

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 16, 2011**

TGC INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Texas

(State of incorporation)

001-32472

(Commission File No.)

74-2095844

(IRS Employer Identification No.)

101 E. Park Blvd., Suite 955

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

Amendment to Credit Facility

On September 16, 2011, TGC Industries, Inc. ("TGC" or the "Company") entered into a Third Amendment to the Amended and Restated Loan and Security Agreement and Amendment to the Amended and Restated Promissory Note (the "*Third Amended Loan Agreement and Amended Note*") for the purpose of renewing and extending the Company's line of credit with its lender, Sovereign Bank, a Texas state bank. The Third Amended Loan Agreement and Amended Note allows TGC to borrow, repay, and re-borrow from time to time until September 16, 2012, up to the lesser of \$5,000,000 or 80% of the Company's eligible accounts receivable, and provides for an interest rate of the greater of the prime rate as quoted in the *Wall Street Journal* or five percent (5%). As collateral for such indebtedness, the Company has granted Sovereign Bank a security interest covering all of the Company's accounts receivable. As of this date, the Company has not drawn down any amounts under this line of credit. The foregoing description of the Third Amended Loan Agreement and Amended Note does not purport to be complete and is qualified in its entirety by reference to the full text of Third Amended Loan Agreement and Amended Note, which is filed as Exhibit 10.1 to this Current Report and is incorporated herein by reference.

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

The information set forth in Item 1.01 of this Current Report is incorporated in this Item 2.03 by reference.

Item 9.01 — Financial Statements and Exhibits.

(d) Exhibits.

- 10.1 Third Amendment to Amended and Restated Loan and Security Agreement and Amendment to Amended and Restated Promissory Note, by and between TGC Industries, Inc. and Sovereign Bank, dated September 16, 2011.

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: September 22, 2011

By: /s/ Wayne A. Whitener
Wayne A. Whitener
President and CEO (Principal Executive Officer)

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EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	Third Amendment to Amended and Restated Loan and Security Agreement and Amendment to Amended and Restated Promissory Note, by and between TGC Industries, Inc. and Sovereign Bank, dated September 16, 2011.

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SOVEREIGN BANK — LOAN NO. 17003864 (REVOLVING CREDIT FACILITY)
 SOVEREIGN BANK — LOAN NO. 17025057 (TERM LOAN FACILITY — TRANCHE C)

**THIRD AMENDMENT TO
 AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT
 AND AMENDMENT TO AMENDED AND RESTATED PROMISSORY NOTE**

THIS THIRD AMENDMENT TO AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT AND AMENDMENT TO AMENDED AND RESTATED PROMISSORY NOTE (this "*Amendment*") dated as of **AUGUST 31, 2011** (the "*Effective Date*"), but effective with respect to Section 2, Section 6 and Section 9 below as of **SEPTEMBER 16, 2011**, is by and between **SOVEREIGN BANK**, a Texas state bank (together with its successors and assigns, "*Lender*") and **TGC INDUSTRIES, INC.**, a Texas corporation ("*Debtor*").

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; and

WHEREAS, Debtor has executed and delivered to Lender that certain **AMENDED AND RESTATED PROMISSORY NOTE** dated as of **SEPTEMBER 16, 2009** (as amended, modified, and restated from time to time, the "*Revolving Credit Note*") in the principal amount of **FIVE MILLION AND NO/100 DOLLARS (\$5,000,000.00)**; and

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. Notwithstanding the foregoing, Section 1(n) of the Agreement is hereby amended in its entirety to read as follows:

(n) "*Note*" means, individually and collectively, any promissory note (including, but not limited to, (i) the **AMENDED AND RESTATED PROMISSORY NOTE** dated as of **SEPTEMBER 16, 2009** in the principal amount of **FIVE MILLION AND NO/100 DOLLARS (\$5,000,000.00)** executed by Debtor and payable to the order of Lender (as such promissory note may be amended, modified or restated from time to time, the "*Revolving Credit Note*"), (ii) the **PROMISSORY NOTE** dated as of **SEPTEMBER 16, 2010** in the principal amount of **ONE MILLION NINE HUNDRED EIGHTY- EIGHT THOUSAND NINE HUNDRED TEN AND NO/100 DOLLARS (\$1,988,910.00)** executed by Debtor and payable to the order of Lender (as such promissory note may be amended, modified or restated from time to time, the "*Term Note — Tranche A*"), (iii) the **PROMISSORY NOTE** dated as of **DECEMBER 30, 2010** in the principal amount of **TWO MILLION NINE HUNDRED EIGHTY-SIX THOUSAND TWO HUNDRED AND NO/100 DOLLARS (\$2,986,200.00)** executed by Debtor and payable to the order of Lender (as such promissory note may be amended, modified or restated from time to time, the "*Term Note — Tranche B*"), and (iv) the **PROMISSORY NOTE** dated as of **AUGUST 31, 2011** in the principal amount of **SIX MILLION SEVEN HUNDRED SIXTY-FIVE THOUSAND SIX HUNDRED NINETEEN AND 22/100 DOLLARS (\$6,765,619.22)** executed by Debtor and payable to the order of Lender (as such promissory note may be amended, modified or restated from time to time, the "*Term Note — Tranche C*").

THIRD AMENDMENT TO AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT
 AND AMENDMENT TO AMENDED AND RESTATED PROMISSORY NOTE
 SOVEREIGN BANK – TGC INDUSTRIES, INC.

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2. **Amendment to Section 2(a) of Agreement.** Effective as of **SEPTEMBER 16, 2011**, Section 2(a) of the Agreement is hereby amended in its entirety to read as follows:

(a) **Establishment of Credit Facility.** Subject to the terms and conditions set forth in this Agreement and the other Loan Documents, Lender hereby agrees to lend to Debtor an aggregate sum not to exceed the *lesser* of (i) an amount equal to the Borrowing Base, or (ii) **FIVE MILLION AND NO/100 DOLLARS (\$5,000,000.00)** (the "*Revolving Credit Facility*"), on a revolving basis from time to time during the period commencing on the date hereof and continuing until: (i) the acceleration of the Indebtedness pursuant to the terms of the Loan Documents; (ii) **SEPTEMBER 16, 2012**; or (iii) such other date as may be established by a written instrument between Debtor and Lender from time to time (the "*Revolving Credit Maturity Date*"). If at any time the sum of the aggregate principal amount of Loans outstanding hereunder exceeds *lesser* of the Revolving Credit Facility or the Borrowing Base, such amounts shall be deemed an "*Overadvance*." Debtor shall immediately repay the amount of such Overadvance *plus* all accrued and unpaid interest thereon upon written demand from Lender. Notwithstanding anything contained herein to the contrary, an Overadvance shall be considered a Loan and shall bear interest at the Rate as set forth in the Revolving Credit Note and be secured by this Agreement. Subject to the terms and conditions hereof, Debtor may borrow, repay and reborrow funds under the Revolving Credit Facility.

3. **Amendment to Section 2(c) of Agreement.** Section 2(c) of the Agreement is hereby amended in its entirety to read as follows:

(c) **Term Loan Facilities.** Subject to the terms and conditions set forth in this Agreement and the other Loan Documents, (x) Lender hereby agrees to lend to Debtor in a single advance an aggregate sum not to exceed **ONE MILLION NINE HUNDRED EIGHTY-EIGHT THOUSAND NINE HUNDRED TEN AND NO/100 DOLLARS (\$1,988,910.00)** (the "*Term Loan Facility — Tranche A*") on **SEPTEMBER 16, 2010** and continuing until: (i) the acceleration of the Indebtedness pursuant to the terms of the Loan Documents; (ii) **SEPTEMBER 16, 2013**; or (iii) such other date as may be established by a written instrument between Debtor and Lender from time to time (the "*Term Maturity Date — Tranche A*"). (y) Lender hereby agrees to lend to Debtor in a single advance an aggregate sum not to exceed **TWO MILLION NINE HUNDRED EIGHTY-SIX THOUSAND TWO HUNDRED AND NO/100 DOLLARS (\$2,986,200.00)** (the "*Term Loan Facility — Tranche B*") on

DECEMBER 30, 2010 and continuing until: (i) the acceleration of the Indebtedness pursuant to the terms of the Loan Documents; (ii) DECEMBER 30, 2013; or (iii) such other date as may be established by a written instrument between Debtor and Lender from time to time (the "Term Maturity Date — Tranche B"), and (z) Lender hereby agrees to lend to Debtor in a single advance an aggregate sum not to exceed **SIX MILLION SEVEN HUNDRED SIXTY-FIVE THOUSAND SIX HUNDRED NINETEEN AND 22/100 DOLLARS (\$6,765,619.22)** (the "Term Loan Facility — Tranche C," and together with the Term Loan Facility — Tranche A and the Term Loan Facility — Tranche B, the "Term Loan Facility") on **AUGUST 31, 2011** and continuing until: (i) the acceleration of the Indebtedness pursuant to the terms of the Loan Documents; (ii) **AUGUST 31, 2014**; or (iii) such other date as may be established by a written instrument between Debtor and Lender from time to time (the "Term Maturity Date — Tranche C").

4. **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, (ii) the Term Loan Facility — Tranche A shall be evidenced by the Term Note — Tranche A, (iii) the Term Loan Facility — Tranche B shall be evidenced by the Term Note — Tranche B, and (iv) the Term Loan Facility — Tranche C shall be evidenced by the Term Note — Tranche C. 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.

5. **Addition of Section 7(g) to Agreement.** Section 7(g) is hereby added to the Agreement in the correct alphabetical order as follows:

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7(q) **Change In Control.** Debtor shall not permit any change in Control of Debtor, whether by sale, acquisition, merger or otherwise, unless Lender has been given **FIFTEEN (15)** days prior written notice of such event and has given its written consent (which consent shall not be unreasonably withheld, conditioned or delayed) to such event.

6. **Addition of Section 12(k) to Agreement.** Effective as of **SEPTEMBER 16, 2011**, Section 12(k) is hereby added to the Agreement in the correct alphabetical order as follows:

(k) **Change in Control.** A change in Control shall have occurred (measured by comparison to the Control of Debtor as of **SEPTEMBER 16, 2011**).

7. **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. 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)(i), (iii) and (iv) 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, Debtor hereby pledges to and grants Lender, and re-pledges to and re-grants Lender, a security interest in, all of Debtor's right, title and interest in the Collateral described in Section 1(d)(ii), (iii) and (iv) of the Agreement, whether now owned by Debtor or hereafter acquired and whether now existing or hereafter coming into existence.

8. **Amendment to Exhibit 1(d) to Agreement.** Exhibit 1(d) to the Agreement is hereby amended in its entirety in the form of Exhibit 1(d) attached hereto.

9. **Extension of Maturity Date of Revolving Credit Note.** Effective as of **SEPTEMBER 16, 2011**, the term "Maturity Date" as used in the Revolving Credit Note shall mean: "the earlier of (i) the acceleration of the Indebtedness pursuant to the terms of the Loan Documents; (ii) **SEPTEMBER 16, 2012**; or (iii) such other date as may be established by a written instrument between Debtor and Lender from time to time."

10. **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 this Amendment and such other documents and instruments incidental and appropriate to the transaction provided for herein as Lender or its counsel may reasonably request, including, without limitation, the Term Note — Tranche C.

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

12. **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.

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13. **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 and will not constitute a violation of any laws, agreements or understandings to which Debtor is a party or by which Debtor is bound.

14. **Release.** Debtor hereby acknowledges and agrees that there are 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. To the extent any such defenses, counterclaims, offsets, cross-complaints, claims, demands or rights exist, 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, whether known or unknown, 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.

15. **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.

16. **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.

17. **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.

18. **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.

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LENDER:

SOVEREIGN BANK

By: /s/ Stephanie Baird Velasquez

Name: Stephanie Baird Velasquez

Title: Area President

ADDRESS:

6060 Sherry Lane
Dallas, TX 75225

With copies of notices to:

GARDERE WYNNE SEWELL LLP
1601 Elm Street, Suite 3000
Dallas, TX 75201-4761
Attention: Steven S. Camp

DEBTOR:

TGC INDUSTRIES, INC.

By: /s/ Wayne Whitener

Name: Wayne Whitener

Title: President & CEO

ADDRESS:

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

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EXHIBIT 1(d) **GEOSPACE EQUIPMENT**

The items described in Section 1.1, Section 2.1 and Section 3.1 of Page 2 of the attached Quotation No. 0810-7795 Rev 1 from Geospace Technologies submitted to Wayne A. Whitener.

The items described in that certain Proforma Invoice No. 55609 dated as of December 13, 2010 from Geospace Technologies which are identified as follows:

<u>Quantity</u>	<u>Description</u>
3,000	450-00800-01 GSR Top Level Assy 1 Channel
3,300	454-04190-01 Batt, GSR, Single SR LiPo 14.4V x10Ah

The items described in that certain Invoice No. 99-072511-01 dated as of July 25, 2011 from Geospace Technologies which are identified as follows:

<u>Quantity</u>	<u>Description</u>
5000	GSR-1 (450-00800-01-CAP)
6000	Battery Pack (BP-1) (454-04190-01-CAP)
40	Charger Cabinet (454-04210-03-CAP)
1	(FMC) w/ (GSI) (461-01480-01-CAP)
8	Source Recorder Decoder (461-01350-02-CAP)
10	GSR-LV (Line Viewer) (461-01110-02-CAP)
3	Data Transfer Module (450-00850-03-CAP)
1	GeoRes-XTC (450-00910-06-CAP)
5000	GS-One (GEO93041-01-CAP)
1	42' GSR Field Trailer (450-01030-03-CAP)
1	GSR Generator Trailer (450-01040-04-CAP)
10	Western Digital 2TB MyBook (173-00078-CAP)