

**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):
October 18, 2005 (October 12, 2005)

TGC INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

Texas
(State of Incorporation)

001-32472
(Commission File Number)

74-2095844
(IRS Employer Identification No.)

1304 Summit Ave., Ste 2
Plano, TX 75074
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (972) 881-1099

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))

Item 1.01 Entry into a Material Definitive Agreement.

On October 12, 2005, TGC Industries, Inc. (the "Company") entered into a waiver (the "Waiver") of certain conditions and restrictions contained in the renewed and amended promissory note (the "Note") with Sovereign Bank, N.A. ("Sovereign"), dated September 16, 2005. Pursuant to the Waiver, Sovereign agreed to waive the Company's compliance with certain provisions of the Note including: (i) the restriction on any change in ownership of 25% of more of the Company's common stock; (ii) the representation that the Company's assets, except those securing the Note, are not subject to a third party security interest; (iii) the covenant that the Company has disclosed all threatened or pending litigation and (iv) the restriction on the Company's ability to pay dividends. A copy of the Waiver is being filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated by reference.

Item 3.02. Unregistered Sales of Equity Securities.

On October 12, 2005, the Company issued 2,519,664 shares of the Company's Common Stock, \$.01 par value per share (the "Common Stock") in connection with the conversion of 2,519,664 outstanding shares of 8-1/2% Senior Convertible Preferred Stock (the "Preferred Stock"), pursuant to the terms thereof. The shares of the Common Stock were issued pursuant to an exemption from registration provided by Section 3(a)(9) of the Securities Act of 1933, as amended (the "Act") to the following individuals:

- Nicholas A. Baker III converted 40,000 shares of Preferred Stock into that number of shares of Common Stock;
- William J. Barrett, Jr. converted 90,000 shares of Preferred Stock into that number of shares of Common Stock;
- National Investor Services Cust FBO William J. Barrett MPPP converted 709,200 shares of Preferred Stock into that number of shares of Common Stock;
- National Investor Services Cust FBO Sara Barrett MPPP converted 75,500 shares of Preferred Stock into that number of shares of Common Stock;
- Robert J. Deputy converted 34,000 shares of Preferred Stock into that number of shares of Common Stock;
- Jason Elsas, Jr. converted 235,800 shares of Preferred Stock into that number of shares of Common Stock;
- Leona T. Flynn converted 188,500 shares of Preferred Stock into that number of shares of Common Stock;
- Arthur J. Gajarsa and Melanie Gajarsa JtTen converted 24,000 shares of Preferred Stock into that number of shares of Common Stock;
- Herbert M. Gardner converted 188,500 shares of Preferred Stock into that number of shares of Common Stock;
- Mary Gardner converted 47,000 shares of Preferred Stock into that number of shares of Common Stock;

- Stuart M. Gerson and Pamela E. Somers JTWROS converted 83,000 shares of Preferred Stock into that number of shares of Common Stock;
- National Investor Services Cust FBO Ann C Green Roth IRA converted 6,664 shares of Preferred Stock into that number of shares of Common Stock;
- Mellon Bank, N.A. Co-Trustee with William C. Hurtt, Jr. Under Deed of Trust of William C. Hurtt Dated April 10, 1995 for William C. Hurtt, Jr. GST converted 375,000 shares of Preferred Stock into that number of shares of Common Stock;
- Allen T. McInnes and Doris C. McInnes JTWROS converted 188,500 shares of Preferred Stock into that number of shares of Common Stock;
- National Investor Services Cust FBO C. Richard Stafford MPPP converted 34,000 shares of

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Preferred Stock into that number of shares of Common Stock; and

- Sidney Todres converted 200,000 shares of Preferred Stock into that number of shares of Common Stock.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

- 10.1 Waiver, dated October 12, 2005 and effective September 16, 2005, to the Promissory Note by and among TGC Industries, Inc. and Sovereign Bank, N.A., dated September 16, 2005.

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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.

TGC INDUSTRIES, INC.

Date: October 18, 2005

By: /s/ Wayne A. Whitener
Wayne A. Whitener
President and Chief Executive Officer

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EXHIBIT INDEX

Exhibit No.	Description
10.1	Waiver, dated October 12, 2005 and effective September 16, 2005, to the Promissory Note by and among TGC Industries, Inc. and Sovereign Bank, N.A., dated September 16, 2005.

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[TGC Letterhead]

October 11, 2005

Sovereign Bank, N.A.,
 Preston Center
 6060 Sherry Lane
 Dallas, Texas 75225

Re: TGC Industries, Inc. Promissory Note and Business Loan Agreement

Ladies and Gentlemen:

Reference is made to that certain Promissory Note (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "**Note**") and Business Loan Agreement (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "**Agreement**"), both dated September 16, 2005, among TGC Industries, Inc. ("**Borrower**") and Sovereign Bank, N.A., (the "**Lender**"). Capitalized terms used herein shall, unless otherwise indicated, have the respective meanings set forth in the Note and the Agreement, respectively.

Section 1. Requests by Borrower.

(a) In connection with the Borrower's issuance of up to 6,325,000 shares of its common stock pursuant to the Underwriting Agreement by and between the Borrower and Oppenheimer & Co, Inc., as representative of the underwriters (the "Offering"), Borrower has requested that Lender waive compliance with the "Change in Material Ownership" sub-section of the "DEFAULT" section of the Note that states that any change in ownership of twenty-five percent (25%) or more of the Borrower's common stock is an event of default.

(b) For the term of the Agreement, except for those assets included in the Assignment of Accounts Receivable and Intangibles described in the "COLLATERAL" section of the Note, Borrower has requested that Lender waive compliance with the "Properties" sub-section under the "REPRESENTATION AND WARRANTIES" section of the Agreement that states that the Borrower's properties are free and clear of all Security Interest, and the Borrower has not executed any security documents or financing statements relating to such properties.

(c) With regard to the current litigation against the Borrower involving the death of an employee, as described in Exhibit "A" attached hereto, Borrower has requested that Lender waive compliance with item (2) of the "Notices of Claims and Litigation" sub-section under the "AFFIRMATIVE COVENANTS" section of the Agreement that states that the Borrower will inform the Lender in writing of any threatened litigation, claims, investigations, administrative proceedings or similar actions affecting the Borrower.

(d) For the term of this Agreement, Borrower has requested that Lender waive compliance with item (3) of the "Continuity of Operations" sub-section under the "NEGATIVE COVENANTS" section of the Agreement that states that the Borrower shall not pay any dividends on Borrower's stock.

(e) In connection with the Offering, Borrower has requested that Lender waive compliance

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with the "Change of Ownership" sub-section under the "DEFAULT" section of the Agreement that states that any change in ownership of twenty-five percent (25%) or more of the Borrower's common stock is an event of default.

Section 2. Waiver. Subject to the terms and conditions set forth herein, the Lender executing this letter hereby agrees to waive (the "**Waiver**") the following requirements, events of default or anticipated events of default:

(a) in the "Change in Material Ownership" sub-section of the "DEFAULT" section of the Note that any change in ownership of twenty-five percent (25%) or more of the Borrower's common stock is or will be an event of default in connection with the Offering;

(b) in the "Properties" sub-section under the "REPRESENTATION AND WARRANTIES" section of the Agreement that the Borrower's properties, except for those assets included in the Assignment of Accounts Receivable and Intangibles described in the "COLLATERAL" section of the Note, are free and clear of all Security Interest, and the Borrower has not executed any security documents or financing statements relating to such properties, for the term of the Agreement;

(c) in item (2) of the "Notices of Claims and Litigation" sub-section under the "AFFIRMATIVE COVENANTS" section of the Agreement that the Borrower will inform the Lender in writing of any threatened litigation, claims, investigations, administrative proceedings or similar actions affecting the Borrower, in connection with the litigation against the Borrower involving the death of an employee, as described in Exhibit "A" attached hereto.

(d) in item (3) of the "Continuity of Operations" sub-section under the "NEGATIVE COVENANTS" section of the Agreement that the Borrower shall not pay any dividends on Borrower's stock, for the term of the Agreement; and

(e) in the "Change of Ownership" sub-section under the "DEFAULT" section of the Agreement that any change in ownership of twenty-five percent (25%) or more of the Borrower's common stock is or will be an event of default, in regard to the Offering.

Section 3. No Impairment. The Waiver hereby granted by Lender does not, other than to the extent expressly waived or amended hereby, (a) constitute a waiver or modification of any other terms or provisions set forth in the Note or the Agreement, (b) impair any right that Lender may now or hereafter have under or in connection with the Note or the Agreement, or (c) impair the Lender's rights to insist upon strict compliance with the Note or the Agreement.

Section 4. Counterparts. This letter may be signed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. **THIS LETTER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.**

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*[Remainder of Page Intentionally Left Blank;
Signature Pages to Follow.]*

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Please execute a copy of this letter in the space provided below to acknowledge your agreement to the foregoing.

Sincerely,

TGC INDUSTRIES, INC., as Borrower

By: /s/ Wayne A. Whitener
Wayne A. Whitener, Chief Executive Officer

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Agreed to and acknowledged this 12th day of October, 2005 and effective as of September 16, 2005.

SOVEREIGN BANK, N.A., as Lender

By: /s/ Stephanie B. Velasquez
Name: Stephanie B. Velasquez
Title: President – Park Cities

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