
**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): **September 13, 2018**

DAWSON GEOPHYSICAL COMPANY

(Exact name of Registrant as specified in its charter)

TEXAS
(State of incorporation
or organization)

001-32472
(Commission file number)

74-2095844
(I.R.S. employer identification number)

**508 West Wall, Suite 800
Midland, Texas 79701**
(Address of principal executive offices) (Zip Code)

(432) 684-3000
(Registrant's telephone number, including area code)

(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry Into Material Definitive Agreements.

Amendment to Credit Facility

On September 13, 2018, Dawson Geophysical Company (the “Company”) entered into an amendment (the “Amendment”) to the Amended and Restated Loan and Security Agreement (as amended, the “Amended Loan Agreement”) for the purpose of creating a new term loan under the Company’s existing credit facility with the Company’s lender, Veritex Community Bank, a Texas state bank (“Veritex Bank”), whereby Veritex Bank agreed to lend to the Company the aggregate amount of \$6,518,107.51 (the “Term Loan”) on September 13, 2018. The Term Loan will mature upon the earlier of: (i) the acceleration of the indebtedness pursuant to the terms of the Company’s existing credit facility with Veritex Bank (as amended by the Amendment); or (ii) September 13, 2021. In connection with the Amendment, the Company’s Board of Directors approved an increase in our 2018 capital budget to \$17 million in response to a strategic opportunity to acquire certain seismic recording equipment, which the proceeds of the Term Loan will be used to acquire. The Amended Loan Agreement continues to provide for a revolving credit facility (the “Revolving Credit Facility”). The Revolving Credit Facility matures on June 30, 2019. As of this date, the Company has not borrowed any amounts under the Revolving Credit Facility, and the Term Loan does not count toward the maximum amounts the Company may borrow under the Revolving Credit Facility.

As collateral for indebtedness under the Revolving Credit Facility and the Term Loan, the Company has pledged and granted to Veritex Bank a security interest covering all of the Company’s accounts receivable and certain of the Company’s core equipment. Separate and distinct portions of the collateral secure the Revolving Credit Facility and the Term Loan as described in the Amended Loan Agreement. The Company will use the Term Loan to purchase certain equipment, which will constitute the collateral for the Term Loan.

The Company continues to be obligated to meet certain financial covenants quarterly under the Amended Loan Agreement, including maintaining a minimum tangible net worth of not less than \$100,000,000 and maintaining a minimum liabilities to tangible net worth ratio of not greater than 1.00 to 1.00. Other than the addition of the Term Loan, the remaining terms and conditions of the Amended Loan Agreement generally continue in the form existing prior to the Amendment.

The foregoing description of the Amendment is qualified in its entirety by reference to the full text of the Amendment, which is filed as Exhibit 10.1 to this Current Report and is incorporated by reference herein.

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

The information provided in item 1.01 of 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 | — <u>Sixteenth Amendment to Amended and Restated Loan and Security Agreement, by and between Dawson Geophysical Company and Veritex Community Bank, dated September 13, 2018</u> |

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: September 18, 2018

By: /s/ James K. Brata

James K. Brata

Executive Vice President, Chief Financial Officer, Secretary and
Treasurer

VERITEX COMMUNITY BANK — LOAN NO. 1703864
 VERITEX COMMUNITY BANK — LOAN NO. (TERM LOAN FACILITY — SEPTEMBER 13, 2018)

**SIXTEENTH AMENDMENT TO
 AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT**

THIS SIXTEENTH AMENDMENT TO AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT (this "*Amendment*") dated as of **SEPTEMBER 13, 2018** (the "*Amendment Effective Date*"), is by and between (a) **VERITEX COMMUNITY BANK**, a Texas state bank, as successor-in-interest to **SOVEREIGN BANK** by merger (together with its successors and assigns, "*Lender*"), and (b) **DAWSON GEOPHYSICAL COMPANY**, a Texas corporation ("*Debtor*"), formerly known as **TGC INDUSTRIES, INC.**

RECITALS

WHEREAS, Debtor and Lender entered into that certain **AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT** dated as of **SEPTEMBER 16, 2009** (as amended, modified, and restated from time to time, the "*Agreement*"), pursuant to which Lender agreed to make certain credit facilities available to Debtor on the terms and conditions set forth therein.

WHEREAS, the parties desire to amend the Agreement pursuant to the terms and conditions set forth herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Defined Terms.** Capitalized terms used in this Amendment, to the extent not otherwise defined herein, shall have the same meanings as in the Agreement, as amended hereby. Section 1(d) of the Agreement is hereby amended in its entirety to read as follows:

(d) "*Collateral*" means:

- (i) All present and future accounts and general intangibles now owned or hereafter acquired;
- (ii) All equipment including; without limitation, all equipment identified on Exhibit 1(d) attached hereto, together with all replacements, accessories, additions, substitutions and accessions to all of the foregoing (such equipment as identified on Exhibit 1(b) being collectively, the "*Term Loan Facility — September 13, 2018 - Equipment*");
- (iii) All books, records, data, plans, manuals, computer software, computer tapes, computer systems, computer disks, computer programs, source codes and object codes containing any information, pertaining directly or indirectly to the Collateral described in clause (i) or (ii) above, as applicable, and all rights to retrieve data and other information pertaining directly or indirectly to the Collateral described in clause (i) or (ii) above, as applicable from third parties; and
- (iv) All **SUPPORTING OBLIGATIONS, PRODUCTS and PROCEEDS** of all of the foregoing, as applicable (including without limitation, insurance payable by reason of loss or damage to the foregoing property).

2. **Amendment to Section 2(c) of the Agreement.** Section 2(c) of the Agreement is hereby deleted in its entirety and replaced with the following:

- (c) **Term Loan Facility.** Subject to the terms and conditions set forth in this Agreement and the other Loan Documents, Lender hereby agrees to lend to Debtor in a single advance an aggregate sum not to exceed **SIX MILLION FIVE HUNDRED EIGHTEEN THOUSAND ONE HUNDRED SEVEN AND 51/100 DOLLARS (\$6,518,107.51)** (the "*Term Loan Facility — September 13, 2018*") on

SEPTEMBER 13, 2018 and continuing until the **EARLIER** of: (i) the acceleration of the Indebtedness pursuant to the terms of the Loan Documents; or (ii) **SEPTEMBER 13, 2021**. Amounts repaid under the Term Loan Facility — September 13, 2018 may not be reborrowed.

3. **Amendment to Section 3 of Agreement.** Section 3 of the Agreement is hereby amended in its entirety to read as follows:

3. **Promissory Notes, Rate and Computation of Interest.** (i) the Revolving Credit Facility shall be evidenced by the Revolving Credit Note, and (ii) the Term Loan Facility — September 13, 2018 shall be evidenced by a Note (the "*Term Loan Facility — September 13, 2018 — Note*"). Interest on each Note shall accrue at the rates set forth therein. The principal of and interest on each Note shall be due and payable in accordance with the terms and conditions set forth in such Note and in this Agreement.

4. **Grant of Security Interest.** Lender and Debtor agree that (a) a separate and distinct portion of the Collateral shall secure the Revolving Credit Facility, and (b) a separate and distinct portion of the Collateral shall secure the Term Loan Facility — September 13, 2018. Accordingly, as collateral security for the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Indebtedness arising under the Revolving Credit Facility, Debtor hereby re-pledges to and re-grants Lender, a security interest in, all of Debtor's right, title and interest in the Collateral described in **Sections 1(d)** of the Agreement, whether now owned by Debtor or hereafter acquired and whether now existing or hereafter coming into existence. As collateral security for the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Indebtedness arising under the Term Loan Facility — September 13, 2018, Debtor hereby pledges to and grants Lender, and re-pledges, a security interest in, all of Debtor's right, title and interest in the Term Loan Facility — September 13, 2018 — Equipment and the Collateral described in **Section 1(d)(iii) and (iv)**, whether now owned by Debtor or hereafter acquired and whether now existing or hereafter coming into existence.

5. **Conditions Precedent.** The obligations of Lender under this Amendment shall be subject to the condition precedent that Debtor shall have executed and delivered to Lender (a) this Amendment, (b) the Term Loan Facility — September 13, 2018 — Note, and (c) such other documents and instruments incidental and appropriate to the transaction provided for herein as Lender or its counsel may reasonably request.

6. **Payment Expenses.** Debtor agrees to pay all reasonable attorneys' fees of Lender in connection with the drafting and execution of this Amendment.

7. **Ratifications.** Except as expressly modified and superseded by this Amendment, the Agreement and the other Loan Documents are ratified and confirmed and continue in full force and effect. The Loan Documents, as modified by this Amendment, continue to be legal, valid, binding and enforceable in accordance with their respective terms. Without limiting the generality of the foregoing, Debtor hereby ratifies and confirms that all liens heretofore granted to Lender were intended to, do and continue to secure the full payment and performance of the indebtedness arising under the Loan Documents. Debtor agrees to perform such acts and duly authorize, execute, acknowledge, deliver, file and record such additional assignments, security agreements, modifications or agreements to any of the foregoing, and such other agreements, documents and instruments as Lender may reasonably request in order to perfect and protect those liens and preserve and protect the rights of Lender in respect of all present and future collateral. The terms, conditions and provisions of the Loan Documents (as the same may have been amended, modified or restated from time to time) are incorporated herein by reference, the same as if stated verbatim herein.

8. **Representations, Warranties and Confirmations.** Debtor hereby represents and warrants to Lender that: (a) this Amendment and any other Loan Documents to be delivered under this Amendment (if any) have been duly executed and delivered by Debtor, are valid and binding upon Debtor and are enforceable against Debtor in accordance with their terms, except as limited by any applicable bankruptcy, insolvency or similar laws of general application relating to the enforcement of creditors' rights and except to the extent specific remedies may generally be limited by equitable principles; (b) no action of, or filing with, any governmental authority is required to authorize, or is otherwise required in connection with, the execution, delivery and performance by Debtor of this Amendment or any other Loan Document to be delivered under this Amendment; and (c) the execution, delivery and performance by Debtor of this Amendment and any other Loan Documents to be delivered under this Amendment

do not require the consent of any other person and do not constitute a violation of any laws, agreements or understandings to which Debtor is a party or by which Debtor is bound.

9. **Release.** Debtor hereby acknowledges and agrees that it knows of no defenses, counterclaims, offsets, cross-complaints, claims or demands of any kind or nature whatsoever to or against Lender or the terms and provisions of or the obligations of Debtor under the Loan Documents and the other agreements, instruments and documents evidencing, securing, governing, guaranteeing or pertaining thereto, and that Debtor has no right to seek affirmative relief or damages of any kind or nature from Lender with respect thereto. To the extent Debtor knows of any such defenses, counterclaims, offsets, cross-complaints, claims, demands or rights, Debtor hereby waives, and hereby knowingly and voluntarily releases and forever discharges Lender and its predecessors, officers, directors, agents, attorneys, employees, successors and assigns, from all possible claims, demands, actions, causes of action, defenses, counterclaims, offsets, cross-complaints, damages, costs, expenses and liabilities whatsoever with respect thereto, such waiver and release being with full knowledge and understanding of the circumstances and effects of such waiver and release and after having consulted legal counsel with respect thereto.

10. **Multiple Counterparts.** This Amendment may be executed in a number of identical separate counterparts, each of which for all purposes is to be deemed an original, but all of which shall constitute, collectively, one agreement. Signature pages to this Amendment may be detached from multiple separate counterparts and attached to the same document and a telecopy or other facsimile of any such executed signature page shall be valid as an original.

11. **Reference to Loan Documents.** Each of the Loan Documents, including the Agreement and any and all other agreements, documents, or instruments now or hereafter executed and delivered pursuant to the terms hereof containing a reference to any Loan Document shall mean and refer to such Loan Document as amended hereby.

12. **Severability.** Any provision of this Amendment held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Amendment and the effect thereof shall be confined to the provision so held to be invalid or unenforceable.

13. **Headings.** The headings, captions, and arrangements used in this Amendment are for convenience only and shall not affect the interpretation of this Amendment.

NOTICE OF FINAL AGREEMENT

THE AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS THE SAME MAY BE AMENDED BY THIS AMENDMENT, REPRESENT THE FINAL AGREEMENT BETWEEN AND AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN AND AMONG THE PARTIES.

REMAINDER OF PAGE LEFT INTENTIONALLY BLANK

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed as of the Amendment Effective Date.

LENDER:

VERITEX COMMUNITY BANK

By: /s/ Stephanie Baird Velasquez
Name: Stephanie Baird Velasquez
Title: Market President

ADDRESS:

8214 Westchester Drive, Suite 100
Dallas, TX 75225

With copies of notices to:

HUSCH BLACKWELL LLP
2001 Ross Avenue, Suite 2000
Dallas, TX 75201
Attention: Steven S. Camp

DEBTOR:

DAWSON GEOPHYSICAL COMPANY

By: /s/ Wayne Whitener
Name: Wayne Whitener
Title: Executive Vice Chairman

ADDRESS:

101 E. Park Blvd., Suite 955
Plano, TX 75074

SIXTEENTH AMENDMENT TO AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT — SIGNATURE PAGE
VERITEX COMMUNITY BANK — DAWSON GEOPHYSICAL COMPANY
