-Stock Compensation, in connection with options granted under the Tengasco, Inc. Stock Incentive Plan. See Note 13 Stock Options in the Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2014 for information on the relevant valuation assumptions. As of December 31, 2014, Mr. Behrent held 143,750 unexercised options; Mr. Brooks held 93,750 unexercised options; Mr. Salas held 143,750 unexercised options; and Mr. Thon held 25,000 unexercised options.

| | | | |
|-------------------|-----------|----------|-----------|
| Hughree F. Brooks | \$ 15,000 | \$ 5,464 | \$ 20,464 |
| Richard M. Thon | \$ 15,000 | \$ 5,464 | \$ 20,464 |
| Peter E. Salas | \$ 15,000 | \$ 5,464 | \$ 20,464 |

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Certain Transactions

There have been no material transactions, series of similar transactions or currently proposed transactions entered into during 2014 and 2013, to which the Company or any of its subsidiaries was or is to be a party, in which the amount involved exceeds the lesser of \$120,000 or one percent of the average of the Company's total assets at year-end for its last two completed fiscal years in which any director or executive officer or any security holder who is known to the Company to own of record or beneficially more than 5% of the Company's common stock, or any member of the immediate family of any of the foregoing persons, had a material interest.

In this Report on Form 10-K for the year ended December 31, 2014, the Company describes three transactions of the type described above, that the Company entered into with Hoactzin in 2007 that remained in existence in 2013 and 2014. As noted above in Item 1, Business, page 9, Peter E. Salas, the Chairman of the Board of Directors of the Company, is the controlling person of Hoactzin and of Dolphin Offshore Partners, L.P., the Company's largest shareholder. These three 2007 transactions between the Company and Hoactzin are described at the following page locations in this Report and in the attached Notes to Consolidated Financial Statements: (1) the Ten Well Program, see Item 1, Business, pages 9 and F-16; (2) the net profits agreement at the Methane Project, see Item 1, Business, pages 13 and F-16; and (3) the Management Agreement, see Item 1, Business, pages 13 and F-17.

The approximate dollar value of the amount of Hoactzin's interest in each of these three 2007 transactions during each of the years 2014 and 2013 was as follows: (1) Ten Well Program - \$148,000 in 2014; \$568,000 in 2013 (calculated as the total payments attributable to Hoactzin for its program interest); (2) Net Profits agreement at the Methane Project - \$0 in 2014; \$0 in 2013 (calculated as the amount of net profits payable to Hoactzin; the project generated no net profits as described in the agreement, and therefore no amount was paid to Hoactzin for net profits, in either 2014 or 2013); and (3) Management Agreement - \$0 in 2014; \$21,000 in 2013 (calculated as the amount payable by Hoactzin to the Company in reimbursement of one half of the salary and benefits of Patrick McInturff, as manager employed by the Company and excluding all vendor payables, bond premiums, and all other operating costs of Hoactzin's properties, all of which were paid at all times by Hoactzin and not by the Company, in the ordinary course of Hoactzin's ownership and not under the Management Agreement).

In addition to the three 2007 transactions, Hoactzin owns a drilling program interest in the Company's "6 Well Program" in Kansas, acquired in 2005 by Hoactzin in exchange for surrender of the Company's promissory notes given by the Company for borrowings to fund the redemption in 2004 of the Company's three series of preferred stock, all as previously disclosed. Hoactzin's interest in the 6 Well Program was \$30,000 in 2014; and \$45,000 in 2013 (calculated as the total payments attributable to Hoactzin for its program interest) and is expected to decrease in the future as the wells involved naturally decline in produced volumes.

Director Independence

The Rules of the NYSE MKT (the “NYSE MKT Rules”) of which the Company is a member require that an issuer, such as the Company, which is a Smaller Reporting Company pursuant to Regulation S-K Item 10(f)(1), maintain a board of directors of which at least one-half of the members are independent in that they are not officers of the Company and are free of any relationship that would interfere with the exercise of their independent judgment. The NYSE MKT Rules also require that as a Smaller Reporting Company, the Company’s Board of Directors’ Audit Committee be comprised of at least two members all of whom qualify as independent under the criteria set forth in Rule 10 A-3 of the Securities Exchange Act of 1934 and NYSE MKT Rule 803(b)(2)(c). The Board of Directors has determined that the Company’s four directors, Matthew K. Behrent, Hughree F. Brooks, Richard M. Thon, and Peter E. Salas, are independent as defined by the NYSE MKT Rules, and that Matthew K. Behrent, Richard M. Thon, and Hughree F. Brooks are also independent as defined by Section 10A(m)(3) of the Securities Exchange Act of 1934 and the rules and regulations of the Securities and Exchange Commission; and that none of these directors have any relationship which would interfere with the exercise of his independent judgment in carrying out his responsibilities as a director. In reaching its determination, the Board of Directors reviewed certain categorical independence standards to provide assistance in the determination of director independence. The categorical standards are set forth below and provide that a director will not qualify as an independent director under the NYSE MKT Rules if:

The Director is, or has been during the last three years, an employee or an officer of the Company or any of its affiliates;

The Director has received, or has an immediate family member ⁶ who has received, during any twelve consecutive months in the last three years any compensation from the Company in excess of \$120,000, other than compensation for service on the Board of Directors, compensation to an immediate family member who is an employee of the Company other than an executive officer, compensation received as an interim executive officer or benefits under a tax-qualified retirement plan, or non-discretionary compensation;

The Director is a member of the immediate family of an individual who is, or has been in any of the past three years, employed by the Company or any of its affiliates as an executive officer;

The Director, or an immediate family member, is a partner in, or controlling shareholder or an executive officer of, any for-profit business organization to which the Company made, or received, payments (other than those arising solely from investments in the Company’s securities) that exceed 5% of the Company’s or business organization’s consolidated gross revenues for that year, or \$200,000, whichever is more, in any of the past three years;

The Director, or an immediate family member, is employed as an executive officer of another entity where at any time during the most recent three fiscal years any of the Company’s executives serve on that entity’s compensation committee; or

⁶ Under these categorical standards “immediate family member” includes a person’s spouse, parents, children, siblings, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, and anyone who resides in such person’s home (other than a domestic employee).

The Director, or an immediate family member, is a current partner of the Company's outside auditors, or was a partner or employee of the Company's outside auditors who worked on the Company's audit at any time during the past three years.

The following additional categorical standards were employed by the Board in determining whether a director qualified as independent to serve on the Audit Committee and provide that a director will not qualify if:

- The Director directly or indirectly accepts any consulting, advisory, or other compensatory fee from the Company or any of its subsidiaries; or
- The Director is an affiliated person⁷ of the Company or any of its subsidiaries.
- The Director participated in the preparation of the Company's financial statements at any time during the past three years.

The independent members of the Board meet as often as necessary to fulfill their responsibilities, but meet at least annually in executive session without the presence of non-independent directors and management.

⁷ For purposes of this categorical standard, an "affiliated person of the Company" means a person that directly or indirectly through intermediaries controls, or is controlled by, or is under common control with the Company. A person will not be considered to be in control of the Company, and therefore not an affiliate of the Company, if he is not the beneficial owner, directly or indirectly of more than 10% of any class of voting securities of the Company and he is not an executive officer of the Company. Executive officers of an affiliate of the Company as well as a director who is also an employee of an affiliate of the Company will be deemed to be affiliates of the Company.