SEITEL INC
Form S-4
June 19, 2013
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As filed with the Securities and Exchange Commission on June 19, 2013.

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

SEITEL, INC.

(Exact name of Registrant as specified in its charter)

Delaware	1382	76-0025431
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

10811 S. Westview Circle Drive

Building C, Suite 100

Houston, TX 77043

(713) 881-8900

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant s Principal Executive Offices)

See Table of Additional Registrants Below

Marcia H. Kendrick

Chief Financial Officer, Executive

Vice President, Assistant Secretary and Treasurer

Seitel, Inc.

10811 S. Westview Circle Drive

Building C, Suite 100

Houston, TX 77043

(713) 881-8900

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

With a copy to:

Joshua A. Tinkelman, Esq.

Latham & Watkins LLP

885 Third Avenue

New York, New York 10022

(212) 906-1200

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If the securities being registered on this Form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

CALCULATION OF REGISTRATION FEE

Title Of Each Class Of Securities To Be Registered	Amount To Be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Offering Price(1)	Amount Of Registration Fee
9 $^{1}/_{2}$% Senior Notes due 2019	$250,000,000	100%	$250,000,000	$34,100
Subsidiary Guarantees(2)	$250,000,000			

(1) Estimated pursuant to Rule 457(f) under the Securities Act of 1933 solely for purposes of calculating the registration fee.

(2) Each of the subsidiary guarantors listed in the Table of Additional Registrants below have guaranteed, jointly and severally, the 9 $^{1}/_{2}$% Senior Notes due 2019 being registered hereby. The subsidiary guarantors are registering the guarantees. Pursuant to Rule 457(n) under the Securities Act of 1933, no registration fee is required with respect to the guarantees.

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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SEITEL, INC.

Table of Additional Registrants(1)

Name	Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Number	IRS Employer Identification Number
Datatel, Inc.	Delaware	1382	76-0378479
DDD Energy, Inc.	Delaware	1382	76-0397770
N360X, L.L.C.	Texas	1382	76-0681063
Seitel Canada Holdings, Inc.	Delaware	1382	76-0564332
Seitel Data Corp.	Delaware	1382	76-0390382
Seitel Data, Ltd.	Texas	1382	76-0488359
Seitel Data Processing, Inc.	Delaware	1382	76-0460633
Seitel Delaware, Inc.	Delaware	1382	76-0488429
Seitel IP Holdings, LLC	Delaware	1382	76-0690011
Seitel Management, Inc.	Delaware	1382	76-0490279
Seitel Offshore Corp.	Delaware	1382	76-0309662
Seitel Solutions, Inc.	Delaware	1382	76-0672862
Seitel Solutions, LLC	Delaware	1382	74-2993547
Seitel Solutions Holdings, LLC	Delaware	1382	76-0690009
Seitel Solutions, Ltd.	Texas	1382	76-0655577
SI Holdings, G.P.	Delaware	1382	76-0690013

(1) The address, including zip code, telephone number and area code, of the principal offices of each of the additional registrants listed above is: 10811 S. Westview Circle Drive, Building C, Suite 100, Houston, TX 77043. The telephone number at that address is (713) 881-8900.

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Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

SUBJECT TO COMPLETION, DATED JUNE 19, 2013

PROSPECTUS

SEITEL, INC.

OFFER TO EXCHANGE

$250,000,000 Principal Amount of 9 $^{1}/_{2}$% Senior Notes Due 2019

for

$250,000,000 Principal Amount of 9 $^{1}/_{2}$% Senior Notes Due 2019

The Exchange Offer Will Expire At 5:00 P.M.,

New York City Time, On , 2013, Unless Extended

We are offering, upon the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal, to exchange up to $250,000,000 aggregate principal amount of our new 9 $^{1}/_{2}$% Senior Notes due 2019 that we have registered under the Securities Act of 1933 for an equal principal amount of our outstanding 9 $^{1}/_{2}$% Senior Notes due 2019. We refer to the new notes you will receive on this exchange offer collectively as the new notes, and we refer to the old notes you will tender in this exchange offer collectively as the old notes. The new notes will represent the same debt as the corresponding old notes and we will issue the new notes under the same applicable indenture.

Terms of the exchange offer:

- We will exchange all old notes that are validly tendered and not validly withdrawn prior to the expiration of the exchange offer.
- You may withdraw tenders of old notes at any time prior to the expiration of the exchange offer.
- We believe that the exchange of old notes will not be a taxable event for U.S. federal income tax purposes, but you should see Certain U.S. Federal Income Tax Considerations on page 162 for more information.

We will not receive any proceeds from the exchange offer.

The terms of the new notes are substantially identical to the old notes, except that the new notes are registered under the Securities Act of 1933 and the transfer restrictions and registration rights applicable to the old notes do not apply to the new notes.

See Risk Factors beginning on page 22 for a discussion of risks that should be considered by holders prior to tendering their old notes.

Neither the Securities Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this Prospectus is , 2013

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You should rely only on the information contained in this document and any supplement or to which we have referred you. See Where You Can Find More Information. We have not authorized anyone to provide you with information that is different. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted, where the person making the offer is not qualified to do so, or to any person who cannot legally be offered the securities. You should assume that the information appearing in this prospectus or incorporated by reference is accurate only as of the date on the front cover of this prospectus or any supplement or the date of the documents incorporated by reference, as the case may be.

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Each broker-dealer that receives new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of new notes. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act of 1933, as amended, which we refer to as the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for old notes where the old notes were acquired by the broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the consummation of the exchange offer, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

INDUSTRY AND MARKET DATA

The majority of the market data and other statistical information used throughout this prospectus are based on independent industry publications, government publications, reports by market research firms or other published independent sources, including market analysis data published by the Department of Energy, Baker Hughes, Spears & Associates, Inc., Land Rig Newsletter, Business Monitor International and the Energy Information Administration. We did not commission any of these publications or reports. The remainder of the data are based on our good faith estimates, which are derived from our review of internal surveys, as well as the independent sources listed above. Independent industry publications and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee or provide any warranty regarding the accuracy and completeness or suitability of such information. While we believe that each of these studies and publications is reliable, we have not independently verified such data and we do not make any representation as to the accuracy of such information. Forecasts are particularly likely to be inaccurate, especially over long periods of time, and we do not know what assumptions, for example, regarding general economic growth, are used in preparing the forecasts included in this prospectus. Similarly, while we believe our internal and external research is reliable, it has not been verified by any independent sources and we make no assurances that the predictions contained therein are accurate. Industry and market data involve risks and uncertainties and are subject to change based on various factors, including those discussed under the caption Risk Factors in this prospectus.

FORWARD-LOOKING STATEMENTS

Certain information included in this prospectus and the documents incorporated by reference may be deemed to be forward-looking statements intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). All statements, other than statements of historical facts, included in this prospectus are forward-looking statements. In particular, statements that we make relating to our intentions, beliefs or current expectations concerning, among other things, overall volume trends, expected business outlook, anticipated financial and operating results, industry forces, margin trends, the likelihood of success in expanding our business, financing plans, budgets, working capital needs and sources of liquidity, the anticipated amount and timing of capital expenditures and our strategies are forward-looking statements. When used in this document, the words believe, expect, anticipate, estimate, project, propose, plan, target, foresee, should, i would, could, potential, or, in each case, their negative or other variations and similar terminology are intended to identify forward-looking statements.

These statements are based on assumptions and assessments made by our management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. Important assumptions relating to the forward-looking statements include, among others, assumptions regarding demand for our products, the expansion of product offerings geographically or through new marketing applications, the timing and cost of planned capital expenditures, competitive

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conditions and general economic conditions. These assumptions could prove inaccurate. Any forward-looking statements are not guarantees of our future performance and are subject to risks and uncertainties that could cause actual results, developments and business decisions to differ materially from those contemplated by such forward-looking statements. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this prospectus, those results of operations, financial condition and liquidity or developments may not be indicative of results or developments in subsequent periods. Any forward-looking statements that we make in this prospectus speak only as of the date of such statement. Except as required by applicable law, including the securities laws of the United States and the rules and regulations of the Securities and Exchange Commission (the SEC), we are under no obligation to publicly update or revise any forward-looking statements after we distribute this prospectus, whether as a result of any new information, future events or otherwise. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Some of the factors that may cause actual results, developments and business decisions to differ materially from those contemplated by such forward-looking statements include the risk factors discussed under the heading Risk Factors and the following:

- risks related to the cyclical nature of our industry and the adverse effects of the level of capital expenditures by oil and gas companies;
- risks related to current and future government regulation that may negatively impact demand for our products and services and increase our cost of conducting business;
- risks related to the volatility of oil and natural gas prices;
- risks related to the availability of capital for our customers;
- the risk that we may not be able to generate or obtain sufficient financing to cover the costs of acquiring and processing seismic data for our library that are not underwritten by our customers;
- the risk of adverse effects to our business due to the failure of our customers to fulfill their obligations to reimburse us for the underwritten portion of third-party contractor costs;
- risks related to developments in the oil and gas business in the U.S. and Canada;
- risks related to the competition for the acquisition of new seismic data;
- the risk that our operating results and cash flow may fluctuate in the future;
- the risk that weak demand could impair the value of our data library;
- the risk that failure to meet cash flow projections may result in goodwill impairment charges;

risks related to our international operations and currency fluctuations;

risks related to the availability and retention of key employees;

risks related to our ability to recognize certain tax benefits;

the risk that our internal controls and procedures may not prevent all possible errors;

risks related to our use of third-party contractors;

the risk that technological changes may not be available to us; and

other factors discussed elsewhere in this prospectus.

These factors should not be construed as exhaustive and should be read with the other cautionary statements in this prospectus. Potential investors and other readers are urged to consider the above-mentioned factors

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carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. We can give no assurances that any of the events anticipated by the forward-looking statements will occur or, if any of them does occur, what impact they will have on our results of operations and financial condition.

TRADEMARKS AND TRADE NAMES

This prospectus includes trademarks which are protected under applicable intellectual property laws and are the property of the company or its subsidiaries. This prospectus may also contain trademarks, service marks, trade names and copyrights of other companies, which are the property of their respective owners. Solely for convenience, trademarks and trade names referred to in this prospectus may appear without the ® or symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks and trade names.

OTHER DATA

Numerical figures included in this prospectus have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in various tables may not be arithmetic aggregations of the figures that precede them.

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SUMMARY

This summary highlights certain significant aspects of our business and this exchange offer contained elsewhere in this prospectus. Because this is only a summary, it does not contain all of the information that may be important to you. You should read this entire prospectus and should consider, among other things, the matters set forth under Risk Factors, Management s Discussion and Analysis of Financial Condition and Results of Operations and our financial statements and related notes thereto appearing elsewhere in this prospectus before making your investment decision. In addition, certain statements include forward-looking information that involves risks and uncertainties. See Forward-Looking Statements.

In this prospectus, unless otherwise specified or the context otherwise requires, (i) the issuer, we, us, our, the Company and our company refer to the consolidated business of Seitel, Inc. and all of its subsidiaries and (ii) the guarantors refer to certain of our subsidiaries that have guaranteed on a senior unsecured basis our obligations under the notes (as defined below).

The Exchange Offer

On March 20, 2013, we issued and sold $250.0 million aggregate principal amount of senior notes due 2019, referred to herein as the old notes. In connection with that sale, we entered into a registration rights agreement with the initial purchasers of the old notes in which we agreed to deliver this prospectus to you and to complete an exchange offer for the old notes. As required by the registration rights agreement, we are offering to exchange $250.0 million aggregate principal amount of our new senior notes due 2019, referred to herein as the new notes, the issuance of which will be registered under the Securities Act, for a like aggregate principal amount of our old notes. We refer to this offer to exchange the new notes for the old notes in accordance with the terms set forth in this prospectus and the accompanying letter of transmittal as the exchange offer. You are entitled to exchange your old notes for new notes. We urge you to read the discussions under the headings The Exchange Offer and Description of the New Notes in this prospectus for further information regarding the exchange offer and the new notes. We refer to the old notes and the new notes collectively as the Notes or the $9^1/_2$% Senior Notes.

Company Overview

We are a leading provider of onshore seismic data to the oil and gas industry in North America. We own an extensive library of proprietary onshore and offshore geological data that we have accumulated since our inception in 1982. We believe our data library is the largest three-dimensional (3D) onshore database available for licensing in North America and includes leading positions in oil- and liquids-rich unconventional plays.

As of June 7, 2013, we own 39,000 square miles of 3D onshore data, consisting of 25,950 U.S. square miles (67%) and 13,050 Canadian square miles (33%). We have a leading market position in key geographies that benefit from the ongoing growth in North American unconventional onshore oil and gas activity. Approximately 48.7% of our 3D onshore library is comprised of data located in unconventional plays, and currently we have an additional 1,350 square miles of 3D onshore data in progress in those areas. Since 2008, we have embarked upon a campaign to acquire data in key unconventional plays, including oil- and liquids-rich North American plays such as the Eagle Ford/Woodbine and Niobrara/Bakken, where we own a combined 8,100 square miles of 3D unconventional data. Our library also includes data in other oil- and liquids-rich plays including, in the U.S., Utica/Marcellus and Granite Wash (Panhandle Plays) and, in Canada, the Montney and Cardium. Including data in progress, we have grown our 3D onshore unconventional library by 12.5% compounded annually since the beginning of 2008.

Our business model is to acquire data selectively in geological formations that we believe will support drilling from a variety of oil and gas producers over an extended period of time. We design and manage new surveys and license them to initial clients which typically fund a significant portion (approximately 50% 70%)

of the total cost of each survey (referred to as client underwriting). Seitel owns 100% of the acquired data and licenses it to additional parties on a non-exclusive basis. Such resales are unlimited in both time and amount and require minimal incremental cash costs, leading to a rapid payback period on new investments of typically less than three years and high returns thereafter. Our long-lived, diverse data library built over three decades continues to provide value to our customers, with 52% of our 2012 3D onshore resale revenue coming from data over 5 years old, including resales of data from vintages as early as 1994.

We believe that we have low fixed costs and a highly flexible operating model, as we do not own any seismic survey equipment or directly employ field personnel. Instead, we outsource those functions by contracting with third-party specialists, as required, in various facets of the data acquisition process in order to complete surveys to expand our data library. We also use sales commissions to create incentives for our sales force while matching our costs to our achieved sales. We believe this business model provides enhanced flexibility, allowing us to optimize our level of investment for the market environment and resulting in substantially lower cash flow volatility by enabling us to respond quickly to changes in demand and shifts in client geographic focus.

We serve a market which includes over 1,600 companies in the oil and gas industry. Our customers include large independent and major integrated oil and gas companies, as well as small- and mid-cap exploration and production companies. The importance of geological data in the exploration and development process drives demand for data in our library. Specifically, our customers use seismic data to identify geographical areas where subsurface conditions are favorable for oil and gas exploration and to optimize development and production of oil and gas reserves. Seismic data provides valuable insight for operators, including a target zone s thickness, as well as faulting pattern complexity, helping with the design of horizontal drilling programs and minimizing the potential for uneconomic wells.

We are a private company controlled by ValueAct Capital Master Fund, L.P. (ValueAct) and funds managed by affiliates of Centerbridge Partners, L.P. (Centerbridge). For the fiscal year ended December 31, 2012, our Cash Sales and Cash EBITDA were $141.9 million and $115.3 million, respectively, and total revenue and Adjusted EBITDA were $240.5 million and $213.9 million, respectively. For the three months ended March 31, 2013, our Cash Sales and Cash EBITDA were $23.9 million and $16.7 million, respectively, and total revenue and Adjusted EBITDA were $51.4 million and $44.1 million, respectively. See pages 17 to 21 for an explanation of Cash Sales, Cash EBITDA and Adjusted EBITDA.

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Data Library Overview

We believe our data library is the largest 3D onshore database available for licensing in North America. We have built our 3D onshore library over more than 20 years with over $1.5 billion in gross investments and we view our library as an asset that would be time- and cost-prohibitive for others to replicate. Approximately 48.7% of our 3D onshore library is comprised of data located in unconventional plays, and we currently have an additional 1,350 square miles of 3D onshore data in progress in those areas. We believe we are well positioned in oil- and liquids-rich plays such as the Eagle Ford/Woodbine, Niobrara/Bakken, Utica/Marcellus, Granite Wash (Panhandle Plays), Montney and Cardium with 19,000 miles of data in unconventional areas.

3D Seismic library overview as of June 7, 2013

	Completed surveys		Surveys in Progress
	Square miles(a)	**% of total**	**Square miles(a)**
Eagle Ford/Woodbine	5,500	11%	400
Niobrara/Bakken	2,600	5%	
Haynesville	1,350	3%	
Utica/Marcellus	750	2%	450
Granite Wash (Panhandle Plays)	650	1%	100
Permian Basin(b)			400
Conventional 3D	15,100	30%	
Total U.S. onshore	25,950	52%	1,350
Montney	3,750	8%	
Cardium	3,350	7%	
Horn River	1,050	2%	
Conventional 3D	4,900	10%	
Total Canada	13,050	27%	
Total onshore	39,000	79%	1,350
U.S. offshore	10,500	21%	
Worldwide total	49,500	100%	1,350

(a) Square miles reflect mileage net to Seitel s revenue interest

(b) Existing surveys in the Permian have not yet been reclassified from U.S. conventional 3D pending identification of the areal extent of the play.

Unconventional 3D library by play

19,000 square miles unconventional onshore 3D data

Our data library is a highly valuable asset that has historically generated strong returns on capital. As of March 7, 2012, the appraised value of our data library was $467.0 million. Since then, we have committed approximately $60 million net investment and approximately $150 million gross investment towards acquiring approximately 2,800 square miles of additional data. The technical and informational usefulness of our data has generally not declined over time. Demand for data is driven by the level and location of customer exploration and development activity and not the age of the data. Because of our positioning in favorable geographies and the long life of the data, there is significant built-in potential for repeat licensing of data at little or no marginal cost. The existing library is highly defensible as the customer s cost of licensing data is typically much lower than the cost of creating a new survey, thus there is little incentive for competitors to survey areas where we already have data.

Virtually all capital expenditures are additive to our library, as we have minimal true maintenance capital expenditure requirements. However, we estimate that approximately $25 million of net cash capital expenditures are required annually to offset declines in contribution from older data, depending on the areas in which customers are focusing their exploration and production activity. In 2012, we invested $87.5 million of net cash capital expenditures (defined as total capital expenditures net of client-funded cash underwriting and non-cash additions to the library) to grow our 3D data library and for 2013, our budgeted net cash capital expenditures are $60.0 million. We have $25.5 million net cash capital expenditures in our data acquisition backlog as of June 7, 2013. In 2012, we completed approximately 2,800 square miles of 3D data that was added to our library. In 2013, we expect to add approximately 2,400 square miles to our library, of which 1,800 had been added to our library as of June 7, 2013. See pages 17 and 19 for an explanation of net cash capital expenditures.

Our Competitive Strengths

We believe we have the following competitive strengths:

Large and Diverse Data Library with Leading Market Position in Key Oil- and Gas-Producing Regions

We believe we have the largest 3D onshore seismic data library available for licensing in North America. Our 3D onshore library has been built through a gross investment of over $1.5 billion, over $700 million net of

underwriting, since 1994. Our data covers a diverse range of oil- and gas-producing regions in the United States and Canada and we believe it provides us with leading positions in oil- and liquids-rich unconventional plays. As of June 7, 2013, we have 19,000 square miles of unconventional 3D onshore data, and all of our data acquisition backlog as of June 7, 2013 is directed to oil- and liquids-rich unconventional plays. We have grown our 3D onshore unconventional library by 12.5% compounded annually since the beginning of 2008, including surveys in progress. Moving forward, further development of existing plays, as well as exploration of new unconventional plays, including the Mowry, Point Pleasant and Woodbine in the U.S. and Duvernay in Canada, represent areas of key growth potential.

Significant Market Opportunity

We believe we are positioned to benefit from the expected long-term growth in North American onshore oil and gas exploration and production activity. Because of their favorable production economics, unconventional plays have attracted substantial long-term investment from high quality exploration and production (E&P) companies, including major oil companies, large independents and national oil companies. Seismic data is critical to oil and gas exploration and development in unconventional plays since it provides a wealth of insight into the structure and properties of producing formations. Such insight enhances customers ability to design efficient and productive horizontal drilling programs.

Continued improvement in technology is expanding the size of producible formations in the unconventional plays and making previously undeveloped plays economically viable for production. Many of these areas have little to no 3D data available, setting the stage for long-term future demand for our services and growth of our data library. Furthermore, many of our top acquisition and resale customers are active in the growing and emerging unconventional plays, positioning us for new survey opportunities with existing customers. We believe we are well positioned to acquire new data selectively in emerging unconventional plays where there is limited existing data. We are able to utilize our proprietary information-gathering tools, expertise, customer relationships and insights gained from licensing activity in the existing library to identify and select surveys that have attractive return potential. In addition, several major North American unconventional plays, including the Eagle Ford, have emerged in areas that were historically targets for conventional production of oil and gas. In such areas, our existing library of data has generated substantial customer demand and allowed us to identify adjacent areas for further data acquisition.

Multiple Revenue Opportunities Lead to Strong Returns on New and Existing Data

Several factors lead to multiple licensing of our data, which drives high returns on our investments over time. An area captured by a 3D survey may have multiple mineral holders within a particular stratigraphic layer, as well as vertically across layers. Also, new oil and gas field discoveries, new drilling technologies and pipeline and oil and gas infrastructure expansion can cause renewed exploration activity in a previously assessed surrounding area. Due to the capital intensive nature of developing unconventional plays, many oil and gas companies seek partners to share in the cost of development and these partners will often need to purchase licenses for their own use. In addition, merger and acquisition activity often requires re-licensing of data following a change in field ownership. Moreover, prospective developers and investors without mineral rights may seek our data.

Our payback on investments in unconventional plays has been very short and we have proven our ability to license onshore data for extended periods after creation. For the year ended December 31, 2012, 52% of total resale revenue for 3D onshore data came from data acquired before 2008, and we are still licensing data from 1994, our first 3D vintage year. For new data, we have a rapid payback period of less than three years on average, with annual returns on investments averaging approximately 38% in the first three years of an investment.

Ability to Adjust Quickly to E&P Industry Cycles

Our variable operating structure allows us to curtail overhead costs quickly during cyclical downturns in the industry, and most of our capital expenditures are discretionary additions to our seismic data library with significant underwriting commitments from customers. During the downturn in 2008-2009, because we had no fixed overhead costs related to maintaining seismic equipment or crews and because of our commission-based, bonus-centric employee compensation structure, we were able to reduce cash operating expenses from $30.0 million to $20.9 million. Also from December 31, 2008 to December 31, 2009, we were able to react quickly to reduce net cash capital expenditures from $44.6 million to $17.5 million. In contrast to our business model, the majority of seismic companies own and operate seismic equipment and crews, creating fixed operating expenses and less flexible cost structures.

Seismic Data Has an Attractive Value Proposition Among Our Blue Chip Customer Base

Our data is critical to oil and gas exploration and development activity. Understanding geological structure maximizes production and returns on client investments; however, seismic data purchases represent a small fraction of total drilling and completion costs, generally less than 1%. Our customer base ranges from some of the largest independent oil companies in the world to small, single-basin E&P companies, with very little customer concentration. As we have grown our presence in unconventional plays, our customer base has shifted towards larger producers, which are better positioned to maintain a consistent seismic spending plan. In addition, our revenue stream remains highly diversified. No single customer accounted for more than 10% of revenue for 2010 or 2012, while in 2011 our top customer accounted for approximately 11% of revenue. Cumulatively over our three most recent fiscal years, our top customer represented 6.7% of our total revenue.

Experienced Management Team

Our senior management team is comprised of individuals with an average of over 30 years of relevant experience. Robert Monson, our President and CEO, has over 28 years of industry experience, while Marcia Kendrick, our CFO, joined us in 1993 from Arthur Andersen and has over 22 years of industry experience. Kevin Callaghan, our Chief Operating Officer, joined Seitel in 1995 from Digicon Geophysical and has over 40 years of relevant industry experience. Our expertise is in the selection, design and management of seismic surveys. We also believe we maintain the largest sales and marketing group in the industry.

Our Current Strategy

Underwritten Data Acquisitions

We add data to our library primarily by contracting with third-party specialist service providers to create new subsurface geological data, which we design and own. Typically, one or more customers will underwrite or fund a significant portion of the direct cost of a seismic survey in exchange for a license or licenses to use the resulting data. The relatively high level of underwritten acquisition costs, approximately 50-70% of the cost of the survey, lowers our initial capital requirements and enhances our return on investment.

We own 100% of acquired data and license it to additional parties on a non-exclusive basis. Such resales are unlimited in both time and amount and require minimal incremental cash costs, leading to a rapid payback period on new investments of typically less than three years, with high returns thereafter. Our long-lived, diverse data library built over three decades continues to provide value to our customers, with 52% of our 2012 3D onshore resale revenue coming from data over five years old, including resales of data from vintages as early as 1994.

Provide Value to Customers Through Deep Industry Knowledge and Technical Expertise

As a provider of multi-client data services, we deliver value to our clients through several aspects of our business. Our extensive expertise and local intelligence in designing and managing surveys is not generally

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available to our client base. As a large onshore data library owner, we have an existing data footprint, often providing further cost efficiencies and higher-quality data for new surveys. Clients are disposed to underwrite our surveys as the cost to license multi-client data is significantly less than the cost to commission a proprietary survey. Finally, our clients maintain anonymity both within the local community and amongst competitors through contracting with us.

Continue to Grow and Increase Library Footprint in Unconventional Plays

We focus our data acquisition efforts on oil- and natural gas-producing areas that we believe are well suited to benefit from current and emerging trends in the E&P industry. In 2008, we began making strategic investments in unconventional plays which substantially contributed to our Cash Resales in 2010, 2011 and 2012. We have expertise and data in key unconventional plays, including the Eagle Ford/Woodbine, Niobrara/Bakken, Utica/Marcellus, Granite Wash (Panhandle Plays), Montney and Cardium. We work closely with our customers to determine specific areas of interest and future investment and, when suitable, grow with them into emerging unconventional plays. We believe our leading position in many unconventional plays, compared with our competitors, positions us to continue to be the seismic data provider of choice in these plays. Including data in progress, we have grown our 3D onshore unconventional library by 12.5% compounded annually since the beginning of 2008, an average increase of 1,662 square miles per year.

Expand Library in a Disciplined and Cost-effective Way

The substantial majority of our library additions come from new seismic data creation. We also grow our data library through cash purchases of existing seismic data, non-monetary data exchanges and new value-added products created from existing data. The decision to make capital investments is weighed against the estimated length of the payback period and projected return on capital. Additionally, when acquiring 3D surveys, we consider the proximity to 3D surveys already in our library as we believe that there is greater value in contiguous data, or close concentrations of surveys in a single area. We believe the continued expansion of North American onshore oil and gas activity provides a substantial white space opportunity for new data acquisition, and we use proprietary information tools and apply our management expertise to select among our pipeline of new survey opportunities. We typically pursue a new acquisition project only if it has a significant underwriting commitment from our customers and if we believe that conditions exist for repeated licensing of the data over an extended period of time. We are thorough in our evaluation of survey opportunities and are selective in adding prospective surveys to our pipeline and, therefore, not all surveys will meet our return requirements.

Leverage Internal Geophysical and Operations Management Expertise While Outsourcing Lower Margin Services

Our strong geophysical, technical and field operating management expertise is essential in maintaining our leadership through our ability to design surveys with attractive return potential and manage their creation. We will continue to outsource the non-core, fixed-cost intensive services, including surveying, permitting and data capture involving field equipment and crews. This strategy enables us to select vendors that we believe offer the best price, equipment and skill sets for a particular environment, geographical location or geophysical objective and provides us with access to state-of-the-art equipment and emerging technologies. We believe this operating model also gives us the flexibility to control costs to respond appropriately to changing market conditions, thus contributing to more stable performance.

Maintain a Strong Balance Sheet and Ample Liquidity

We believe a strong balance sheet and ample liquidity are critical elements to positioning the business for future growth, given the substantial market opportunity. We intend to fund data acquisitions with the cash flow generated from operations. As of March 31, 2013, we had total cash and cash equivalents of $25.5 million and a $30.0 million credit facility, subject to certain limitations on availability.

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Industry Overview

Overview of Seismic Data

Oil and gas companies consider seismic data an essential tool in finding and exploiting hydrocarbons. Companies use seismic data in oil and gas exploration and development efforts to increase the probability of drilling success. Further, seismic data analysis can increase recoveries of reserves from existing, mature oil fields by optimizing the drilling location of development wells and by revealing additional, or step-out, locations that would not otherwise be apparent. With the shift to unconventional plays, E&P companies now use seismic data in unconventional plays as a development tool to better identify efficient drilling plans and maximize production by identifying and understanding a series of critical characteristics of the targeted resource. Therefore, seismic data is increasingly tied to relatively stable development capital expenditures. The cost of seismic data is less than 1% of the total cost of drilling and completion for most projects, but provides substantial benefits to operators, including minimizing potential for uneconomic wells.

Drivers of Ongoing Demand for Seismic Data

There are many drivers which cause seismic data to be licensed repeatedly by different customers over a long time period, including fractured mineral positions, stratified mineral interests, partnerships, lease and option turnover, correlation to well analogs, commodity pricing, improvements in data processing techniques and developments in drilling and production technology.

Additionally, the explosion of activity in unconventional plays has generated opportunities for further resales of data that was created in the search for conventional resources. For example, in Texas, we have a number of surveys that were initially created for the Austin Chalk or the Central Edwards Reefs but are ideally positioned for Eagle Ford applications. Similarly, in British Columbia, our surveys in conventionally-directed areas later proved ideally positioned for applications in the Montney formation.

Increased M&A activity, including joint ventures, also generates increased licensing fees for seismic data providers. Licenses to seismic data are generally structured such that they do not transfer in the case of a change of control and they are not accessible to partners. Both circumstances require additional payments for new licenses.

Long-Term Growth Trend in North American Oil and Gas Production

The emergence of shale and other unconventional plays has brought about fundamental changes for the North American E&P industry, which we believe is driving a favorable long-term outlook for seismic data demand. Because of advancements in horizontal drilling and fracturing technologies, unconventional plays are more economically viable at lower commodity prices than most conventional basins in North America, which has led to a resurgence in North American production of oil and natural gas. According to Wall Street research, E&P spending in North America is expected to grow 6% compounded annually through 2016, having grown 7% compounded annually between 2006 and 2012.

Continued improvement in technology is expanding the size of producible formations in the unconventional plays and making previously undeveloped plays economically viable for production. There are multiple new unconventional plays emerging in North America which are becoming increasingly economical to develop.

Early activity in the unconventional plays was concentrated in shale gas areas such as the Barnett, Woodford and Fayetteville. Increased confidence in the industry s ability to extract gas from unconventional plays such as these led to a dramatic increase in the number of exploration and production companies participating in new plays, such as the Eagle Ford, Haynesville, Marcellus, Southern Montney and Horn River. Strong oil and natural gas liquids prices, along with increased sophistication of simulation and extraction techniques drew industry

attention towards oil-weighted unconventional plays, such as the Upper Eagle Ford/Woodbine, Utica, Niobrara/Bakken, Granite Wash (Panhandle Plays), Northern Montney and Cardium, with several additional plays emerging, including Mowry and Point Pleasant in the U.S. and Duvernay in Canada. Continued development of extraction techniques and increased geological understanding of the targets has also led to the expansion of the areal extent of the active unconventional plays as well as additional prospective plays. The area defined by these plays, along with the pace of defining additional ones presents a tremendous opportunity for creating new 3D seismic programs. The majority of the land on which these new plays are located has little to no 3D data available, which is expected to create significant demand over the mid- to long-term. Further exploration and development within known plays is also expected to generate demand for our existing library as well as for new surveys.

Seitel Uniquely Positioned to Benefit from Growth in North American Production

The continued expansion of exploration and production activity in North America has revealed objectives in areas where little seismic data had previously existed, such as Utica/Marcellus, as well as areas where we had extensive existing data available, such as Eagle Ford/Woodbine and Montney. In either case, we have utilized our unique industry position to generate Cash Resales from existing data, as well as acquire new, high-return surveys. Continued growth in North American production will enable us to generate further returns on our existing library as well as provide numerous opportunities for new data acquisition.

Seitel Organizational Structure

The chart below provides a summary of our organizational structure. All entities depicted are wholly-owned, unless otherwise noted.

(1) Not all U.S. Operating Subsidiaries will be Guarantors of the Notes. See Description of the New Notes Note Guarantees. For the year ended December 31, 2012, the Cash EBITDA, revenue and total assets of our subsidiaries that will not guarantee the Notes were $29.6 million, $84.4 million and $213.6 million, respectively. For the three months ended March 31, 2013, the Cash EBITDA, revenue and total assets of our subsidiaries that will not guarantee the Notes were $7.9 million, $18.6 million and $209.1 million, respectively.

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Corporate Information

Our principal executive offices are located in the greater Houston, Texas metropolitan area at 10811 S. Westview Circle Drive, Building C, Suite 100, Houston, Texas 77043 and our telephone number is (713) 881-8900. Our website address is www.seitel.com. Information on our website is not part of this prospectus.

Strong Support from Equity Sponsors

Our equity sponsors have demonstrated a commitment to supporting the Company s growth, as well as capitalizing the company conservatively. Seitel is a private company jointly owned by ValueAct, Centerbridge and Company management.

ValueAct is a leading investment partnership with offices in San Francisco and Boston that manages over $10 billion on behalf of some of the world s most respected institutional investors. ValueAct concentrates on acquiring significant ownership stakes in a limited number of companies that it believes are fundamentally undervalued. ValueAct is generally one of the largest independent shareholders at each of its core company investments and works in a constructive manner with management and/or the company s board to successfully implement strategies that maximize returns for all shareholders. ValueAct initially invested in Seitel in 2004 and increased its ownership various times during the period after its initial investment. ValueAct currently owns approximately 67.1% of the equity interests of Seitel Holdings, Inc. (Holdings), our corporate parent. ValueAct took Seitel private in February 2007.

Centerbridge Partners, L.P. is a private investment firm headquartered in New York City with approximately $19 billion in capital under management as of March 2013. The firm focuses on private equity and credit investments. The firm is dedicated to partnering with world-class management teams across targeted industry sectors to help companies achieve their operating and financial objectives. In May 2011, Centerbridge purchased a minority, primary equity stake in Seitel to pay down debt and support the Company s growth initiatives. Centerbridge currently owns 32.6% of Holdings.

Credit Facility

On May 25, 2011, we entered into a credit agreement (the Credit Facility), which provides us with the ability to borrow up to $30.0 million. The Credit Facility provides a $30.0 million revolving credit facility with a Canadian sublimit of $5.0 million, subject to borrowing base limitations based on our seismic data assets and eligible accounts receivable, each as defined in the Credit Facility, calculated on a monthly basis. U.S. borrowings under the Credit Facility bear interest at a rate per annum equal to, at our option, either (a) the London InterBank Offered Rate (LIBOR) plus 3.50% or (b) a base rate determined by reference to the highest of (i) the federal funds rate plus $\frac{1}{2}$ of 1%, (ii) the three-month LIBOR rate plus 1% and (iii) the prime rate of Wells Fargo Bank, National Association, plus 2.50%. Canadian borrowings under the Credit Facility bear interest based on a Canadian base rate, as defined in the Credit Facility. In addition, we are required to pay an unused line fee of 0.50% per annum in respect of any unutilized commitments under the Credit Facility. The Credit Facility expires on May 25, 2016. The Credit Facility contains certain affirmative and negative covenants and requires that we maintain minimum excess availability (as defined in the Credit Facility) of $10.0 million or, if such excess availability is not maintained, then our fixed charge coverage ratio (as defined in the Credit Facility) may not be less than 1.00 to 1.00. As of March 31, 2013, no amounts were outstanding under the Credit Facility and there was $20.0 million of availability.

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The Exchange Offer

Securities Offered	$250.0 million aggregate principal amount of 9 $^{1}/_{2}$% senior notes due 2019. The terms of the new notes and old notes are identical in all material respects, except for certain transfer restrictions and registration rights relating to the old notes.
The Exchange Offer	We are offering the new notes to you in exchange for a like principal amount of old notes. Old notes may be exchanged only in integral multiples of $1,000. We intend by the issuance of the new notes to satisfy our obligations contained in the registration rights agreement. See The Exchange Offer Purpose of the Exchange Offer.
Expiration Date	The exchange offer will expire at 5:00 p.m. New York City time, on , 2013, unless we extend the exchange offer.
Conditions to the Exchange Offer	Our obligation to accept for exchange, or to issue new notes in exchange for, any old notes is subject to customary conditions relating to compliance with any applicable law or any applicable interpretation by the staff of the Securities and Exchange Commission, the receipt of any applicable governmental approvals and the absence of any actions or proceedings of any governmental agency or court which could materially impair our ability to consummate the exchange offer. We currently expect that each of the conditions will be satisfied and that no waivers will be necessary. See The Exchange Offer Conditions to the Exchange Offer.
Procedures for Tendering Old Notes	If you wish to accept the exchange offer and tender your old notes, you must complete, sign and date the Letter of Transmittal, or a facsimile of the Letter of Transmittal, in accordance with its instructions and the instructions in this prospectus, and mail or otherwise deliver such Letter of Transmittal, or the facsimile, together with the old notes and any other required documentation, to the exchange agent at the address set forth herein. See The Exchange Offer Procedures for Tendering Old Notes.
Withdrawal Rights	You may withdraw your tender of old notes at any time prior to the expiration date. See The Exchange Offer Withdrawal of Tenders.
Certain Federal Income Tax Considerations	The exchange of notes pursuant to the exchange offer should not be a taxable event for United States federal income tax purposes. See Certain U.S. Federal Income Tax Considerations.
Use of Proceeds	We will not receive any proceeds from the exchange offer.
Exchange Agent	Deutsche Bank Trust Company Americas is serving as the exchange agent in connection with exchange offer.

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Consequences of Exchanging Old Notes Pursuant to the Exchange Offer

Based on interpretive letters issued by the staff on the Securities and Exchange Commission to third parties in unrelated transactions, we are of the view that holders of old notes (other than any holder who is an affiliate of our company within the meaning of Rule 405 under the Securities Act) who exchange their old notes for new notes pursuant to the exchange offer generally may offer such new notes for resale, resell such new notes and otherwise transfer such new notes without compliance with the registration and prospectus delivery provisions of the Securities Act, provided:

- the new notes are acquired in the ordinary course of the holders business;
- the holders have no arrangement with any person to participate in a distribution of such new notes; and
- neither the holder nor any other person is engaging in or intends to engage in a distribution of the new notes.

Each broker-dealer that receives new notes for its own account in exchange for old notes must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. See Plan of Distribution. In addition, the securities laws of some jurisdictions may prohibit the offer or sale of the new notes unless they have been registered or qualified for sale in such jurisdiction or in compliance with an available exemption from registration or qualification. We have agreed, pursuant to the registration rights agreement, to register or qualify the new notes for offer or sale under the securities or blue sky laws of such jurisdictions as any holder of the notes reasonably requests in writing. If a holder of old notes does not exchange such old notes for new notes pursuant to the exchange offer, such old notes will continue to be subject to the restrictions on transfer contained in the legend printed on the old notes. In general, the old notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from the Securities Act and applicable state securities laws. Holders of old notes do not have any appraisal or dissenters rights under the Delaware General Corporation Law in connection with the exchange offer. See The Exchange Offer Consequences of Failure to Exchange; Resales of New Notes.

The old notes are currently eligible for trading in the Private Offerings, Resales and Trading through Automated Linkages (PORTAL) market. Prior to the consummation of the exchange offer, the old notes may continue to be traded in the PORTAL market. Following expiration of the exchange offer, the new notes will not be eligible for PORTAL trading.

The New Notes

The terms of the new notes and the old notes are identical in all material respects, except for certain transfer restrictions and registration rights relating to the old notes.

Issuer	Seitel, Inc., a Delaware corporation.
Notes Offered	$250,000,000 aggregate principal amount of 9 1/2% senior notes due 2019.
Maturity Date	The new notes will mature on April 15, 2019.
Interest	The new notes will bear interest at 9 1/2% per annum, payable semi-annually in arrears.
Interest Payment Dates	Interest on the new notes will be paid semi-annually in arrears each April 15 and October 15, beginning on October 15, 2013. Interest on the new notes will accrue from the date of issuance.

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Optional Redemption	We may redeem some or all of the new notes beginning on April 15, 2016 at the redemption prices listed under Description of the New Notes Optional Redemption.
	We may also redeem some or all of the new notes at any time prior to April 15, 2016, at a redemption price equal to 100% of the principal amount of the new notes to be redeemed, plus the Applicable Premium defined under Description of the New Notes Certain Definitions, as of and accrued interest to, the redemption date.
	In addition, we may also redeem up to 35% of the Notes at any time prior to April 15, 2016 using the proceeds of one or more equity offerings at a redemption price of 109.500% of the principal amount of the Notes, plus accrued and unpaid interest to the redemption date only if, after any such redemption, at least 65% of the aggregate principal amount of Notes issued on the closing date remain outstanding. See Description of the New Notes Optional Redemption.
Change of Control	Upon a change of control, as defined under the section entitled Description of the New Notes Certain Definitions, we will be required to make an offer to purchase the new notes then outstanding at a purchase price equal to 101% of their principal amounts, plus accrued interest to but excluding the date of repurchase. We may not have sufficient funds available at the time of a change of control to repurchase the new notes.
Guarantees	The new notes will be guaranteed by each of our existing and any future significant domestic, restricted subsidiaries.
Ranking	The new notes will be our general unsecured, senior obligations. Accordingly, the new notes will rank:
	effectively subordinate to all of our existing and future secured indebtedness, including obligations under the Credit Facility, to the extent of the value of the collateral securing such indebtedness;
	structurally subordinate to all existing and future indebtedness, preferred stock and other liabilities, including trade payables, of any non-guarantor subsidiaries;
	equal in right of payment to all of our existing and future senior unsecured indebtedness (including any unsecured claims under the Credit Facility); and
	senior in right of payment to all of our future subordinated indebtedness;
	Similarly, the guarantees will be unsecured senior obligations of the guarantors and, accordingly, will:

rank equally in right of payment with all existing and future unsubordinated and unsecured indebtedness of the guarantors;

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- be senior in right of payment to any future subordinated indebtedness; and
- be effectively subordinated to all secured indebtedness of the guarantors to the extent of the value of the assets securing such indebtedness.

Certain Covenants

The terms of the new notes will, among other things, limit our ability and the ability of our restricted subsidiaries to:

- incur additional indebtedness;
- pay dividends or make other distributions on capital stock or subordinated indebtedness;
- make investments;
- repurchase stock;
- enter into agreements that restrict dividends or other payments from our restricted subsidiaries to us;
- create unrestricted subsidiaries;
- transfer or sell assets;
- engage in transactions with affiliates;
- create certain liens; and
- consolidate, merge or transfer all or substantially all of the assets of our company.

These covenants are subject to a number of important exceptions and qualifications. For a more detailed discussion of the new notes, see Description of the New Notes.

For a discussion of certain risks that should be considered in connection with an investment in the new notes, see Risk Factors beginning on page 22.

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SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table presents our summary consolidated statements of operations, balance sheet and other financial data for the periods presented and should only be read in conjunction with our consolidated financial statements and the notes related thereto, Selected Historical Consolidated Financial Data, Use of Proceeds and Management s Discussion and Analysis of Financial Condition and Results of Operations, included elsewhere in this prospectus. The summary historical consolidated financial data presented below for the years ended December 31, 2010, 2011 and 2012 have been derived from the audited consolidated financial statements and the notes thereto included elsewhere in this prospectus. The summary historical consolidated financial data as of March 31, 2013 and for the three months ended March 31, 2012 and 2013 have been derived from unaudited consolidated financial statements included elsewhere in this prospectus.

	Year Ended December 31,			Three Months Ended March 31,	
	2010	2011	2012	2012 (unaudited)	2013 (unaudited)
	(thousands, except 3D onshore miles)				
Statement of Operations Data:					
Total revenue	$ 175,556	$ 218,008	$ 240,458	$ 72,547	$ 51,351
Expenses and costs:					
Depreciation and amortization	175,592	142,963	139,754	39,384	29,338
Cost of sales	97	100	464	97	39
Selling, general and administrative	31,831	31,649	29,088	8,092	7,387
	207,520	174,712	169,306	47,573	36,764
Income (loss) from operations	(31,964)	43,296	71,152	24,974	14,587
Interest expense, net	(40,536)	(34,767)	(29,011)	(7,219)	(9,315)
Foreign currency exchange gains (losses)	441	(726)	681	411	(647)
Loss on early extinguishment of debt		(7,912)			(1,504)
Gain on sale of marketable securities	4,188	2,467	230		
Other income	446	250	780	81	1
Income (loss) before income taxes	(67,425)	2,608	43,832	18,247	3,122
Provision (benefit) for income taxes	(4,008)	392	6,782	3,541	1,384
Net income (loss)	$ (63,417)	$ 2,216	$ 37,050	$ 14,706	$ 1,738
Other Financial and Operational Data:					
Cash Sales(1)	$ 141,383	$ 138,778	$ 141,887	$ 40,419	$ 23,866
Cash Resales(1)	137,605	134,497	136,234	39,169	22,445
Cash EBITDA(1)	117,252	112,031	115,347	32,673	16,656
Adjusted EBITDA(1)	151,425	191,261	213,918	64,801	44,141
Capital expenditures	72,267	152,967	192,633	65,718	46,740
Net cash capital expenditures(1)	23,899	67,620	87,454	29,705	18,992
Ratio of total debt to Cash EBITDA(1)	3.5x	2.5x	2.4x		
Ratio of Cash EBITDA(1) to interest expense, net	2.9x	3.2x	4.0x		
Ratio of total debt to Adjusted EBITDA(1)	2.7x	1.5x	1.3x		
Ratio of Adjusted EBITDA(1) to interest expense, net	3.7x	5.5x	7.4x		
3D onshore library miles(2)	32,250	34,500	37,300	35,100	38,100
3D onshore resale revenue from surveys older than five years	$ 51,047	$ 38,245	$ 63,142		

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	As of December 31, 2010	2011	2012	As of March 31, 2013 (unaudited)
	(thousands, except shares)			
Balance Sheet Data:				
Cash and cash equivalents	$ 89,971	$ 74,894	$ 61,891	$ 25,544
Seismic data library, net	106,104	120,694	180,117	197,221
Total assets	491,009	500,330	550,744	510,585
Total debt	405,604	278,256	278,142	253,002
Stockholder s equity (deficit)	(7,022)	109,840	150,358	149,245
Common shares outstanding(2)	100	100	100	100

(1) See Summary Non-GAAP Financial Measures for a description of these measures and a reconciliation to their most directly comparable GAAP financial measures.

(2) 3D onshore library miles and common shares outstanding are presented in actual figures, not in thousands.

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Non-GAAP Financial Measures

Disclosure in this prospectus of Cash Sales, Cash Resales, Cash EBITDA, Adjusted EBITDA and net cash capital expenditures, which are non-GAAP financial measures as defined under the rules of the SEC, are intended as supplemental measures of our performance that are not required by, or presented in accordance with United States generally accepted accounting principles (GAAP). None of Cash Sales, Cash Resales, Cash EBITDA, Adjusted EBITDA or net cash capital expenditures should be considered as an alternative to net income or any other performance measure derived in accordance with GAAP.

Cash Sales represent Cash Resales, as defined herein, plus cash revenue derived from (i) the reproduction and delivery of our seismic data, (ii) data management services and (iii) processing of seismic data for third parties (Solutions and other revenue). Cash Resales represent new contracts for data licenses from our library, including data currently in progress, payable in cash. Cash EBITDA represents cash generated from licensing data from our seismic library net of recurring cash operating expenses. Cash EBITDA includes Cash Sales plus gains on sales of marketable securities and cash distributions from investments obtained as part of licensing our seismic data, less cost of goods sold and cash selling, general and administrative expenses (excluding non-recurring corporate expenses, such as severance costs and other expenses related to corporate and strategic transactions). Adjusted EBITDA means Cash EBITDA plus other revenue components not included in Cash EBITDA, including acquisition underwriting revenue, non-monetary exchanges, revenue recognition adjustments and non-cash Solutions revenue. Net cash capital expenditures represent total capital expenditures less cash underwriting revenue and non-cash additions to the seismic data library and reflect the amount of capital expenditures funded from our cash flow from operations.

These non-GAAP financial measures have limitations as analytical tools, and you should not consider these measures in isolation or as a substitute for analyses of our income or cash flows as reported under GAAP. Some of these limitations are:

- they do not reflect our future requirements for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, our working capital needs;
- they do not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- depreciation and amortization are non-cash expense items that are reflected in our statements of operations; and
- other companies in our industry may calculate these measures differently from the way we do.

We compensate for these limitations by relying primarily on GAAP results and using Cash Sales, Cash Resales, Cash EBITDA, Adjusted EBITDA and net cash capital expenditures only for supplemental purposes. Please see our financial statements and related notes thereto included elsewhere in this prospectus.

We have presented our Cash Sales, Cash Resales, Cash EBITDA, Adjusted EBITDA and net cash capital expenditures because we believe investors, analysts and rating agencies consider them useful in measuring the ability of an issuer of securities to meet its debt service obligations. We believe that Cash Sales, Cash Resales and Cash EBITDA are useful in evaluating our performance because of our revenue recognition policies. These measures, along with net cash capital expenditures, also help determine the level of cash from operations we have available to service our debt and fund capital expenditures, net of the portion that is underwritten by our customers. We believe Adjusted EBITDA, which includes underwriting revenue and certain non-cash revenue components, is also an appropriate supplement to measure debt service capacity because it is useful in evaluating the Company s ability to generate revenue from its operations.

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Reconciliation of Cash Resales and Cash Sales to Total Revenue

The following table presents a reconciliation of Cash Resales and Cash Sales to the most directly comparable GAAP financial measure, total revenue, for the periods presented:

	Year Ended December 31,			Three Months Ended March 31,	
	2010	2011	2012	2012 (unaudited)	2013 (unaudited)
			(thousands)		
Cash Resales	$ 137,605	$ 134,497	$ 136,234	$ 39,169	$ 22,445
Cash Solutions and other revenue	3,778	4,281	5,653	1,250	1,421
Cash Sales	141,383	138,778	141,887	40,419	23,866
Other revenue components:					
Acquisition underwriting revenue	40,500	77,406	107,254	36,572	25,089
Non-monetary exchanges	4,678	7,609	1,554	709	324
Revenue recognition adjustments	(11,005)	(5,856)	(10,257)	(5,173)	2,072
Non-cash Solutions revenue		71	20	20	
Total revenue	$ 175,556	$ 218,008	$ 240,458	$ 72,547	$ 51,351

Reconciliation of Cash EBITDA to Adjusted EBITDA and Net Income (Loss)

The following table presents the calculation of Cash EBITDA and a reconciliation of Cash EBITDA to Adjusted EBITDA and net income (loss), for the periods presented:

	Year Ended December 31,			Three Months Ended March 31,	
	2010	2011	2012	2012 (unaudited)	2013 (unaudited)
			(thousands)		
Cash Resales	$ 137,605	$ 134,497	$ 136,234	$ 39,169	$ 22,445
Cash Solutions and other revenue	3,778	4,281	5,653	1,250	1,421
Cash Sales	141,383	138,778	141,887	40,419	23,866
Add:					
Gain on sale of marketable securities	4,188	2,467	230		
Cash distributions from investments			400		
Less:					
Total cash operating expenses	(28,319)	(29,214)	(27,170)	7,746	7,210
Cash EBITDA	117,252	112,031	115,347	32,673	16,656
Add (subtract) other revenue components included in Adjusted EBITDA:					
Acquisition underwriting revenue(a)	40,500	77,406	107,254	36,572	25,089
Non-monetary exchanges(b)	4,678	7,609	1,554	709	324
Revenue recognition adjustments(c)	(11,005)	(5,856)	(10,257)	(5,173)	2,072
Solutions non-cash revenue		71	20	20	
Adjusted EBITDA	151,425	191,261	213,918	64,801	44,141
Add (subtract) other items included in net income (loss):					
Depreciation and amortization	(175,592)	(142,963)	(139,754)	(39,384)	(29,338)

Non-cash operating expenses	(3,433)	(743)	(1,154)	(145)	(226)
Non-recurring corporate expenses(d)	(176)	(1,792)	(1,228)	(298)	10
Interest expense, net	(40,536)	(34,767)	(29,011)	(7,219)	(9,315)
Foreign currency exchange gains (losses)	441	(726)	681	411	(647)
Loss on early extinguishment of debt		(7,912)			(1,504)
Other income	446	250	380	81	1
Benefit (provision) for income taxes	4,008	(392)	(6,782)	(3,541)	(1,384)
Net income (loss)	$ (63,417)	$ 2,216	$ 37,050	$ 14,706	$ 1,738

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(a) Acquisition underwriting revenue represents the portion of costs funded or underwritten by our clients for newly created seismic data surveys.
(b) Non-monetary exchanges represent a license to selected data from our library in exchange for ownership of a customer s seismic data or use of certain services, such as data processing.
(c) Revenue recognition adjustments are non-cash adjustments to revenue and reflect the net amount of (i) revenue deferred as a result of all of the revenue recognition criteria not being met and (ii) the subsequent revenue recognition once the criteria are met.
(d) Non-recurring corporate expenses include severance costs and legal, financial and other expenses related to corporate and strategic transactions.

Because Adjusted EBITDA is not calculated in the same manner by all companies, it is not necessarily comparable to other similarly titled measures used by other companies. Our presentation of Adjusted EBITDA may not comply with SEC guidelines relating to non-GAAP financial measures.

Reconciliation of Net Cash Capital Expenditures to Capital Expenditures

The following table presents a reconciliation of net cash capital expenditures to the most directly comparable GAAP financial measure, capital expenditures, for the periods presented:

	Year Ended December 31,					Three Months Ended March 31,	
	2008	**2009**	**2010**	**2011**	**2012**	**2012 (unaudited)**	**2013 (unaudited)**
				(thousands)			
Net cash capital expenditures	$ 44,640	$ 17,537	$ 23,899	$ 67,620	$ 87,454	$ 29,705	$ 18,992
Add:							
Non-cash additions	23,559	2,197	10,545	10,215	3,376	709	2,716
Cash underwriting	41,511	34,565	37,823	75,132	101,803	35,304	25,032
Capital expenditures	$ 109,710	$ 54,299	$ 72,267	$ 152,967	$ 192,633	$ 65,718	$ 46,740

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Reconciliation of Cash Operating Expenses to Total Selling, General and Administrative Expenses

The following table presents a reconciliation of cash operating expenses to the most directly comparable GAAP financial measure, total selling, general and administrative expenses, for the periods presented:

	Year Ended December 31,					Three Months Ended March 31,	
	2008	2009	2010	2011	2012	2012 (unaudited)	2013 (unaudited)
				(thousands)			
Cash operating expenses	$ 30,013	$ 20,924	$ 28,319	$ 29,214	$ 27,170	$ 7,746	$ 7,210
Less:							
Cost of sales	(462)	(290)	(97)	(100)	(464)	(97)	(39)
Add:							
Non-cash selling, general and administrative	6,759	3,286	3,433	743	1,154	145	226
M&A transaction costs	6						
Non-recurring corporate expenses		1,170	176	1,792	1,228	298	(10)
Total selling, general and administrative expenses	$ 36,316	$ 25,090	$ 31,831	$ 31,649	$ 29,088	$ 8,092	$ 7,387

Reconciliation of Cash EBITDA to Net Income of Non-guarantor Subsidiaries

The following table presents a reconciliation of Cash EBITDA to Adjusted EBITDA and net income for our non-guarantor subsidiaries, for the periods presented:

	Year Ended December 31, 2012	Three Months Ended March 31, 2013 (unaudited)
	(thousands)	
Cash EBITDA	$ 29,555	$ 7,932
Add (subtract) other revenue components included in Adjusted EBITDA:		
Acquisition underwriting revenue(a)	35,367	6,236
Non-monetary exchanges(b)	261	54
Revenue recognition adjustments(c)	9,512	1,447
Adjusted EBITDA	74,695	15,669
Add (subtract) other items included in net income (loss):		
Depreciation and amortization	(51,030)	(11,329)
Non-cash operating expenses	(527)	(36)
Non-recurring corporate expenses(d)	(416)	(42)
Interest expense, net	(1,454)	(419)
Foreign currency exchange gains (losses)	685	(647)
Provision for income taxes	(5,405)	(900)
Net income	$ 16,548	$ 2,296

(a)

Acquisition underwriting revenue represents the portion of costs funded or underwritten by our clients for newly created seismic data surveys.

(b) Non-monetary exchanges represent a license to selected data from our library in exchange for ownership of a customer s seismic data or use of certain services, such as data processing.

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(c) Revenue recognition adjustments are non-cash adjustments to revenue and reflect the net amount of (i) revenue deferred as a result of all of the revenue recognition criteria not being met and (ii) the subsequent revenue recognition once the criteria are met.

(d) Non-recurring corporate expenses include severance costs and legal, financial and other expenses related to corporate and strategic transactions.

Reconciliation of Estimated 2013 Net Cash Capital Expenditures to Estimated 2013 Capital Expenditures (Unaudited)

The following table presents a reconciliation of estimated 2013 net cash capital expenditures to the most directly comparable GAAP financial measure, estimated capital expenditures, for the period presented:

	2013 Estimate (thousands)
Estimated net cash capital expenditures	$ 60,000
Add:	
Non-cash additions	7,400
Cash underwriting	102,000
Estimated capital expenditures	$ 169,400

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RISK FACTORS

An investment in the Notes involves a high degree of risk. You should carefully consider the following risk factors before deciding to make an investment in our Notes. The risks described below are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business operations. Any of the following risks could materially adversely affect our business, financial condition or results of operations. In such case, you may lose all or part of your original investment.

Risks Related to Our Business

Our industry is cyclical and our business could be adversely affected by the level of capital expenditures by oil and gas companies and by the level and volatility of oil and natural gas prices.

Our industry and the oil and gas industry generally are subject to cyclical fluctuations. Demand for our services depends upon spending levels by oil and gas companies for exploration, production, development and field management of oil and natural gas reserves and, in the case of new seismic data creation, the willingness of these companies to forgo ownership in the seismic data. Capital expenditures by oil and gas companies for these activities depend upon several factors, including actual and forecasted prices of oil and natural gas and those companies short-term and strategic plans. Oil and natural gas prices, in turn, depend on local, regional and global events or conditions that affect supply and demand for the relevant commodity. These events or conditions are generally not predictable and include, among other things:

- levels of demand for, and production of, oil and natural gas;
- worldwide political, military and economic conditions, including social and political unrest in Africa and the Middle East;
- weather, including seasonal patterns that affect regional energy demand, as well as severe weather events that can disrupt supply;
- the level of oil and natural gas reserves; and
- government policies regarding adherence to OPEC quotas.

Oil and natural gas prices are subject to significant volatility and there can be no assurance that oil and natural gas prices and demand will not decline in the future. Low oil and natural gas prices and demand could result in decreased exploration and development spending by oil and gas companies, which could, in turn, affect our seismic data business. Our customers may adjust their exploration and development spending levels very quickly in response to any material change in oil and natural gas prices. Continued political instability (especially in the Middle East and other oil-producing regions) may lead to further significant fluctuations in demand and pricing for oil and gas or seismic data. Any future decline in oil and natural gas prices, sustained downturn in the oil and gas or seismic data industries, or sustained periods of reduced capital expenditures by oil and gas companies as a result of factors which are beyond our control could have a material adverse effect on our results of operations and cash flow.

Increased regulation of hydraulic fracturing could result in increased costs of, and reductions or delays in, drilling and completing new oil and natural gas wells, which could indirectly and adversely impact our revenues by decreasing the demand for our seismic data and related services.

Hydraulic fracturing is a process used by oil and gas exploration and production operators in the completion of certain oil and gas wells whereby water, proppants (typically sand) and chemicals are injected under pressure into subsurface formations to stimulate gas and oil production. In part due to public concerns that hydraulic fracturing may adversely affect drinking water supplies, increase emissions of perceived greenhouse gases and/or adversely affect local communities *(e.g.,* through increased truck traffic), hydraulic fracturing has become the

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subject of opposition by certain environmental groups, the subject of additional private and government studies and the subject of increased federal, state and local regulation. In previous sessions, the U.S. Congress has considered but not passed legislation that would have amended the Safe Drinking Water Act to impose additional regulations on such wells. The U.S. Environmental Protection Agency (EPA) has announced plans to develop standards for discharges of hydraulic fracturing wastewaters, and has adopted new regulations under the Clean Air Act for certain hydraulic fracturing operations and related equipment, which require the use of reduced emission completion technology, and announced plans to solicit public comment on a possible federal reporting requirement for fluids used in hydraulic fracturing pursuant to the Toxic Substances Control Act. Separately, the U.S. Department of the Interior has proposed new rules for hydraulic fracturing on public lands that would address disclosure of chemicals used in the process, wellbore integrity and handling of flowback water. Aside from these federal initiatives, several state and local governments have adopted regulations requiring disclosure of fracturing fluid constituents, among other requirements. In certain areas of the country (e.g., the State of New York and within the Delaware River Basin), new drilling permits for hydraulic fracturing have been put on hold pending development of additional standards. Some municipalities have banned hydraulic fracturing. The EPA is currently undertaking a research study to investigate any potential adverse impact that hydraulic fracturing may have on water quality and public health. The study results are expected to be available no earlier than 2014. As a result of these initiatives and studies, or as a result of future legislation or regulation, such requirements could increase the costs, impose delays or further reporting obligations or otherwise limit the use of hydraulic fracturing. This could in turn, indirectly and adversely affect our revenues and results of operations by decreasing the demand for our seismic data and related services.

Economic conditions could adversely affect demand for our seismic data and related services and may increase our credit risk of customer non-payment.

Prices for oil and natural gas have been volatile. Commencing in late 2008, commodity prices for oil and natural gas declined significantly. Crude oil prices recovered during 2010 while natural gas prices improved but continue to be low. A return to lower crude oil prices and continuing low natural gas prices could result in many oil and gas companies significantly reducing their levels of capital spending, which could result in reduced demand for our seismic data and related services as our customers operating cash flow decreases and the borrowing bases under their oil and gas reserve-based credit facilities are reduced. Lower commodity prices could also result in decreases in our customers liquidity and capital resources which could increase our credit risk of non-payment from such customers.

We are dependent on the availability of internally generated cash flow and financing alternatives to cover the costs of acquiring and processing seismic data for our data library that are not underwritten by our customers.

We continue to invest additional capital in acquiring and processing new seismic data to expand our data library and as our business grows, we expect these investments to increase. A significant portion of these costs is underwritten by our customers, while the remainder is financed through the use of internally generated cash flow and other financing sources. We may use bank or commercial debt, the issuance of equity or debt securities or any combination thereof to finance these costs. There can be no assurance that our customers will continue to underwrite these costs at historical levels, or that we will have available internally generated funds or will be successful in obtaining sufficient capital through additional financing or other transactions, if and when required on terms acceptable to us, to continue to invest in acquiring new seismic data. Any substantial alteration of or increase in our capitalization through the issuance of debt securities may significantly increase our leverage and decrease our financial flexibility. If we are unable to obtain financing if and when needed, we may be forced to curtail our business objectives and to finance business activities with only internally generated funds as may then be available.

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Our working capital needs are difficult to forecast and may vary significantly, which could require us to borrow under our existing Credit Facility and/or seek additional financing that we may not be able to obtain on satisfactory terms, or at all.

Our working capital needs are difficult to predict with certainty as they fluctuate from quarter to quarter based on the level of activity of our business. This difficulty is due primarily to the timing of our projects, our clients budgetary cycles and our receipt of payment. We may therefore be subject to significant and rapid increases in our working capital needs that could require us to borrow under the Credit Facility and/or seek additional financing sources. Restrictions in our debt agreements may impair our ability to borrow under the Credit Facility and/or obtain other sources of financing, and access to additional sources of financing may not be available on terms acceptable to us, or at all.

We have invested, and expect to continue to invest, significant amounts of money in acquiring and processing seismic data for our seismic data library without knowing precisely how much of this seismic data we will be able to license or when and at what price we will be able to license such data.

We invest significant amounts of money in acquiring and processing seismic data for our seismic data library. By making such investments, we are exposed to the following risks:

- We may not fully recover our costs of acquiring and processing seismic data through future licensing of data that we own. The amounts of these data sales are uncertain and depend on a variety of factors, many of which are beyond our control.

- The timing of these sales is unpredictable and can vary greatly from quarter to quarter. The costs of each survey are capitalized and then amortized over the expected book life of the data. This amortization will affect our earnings and when combined with the sporadic nature of sales, will result in increased earnings volatility.

- Regulatory changes that affect companies ability to drill, either generally or in a specific location where we have acquired seismic data, could materially adversely affect the value of the seismic data contained in our library. Technology changes could also make existing data sets less desirable or obsolete.

- The value of our data could be significantly adversely affected if any material adverse change occurs in the general prospects for oil and gas exploration, development and production activities.

- The cost estimates upon which we base our pre-commitments of funding could be incorrect, which could result in losses that have a material adverse effect on our financial condition and results of operations.

- Underwriting commitments of funding are subject to the creditworthiness of our clients. In the event that a client refuses or is unable to pay its commitment, we could lose a material amount of money.

We rely on developing and acquiring proprietary data, which we keep confidential.

To protect the confidentiality of our proprietary and trade secret information, we require employees, consultants, contractors, advisors and collaborators to enter into confidentiality agreements. Our customer data license agreements and acquisition agreements also identify our proprietary, confidential information and require that such proprietary information be kept confidential. While these steps are taken to strictly maintain the confidentiality of our proprietary and trade secret information, it is difficult to ensure that unauthorized use, misappropriation or disclosure will not occur. If we are unable to maintain the secrecy of our proprietary, confidential information, we could be materially adversely affected.

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Our business could be adversely affected by the failure of our customers to fulfill their obligations to reimburse us for the underwritten portion of third-party contractor costs.

A substantial portion (approximately 50% 70%) of our seismic acquisition project costs, including third-party project costs, are underwritten by our customers. We target an average of 60% to 65% underwriting levels for new seismic acquisition projects on an aggregate basis. On occasion, when our underwriting customer owns other attractive seismic data that we want to obtain, we may decide to take ownership in this data to cover part of the customer s underwriting obligation. In the event that underwriters for such projects fail to fulfill their obligations with respect to such underwriting commitments, we would continue to be obligated to satisfy our payment obligations to third-party contractors.

We rely on third-party contractors to shoot new data.

We do not employ seismic crews or own any seismic survey equipment but contract, as needed, multiple third-party contractors with qualified equipment, personnel and expertise to shoot new data. However, any failure by these third-party contractors to meet the requisite industry quality, safety and environmental standards may result in our liabilities to third parties and have a material adverse effect on our business, reputation, financial condition and results of operations. Moreover, if we fail to retain our third-party contractors or obtain replacements on favorable terms or at all, our business and operating results may be materially and adversely affected.

We may be held liable for the actions of third-party contractors.

We often engage a number of third-party contractors to perform specific services and provide products and qualified personnel in connection with our operations. There can be no assurance we will not be held liable for the actions or inactions of these contractors. In addition, contractors may cause damage or injury to our personnel and property or third-party personnel or property that is not fully covered by insurance.

Competition for the acquisition of new seismic data is intense.

There are a number of geophysical companies that create, market and license seismic data and maintain seismic libraries. Competition for acquisition of new seismic data among geophysical service providers historically has been, and we expect will continue to be, intense. Certain competitors have significantly greater financial and other resources than we do. These larger and better-financed operators could enjoy an advantage over us in a competitive environment for new data.

Our operating results and cash flows are subject to fluctuations due to circumstances that are beyond our control.

Our operating results and cash flows from operations have in the past, and may in the future, vary in material respects from period to period. Factors that have and could cause variations include (1) timing of the receipt and commencement of contracts for data acquisition, (2) our customers budgetary cycles and their effect on the demand for geophysical products and services, (3) seasonal factors, (4) the timing of sales of licenses and selections of significant geophysical data from our data library, which are not typically made in a linear or consistent pattern and (5) technological or regulatory changes. These revenue fluctuations could produce unexpected adverse operating results in any period.

Reduced demand for our seismic data may result in an impairment of the value of our seismic data library.

Reduced demand, future sales or cash flows may result in a requirement to increase amortization rates or record impairment charges to reduce the carrying value of our data library. Such increases or charges, if required, could be material to operating results in the periods in which they are recorded. For purposes of evaluating potential impairment losses, we estimate the future cash flows attributable to a library component by evaluating

historical and recent revenue trends, oil and gas prospectivity in particular regions, general economic conditions affecting our customer base, expected changes in technology and other factors that we deem relevant. As a result of these factors, among others, estimations of future cash flows are highly subjective, inherently imprecise and can fluctuate materially from period to period. Accordingly, if conditions change in the future, we may record impairment losses relative to our seismic data library, which could materially affect our results of operations in any particular reporting period.

Failure to meet cash flow projections may result in goodwill impairment charges.

We perform an annual assessment of the recoverability of goodwill by applying qualitative procedures. Additionally, we assess goodwill for impairment whenever events or changes in circumstances indicate that such carrying values may not be recoverable. If required to perform a goodwill impairment test, we rely on discounted cash flow analysis, which requires significant judgments and estimates about our future operations, to develop our estimates of fair value. If these projected cash flows change materially, we may be required to record impairment losses relative to goodwill which could be material to our results of operations in any particular reporting period.

Our Canadian operations subject us to currency translation risk, which could cause our results to fluctuate significantly from period to period.

A portion of our revenues are derived from our Canadian activities and operations. As a result, we translate the results of our operations and financial condition of our Canadian operations into U.S. dollars. Therefore, our reported results of operations and financial condition are subject to changes in the exchange rate between the two currencies. Fluctuations in foreign currency exchange rates could affect our revenue, expenses and operating margins. Assets and liabilities of Canadian operations are translated from Canadian dollars into U.S. dollars at the exchange rates in effect at the relevant balance sheet date, and revenue and expenses of Canadian operations are translated from Canadian dollars into U.S. dollars at exchange rates as of the dates on which they are recognized. Translation adjustments related to assets and liabilities are included in accumulated other comprehensive income (loss) in stockholder s equity. Realized gains and losses on translation of the Canadian operations into U.S. dollars are included in net income (loss). Currently, we do not hedge our exposure to changes in foreign exchange rates.

We may be unable to attract and retain key employees.

Our success depends upon attracting and retaining highly skilled geophysical professionals and other technical personnel. A failure to continue to attract and retain these individuals could adversely affect our ability to compete in the geophysical services industry. We may confront significant and potentially adverse competition for key personnel, particularly during periods of increased demand for geophysical services.

Our success also depends to a significant extent upon the abilities and efforts of members of our senior management, the loss of whom could adversely affect our business. Senior executives, which include our President and Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, General Counsel, Senior Vice President Health Safety Security Environmental & Sustainable Development, President of Seitel Data, Ltd. and President of Olympic Seismic Ltd., have employment agreements with us. We cannot be certain that our senior executives will continue to be employed by us for an indefinite period of time and, if they do, how long they will remain so employed. Our inability to attract and retain key management personnel could have a material adverse effect on our ability to manage our business properly.

Current and future government regulation may negatively impact demand for our products and services and increase our cost of conducting business.

The conduct of our business and the use of our products and services are subject to various laws and regulations administered by federal, state and local governmental agencies in the United States and Canada. These laws and regulations may impose numerous obligations that are applicable to our operations including:

the acquisition of permits before commencing regulated activities; and

the limitation or prohibition of seismic activities in environmentally sensitive or protected areas such as wetlands or wilderness areas. Failure to comply with laws, regulations, permits, and Indian First Nations protocol may result in the assessment of administrative, civil and criminal penalties, the imposition of remedial obligations and the issuance of injunctions limiting or preventing some or all of our operations. Additionally, these laws and regulations may change as a result of political, economic or social events. Changes in laws, regulations or governmental policy may alter the environment in which we do business and the demand for our products and services and, therefore, may impact our results of operations or increase our liabilities. Current and future laws, regulations and policies concerning perceived greenhouse gas emissions and the use of renewable energy sources rather than fossil fuels could adversely impact the operations of our customers. Changes in these and other laws and regulations or additional regulation could cause the demand for our products to decrease. Moreover, complying with increased or changed regulations could cause our operating expenses to increase, which could adversely affect our business.

Technological changes not available to us could adversely affect our business.

New data acquisition or processing technologies may be developed. New and enhanced products and services introduced by one of our competitors may gain market acceptance and, if not available to us, may adversely affect us.

Our internal controls for financial reporting and our disclosure controls and procedures may not prevent all possible errors that could occur.

Our Chief Executive Officer and Chief Financial Officer evaluate on a quarterly basis our internal controls for financial reporting and our disclosure controls and procedures, which includes a review of the objectives, design, implementation and effect of the controls in respect of the information generated for use in our periodic reports. In the course of our controls evaluation, we seek to identify data errors, control problems and to confirm that appropriate corrective action, including process improvements, are being undertaken. The overall goals of these various evaluation activities are to monitor our internal controls for financial reporting and our disclosure controls and procedures and to make modifications as necessary. Our intent in this regard is that our internal controls for financial reporting and our disclosure controls and procedures will be maintained as dynamic systems that change (including with improvements and corrections) as conditions warrant.

A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system s objectives will be satisfied. Our management has concluded that our internal controls for financial reporting and our disclosure controls and procedures are designed to give a reasonable assurance that they are effective to achieve their objectives. We cannot provide absolute assurance that we have detected all possible control issues. These inherent limitations include the possibility that judgments in our decision-making could be faulty, and that isolated breakdowns could occur because of simple human error or mistake. The design of our system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed absolutely in achieving our stated goals under all potential future or unforeseeable conditions. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud could occur and not be detected. Breakdowns in our internal controls and procedures could occur in the future, and any such breakdowns could have an adverse effect on us.

Risks Related to Our Structure

We are controlled by ValueAct and Centerbridge, whose interests may not be aligned with yours.

We are controlled by an investor group led by ValueAct and Centerbridge. Our equity investors control the election of our directors and thereby have the power to control our affairs and policies, including the appointment

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of management, the issuance of additional stock, stock repurchase programs and the declaration and payment of dividends. In addition, our equity investors must consent to the entering into of mergers, sales of substantially all our assets and certain other transactions.

Circumstances may occur in which the interests of our equity investors could be in conflict with your interests. For example, if we encounter financial difficulties or are unable to pay our debts as they mature, our equity investors might pursue strategies that favor equity investors over debt investors. Our equity investors may also have an interest in pursuing acquisitions, divestitures, financing or other transactions that, in their judgment, could enhance their equity investments, even though such transaction might involve risk to you as a holder of Notes. Additionally, our equity investors are not prohibited from making investments in any of our competitors.

Risks Related to the Notes

Our leverage and debt service obligations could adversely affect our financial condition and our ability to fulfill our obligations, including under the Notes, and operate our business.

Our financial performance could be affected by our leverage and debt service obligations. As of March 31, 2013, our total indebtedness was $253.0 million. In addition, as of March 31, 2013, we had borrowing capacity of $20.0 million under the Credit Facility, none of which was drawn at March 31, 2013. We may also incur additional indebtedness in the future.

Our interest expense for the year ended December 31, 2012 was $29.1 million. Our net cash flow generated from operating activities was $171.5 million for the year ended December 31, 2012.

This level of indebtedness could have important negative consequences to us and you, including:

- we may have difficulty satisfying our obligations with respect to our debt and the Notes;
- we may have difficulty obtaining financing in the future for working capital, capital expenditures, acquisitions or other purposes;
- we may need to use all, or a substantial portion, of our available cash flow to pay interest and principal on our debt, which will reduce the amount of money available to finance our operations and other business activities;
- our vulnerability to general economic downturns and adverse industry conditions could increase;
- our flexibility in planning for, or reacting to, changes in our business and in our industry in general could be limited;
- our amount of debt and the amount we must pay to service our debt obligations could place us at a competitive disadvantage compared to our competitors that have less debt;
- our customers may react adversely to our significant debt level and seek or develop alternative licensors or suppliers;
- we may have insufficient funds, and our debt level may also restrict us from raising the funds necessary to repurchase all of the Notes tendered to us upon the occurrence of a change of control, which would constitute an event of default under the Notes; and

- our failure to comply with the financial and other restrictive covenants in our debt instruments which, among other things, require us to maintain specified financial ratios and limit our ability to incur debt and sell assets, could result in an event of default that, if not cured or waived, could have a material adverse effect on our business or prospects.

Our level of indebtedness requires that we use a substantial portion of our cash flow from operations to pay principal of, and interest on, our indebtedness, which will reduce the availability of cash to fund working capital

requirements, capital expenditures, research and development and other general corporate or business activities, including future acquisitions.

In addition, the Credit Facility bears interest at variable rates. If market interest rates increase, debt service on this debt will rise, which would adversely affect our cash flow. Although we may employ hedging strategies such that a portion of the aggregate principal amount of this credit facility carries a fixed rate of interest for a period, any hedging arrangement put in place may not offer complete protection from this risk. Additionally, the remaining portion of this credit facility may not be hedged and, accordingly, the portion that is not hedged will be subject to changes in interest rates.

We may be unable to generate sufficient cash to service all of our indebtedness, including the Notes, and meet our other ongoing liquidity needs, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may be unsuccessful.

Our ability to make scheduled payments or to refinance our debt obligations, including the Notes, and to fund our planned capital expenditures and other ongoing liquidity needs depends on our financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us under the Credit Facility or otherwise in an amount sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness or to fund our other liquidity needs. We may need to refinance all or a portion of our debt, including the Notes, on or before maturity. We may be unable to refinance any of our debt, including the Credit Facility or the Notes, on commercially reasonable terms. See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources and Description of Other Indebtedness.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, seek additional capital or seek to restructure or refinance our indebtedness, including the Notes. These alternative measures may be unsuccessful and may not permit us to meet our scheduled debt service obligations. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to sell material assets or operations to attempt to meet our debt service and other obligations. The Credit Facility and the indenture governing the Notes restrict our ability to use the proceeds from certain asset sales. We may be unable to consummate asset sales to raise capital or to sell assets at prices that we believe are fair, and proceeds that we do receive may be inadequate to meet any debt service obligations when due. See Description of Other Indebtedness and Description of the New Notes.

Despite our current leverage, we and our subsidiaries may still be able to incur substantially more debt, which, if incurred, could further exacerbate the risks that we and our subsidiaries face.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. The terms of the indenture governing the Notes do not fully prohibit us or our subsidiaries from doing so. The Credit Facility provides commitments of up to $30.0 million, with a Canadian sublimit of $5.0 million, subject to borrowing base limitations. As of March 31, 2013, we had $20.0 million available under the Credit Facility for future borrowings. All borrowings under the Credit Facility are secured, and as a result, are effectively senior to the Notes and the guarantees of the Notes by our subsidiary guarantors to the extent of the value of the collateral securing such indebtedness. If we incur any additional indebtedness that ranks equally with the Notes, the holders of that debt will be entitled to share ratably with the holders of the Notes in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of our company. This may have the effect of reducing the amount of proceeds paid to you. If new debt is added to our current debt levels, the related risks that we and our subsidiaries now face could intensify.

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The Credit Facility and the indenture governing the Notes contain a number of restrictive covenants which limit our ability to finance future operations or capital needs or engage in other business activities that may be in our interest.

The Credit Facility and the indenture governing the Notes impose, and the terms of any future indebtedness may impose, operating and other restrictions on us and our subsidiaries. Such restrictions affect or will affect, and in many respects limit or prohibit, among other things, our ability and the ability of our restricted subsidiaries to:

- incur additional indebtedness;
- pay dividends and make distributions;
- issue preferred stock of subsidiaries;
- make investments;
- repurchase stock;
- create liens;
- enter into transactions with affiliates;
- enter into sale and lease-back transactions;
- merge or consolidate; and
- transfer and sell assets.

In addition, the Credit Facility includes other more restrictive covenants, including a restriction on capital expenditures, and requires us to achieve certain financial and operating results and maintain compliance with specified financial ratios. Our ability to comply with these ratios may be affected by events beyond our control.

The restrictions contained in the Credit Facility and the indenture could:

- limit our ability to plan for or react to market or economic conditions or meet capital needs or otherwise restrict our activities or business plans; and
- adversely affect our ability to finance our operations, acquisitions, investments or strategic alliances or other capital needs or to engage in other business activities that would be in our interest.

A breach of any of these covenants or our inability to comply with the required financial ratios could result in a default under the Credit Facility and/or the indenture. If an event of default occurs under the Credit Facility, which includes an event of default under the indenture governing the Notes, the lenders could elect to:

- declare all borrowings outstanding, together with accrued and unpaid interest, to be immediately due and payable;

- require us to apply all of our available cash to repay the borrowings; and/or

- deny availability under the Credit Facility;

any of which could result in an event of default under the Notes. The lenders will also have the right in these circumstances to terminate any commitments they have to provide further financing.

If we were unable to repay or otherwise refinance these borrowings when due, our lenders could sell the collateral securing the Credit Facility, which constitutes substantially all of our and our domestic subsidiaries assets. Although holders of the Notes could accelerate the Notes upon the acceleration of the obligations under the Credit Facility, we cannot assure you that sufficient assets will remain to repay the Notes after we have paid all the borrowings under the Credit Facility and any other debt.

We are a holding company and we depend upon cash from our subsidiaries to service our debt. If we do not receive cash distributions, dividends or other payments from our subsidiaries, we may be unable to make payments on the Notes.

We are a holding company and all of our operations are conducted through our subsidiaries. Accordingly, we are dependent upon the earnings and cash flows of, and cash distributions, dividends and other payments from, our subsidiaries to provide the funds necessary to meet our debt service obligations, including the required payments on the Notes. If we do not receive such cash distributions, dividends or other payments from our subsidiaries, we may be unable to pay the principal or interest on the Notes. In addition, certain of our subsidiaries who are guarantors of the Notes are holding companies that will rely on subsidiaries of their own as a source of funds to meet any obligations that might arise under their guarantees.

Generally, the ability of a subsidiary to make cash available to its parent is affected by its own operating results and is subject to applicable laws and contractual restrictions contained in its debt instruments and other agreements. Although the indenture governing the Notes limits the extent to which our subsidiaries may restrict their ability to make dividend and other payments to us, these limitations are subject to significant qualifications and exceptions. The indenture governing the Notes also allows us to include the revenue of our subsidiaries in our Consolidated EBITDA (as defined in the indenture governing the Notes) for the purpose of determining whether we can incur additional indebtedness under the indenture, even though some of those subsidiaries may be subject to contractual restrictions on making dividends or distributions of cash to us for the purposes of servicing such indebtedness. Moreover, there may be restrictions on payments by our subsidiaries to us under applicable laws, including laws that require companies to maintain minimum amounts of capital and to make payments to stockholders only from profits. As a result, although our subsidiaries may have cash, we or our subsidiary guarantors may be unable to obtain that cash to satisfy our obligations under the Notes or the guarantees, as applicable.

Your right to receive payments on the Notes is effectively junior to those lenders who have a security interest in our assets.

Our obligations under the Notes and our guarantors obligations under their guarantees of the Notes are unsecured, but our obligations under the Credit Facility and each guarantor s obligations under their respective guarantees of the Credit Facility are secured by a security interest in substantially all of our domestic tangible and intangible assets. The Canadian sublimit is secured by our Canadian subsidiary s assets. If we are declared bankrupt or insolvent, or if we default under the Credit Facility, the lenders could declare all of the funds borrowed thereunder, together with accrued interest, immediately due and payable. If we are unable to repay such indebtedness, the lenders could foreclose on the pledged assets to the exclusion of holders of the Notes, even if an event of default exists under the indenture governing the Notes at such time. Furthermore, if the lenders foreclose and sell the pledged equity interests in any subsidiary guarantor under the Notes, then that guarantor will be released from its guarantee of the Notes automatically and immediately upon such sale. In any such event, because the Notes will not be secured by any of our assets or the equity interests in subsidiary guarantors, it is possible that there would be no assets remaining from which your claims could be satisfied or, if any assets remained, they might be insufficient to satisfy your claims fully. See Description of Other Indebtedness.

As of March 31, 2013, the Notes and the guarantees were subordinated or effectively subordinated to $3.0 million of secured indebtedness (which represents our outstanding capital lease obligations) to the extent of the value of the collateral securing such indebtedness. The indenture permits the incurrence of substantial additional indebtedness by us and our restricted subsidiaries in the future, including secured indebtedness.

Claims of noteholders will be structurally subordinate to claims of creditors of all of our non-U.S. subsidiaries because they will not guarantee the Notes.

The Notes will not be guaranteed by any of our non-U.S. subsidiaries. Accordingly, claims of holders of the Notes will be structurally subordinate to the claims of creditors of these non-guarantor subsidiaries, including

trade creditors. All obligations of our non-guarantor subsidiaries will have to be satisfied before any of the assets of such subsidiaries would be available for distribution, upon a liquidation or otherwise, to us or a guarantor of the Notes.

As of March 31, 2013, our non-guarantor subsidiaries had total consolidated indebtedness, including capital lease obligations, and other liabilities (including trade payables, but excluding intercompany liabilities) of approximately $25.3 million, representing approximately 7.0% of our total consolidated liabilities. Our non-guarantor subsidiaries accounted for approximately $18.6 million, or 36% of our consolidated revenues, and had a net income of $2.3 million for the three months ended March 31, 2013. In addition, our non-guarantor subsidiaries accounted for approximately $209.1 million, or 41% of our assets (excluding intercompany receivables and investments) at March 31, 2013.

Because a portion of our operations are conducted by subsidiaries that do not guarantee the Notes, our cash flow and our ability to service debt, including our and the guarantors ability to pay the interest on and principal of the Notes when due, are dependent to a significant extent on interest payments, cash dividends and distributions and other transfers of cash from subsidiaries that do not guarantee the Notes. In addition, any payment of interest, dividends, distributions, loans or advances by subsidiaries that do not guarantee the Notes to us and the guarantors, as applicable, could be subject to taxation or other restrictions on dividends or repatriation of earnings under applicable local law, monetary transfer restrictions and foreign currency exchange regulations in the jurisdiction in which these subsidiaries operate. Moreover, payments to us and the guarantors by subsidiaries that do not guarantee the Notes will be contingent upon these subsidiaries earnings.

Our subsidiaries that do not guarantee the Notes are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due pursuant to the Notes, or to make any funds available therefore, whether by dividends, loans, distributions or other payments. Any right that we or the guarantors have to receive any assets of any subsidiaries that do not guarantee the Notes upon the liquidation or reorganization of those subsidiaries, and the consequent rights of holders of Notes to realize proceeds from the sale of any of those subsidiaries assets, will be structurally subordinated to the claims of that subsidiary s creditors, including trade creditors and other holders of debt of that subsidiary.

We also have joint ventures in which we own less than 100% of the equity so that, in addition to the structurally senior claims of creditors of those entities, the equity interests of our joint venture partners or other stockholders in any dividend or other distribution made by these entities would need to be satisfied on a proportionate basis with us. These joint ventures may also be subject to restrictions on their ability to distribute cash to us in their financing or other agreements and, as a result, we may not be able to access their cash flow to service our debt obligations, including in respect of the Notes.

We are permitted to create unrestricted subsidiaries, which will not be subject to any of the covenants in the indenture, and we may not be able to rely on the cash flow or assets of those unrestricted subsidiaries to pay our indebtedness.

Unrestricted subsidiaries will not be subject to the covenants under the indenture governing the Notes. Unrestricted subsidiaries may enter into financing arrangements that limit their ability to make loans or other payments to fund payments in respect of the Notes. Accordingly, we may not be able to rely on the cash flow or assets of unrestricted subsidiaries to pay any of our indebtedness, including the Notes.

If we default on our obligations to pay our other indebtedness, we may be unable to make payments on the Notes.

Any default under the agreements governing our indebtedness, including a default under the Credit Facility that is not waived by the required lenders, and the remedies sought by the holders of such indebtedness could make us unable to pay principal, premium, if any, and interest on the Notes and substantially decrease the market

value of the Notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness (including the Credit Facility), we could be in default under the terms of the agreements governing such indebtedness. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, the lenders under the Credit Facility could elect to terminate their commitments, cease making further loans and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or liquidation. If our operating performance declines, we may in the future need to seek and obtain waivers from the required lenders under the Credit Facility to avoid being in default. If we breach our covenants under the Credit Facility and seek a waiver, we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under the Credit Facility, the lenders could exercise their rights as described above, and we could be forced into bankruptcy or liquidation. See Description of Other Indebtedness and Description of the New Notes.

Certain covenants contained in the indenture are not applicable if the Notes are rated investment grade by both Standard & Poor s and Moody s in the future.

The indenture governing the Notes provides that certain covenants will not apply to us if, in the future, the Notes are rated investment grade by both Standard & Poor s and Moody s. The covenants restrict, among other things, our ability to pay dividends, incur debt and to enter into other transactions. We cannot assure you that the Notes will ever be rated investment grade, or that if they are rated investment grade, the Notes will maintain such rating. In addition, if the Notes are rated investment grade and fail to maintain such rating, the covenants that were suspended will be reinstated. Suspension of these covenants would allow us to engage in certain transactions that would not be permitted while these covenants were in force and any such actions that we take while these covenants are not in force will be permitted even if the Notes are subsequently downgraded below investment grade. See Description of the New Notes Certain Covenants Covenant Suspension.

We may not be able to fulfill our repurchase obligations with respect to the Notes upon a change of control.

If we experience certain specific change of control events, we will be required to offer to repurchase all of our outstanding Notes at 101% of the principal amount of such Notes plus accrued and unpaid interest to the date of repurchase. We cannot assure you that we will have available funds sufficient to pay the change of control purchase price for any or all of the Notes that might be tendered in the change of control offer.

The definition of change of control in the indenture governing the Notes offered hereby includes a phrase relating to the direct or indirect sale, transfer, conveyance or other disposition of all or substantially all of our and our restricted subsidiaries assets, taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes to require us to repurchase such Notes as a result of a sale, transfer, conveyance or other disposition of less than all of our and our restricted subsidiaries assets taken as a whole to another person or group may be uncertain. In addition, a recent Delaware Chancery Court decision raised questions about the enforceability of provisions, which are similar to those in the indenture governing the Notes offered hereby, related to the triggering of a change of control as a result of a change in the composition of a board of directors. Accordingly, the ability of a holder of Notes to require us to repurchase Notes as a result of a change in the composition of our board of directors may be uncertain.

Federal and state fraudulent transfer laws may permit a court to void the Notes and the guarantees and if that occurs, you may not receive any payments on the Notes.

The Notes and the guarantees may be subject to review under federal bankruptcy laws or relevant state fraudulent transfer and conveyance statutes. While the relevant laws may vary from state to state, under such

laws, generally, the payment of consideration will be a fraudulent conveyance if (1) we paid the consideration for the Notes or a guarantee with the intent of hindering, delaying or defrauding creditors or (2) we or any of the guarantors, as applicable, received less than reasonably equivalent value or fair consideration in return for issuing either the Notes or a guarantee, and, in the case of (2) only, one of the following is also true:

- we or any of the guarantors were insolvent or rendered insolvent by reason of the incurrence of the indebtedness;
- payment of the consideration left us or any of the guarantors with an unreasonably small amount of capital to carry on the business; or
- we or any of the guarantors intended to, or believed that we would, incur debts beyond our ability to pay as they mature.

If a court were to find that the issuance of the Notes or a guarantee was a fraudulent conveyance, the court could void the payment obligations under the Notes or such guarantee or further subordinate the Notes or such guarantee to presently existing and future indebtedness of ours or such guarantor, or require the holders of the Notes to repay any amounts received with respect to the Notes or such guarantee. In the event of a finding that a fraudulent conveyance occurred, you may not receive any repayment on the Notes. Further, the voidance of the Notes could result in an event of default with respect to our and our subsidiaries other debt that could result in the acceleration of such debt.

Generally, an entity would be considered insolvent if, at the time it incurred indebtedness:

- the sum of its debts, including contingent liabilities, was greater than the fair salable value of all its assets;
- the present fair salable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts and liabilities, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

We cannot be certain as to the standards a court would use to determine whether or not we or the guarantors were solvent at the relevant time, or regardless of the standard that a court uses, that the issuance of the Notes and the guarantees would not be further subordinated to our or any of our guarantors other debt.

If the guarantees were legally challenged, any guarantee could also be subject to the claim that, since the guarantee was incurred for our benefit, and only indirectly for the benefit of the applicable guarantor and none of the proceeds of the Notes were paid to any guarantor, the obligations of the applicable guarantor were incurred for less than fair consideration. A court could thus void the obligations under the guarantees, subordinate them to the applicable guarantor s other debt or take other action detrimental to the holders of the Notes.

We believe that, at the time the guarantors initially incurred the debt represented by the guarantees, the guarantors:

- were not insolvent or rendered insolvent by the incurrence; and
- had sufficient capital to run their businesses effectively.

We have relied on a limitation to be contained in the guarantors guarantees that limits each guarantee as necessary to prevent it from constituting a fraudulent conveyance under applicable law. However, a court passing on these questions might not reach the same conclusions.

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A financial failure by us or our subsidiaries may result in the assets of any or all of those entities becoming subject to the claims of all creditors of those entities.

A financial failure by us or our subsidiaries could affect payment of the Notes if a bankruptcy court were to substantively consolidate us and our subsidiaries. If a bankruptcy court substantively consolidated us and our subsidiaries, the assets of each entity would become subject to the claims of creditors of all entities. This would expose holders of Notes not only to the usual impairments arising from bankruptcy, but also to potential dilution of the amount ultimately recoverable because of the larger creditor base. Furthermore, forced restructuring of the Notes could occur through the cram-down provisions of the bankruptcy code. Under these provisions, the Notes could be restructured over your objections as to their general terms, primarily interest rate and maturity.

The lenders under the Credit Facility will have the discretion to release any guarantors under this facility in a variety of circumstances, which will cause those guarantors to be released from their guarantees of the Notes.

While any obligations under the Credit Facility remain outstanding, any guarantee of the Notes may be released without action by, or consent of, any holder of the Notes or the trustee under the indenture governing the Notes, at the discretion of lenders under the Credit Facility, if the related guarantor is no longer a guarantor of obligations under the Credit Facility or any other indebtedness. The lenders under the Credit Facility will have the discretion to release the guarantees under the Credit Facility in a variety of circumstances. Any of our subsidiaries that are released as a guarantor of the Credit Facility will automatically be released as a guarantor of the Notes. You will not have a claim as a creditor against any subsidiary that is no longer a guarantor of the Notes, and the indebtedness and other liabilities, including trade payables, whether secured or unsecured, of those subsidiaries will be structurally senior to claims of holders of Notes.

An adverse rating of the Notes may cause their trading price to fall and could result in increased interest and other financial expenses related to future borrowings.

A rating agency may assign a rating that is lower than the rating expected by the noteholders. Ratings agencies also may lower ratings on the Notes or any of our other debt in the future. If rating agencies assign a lower than expected rating or reduce, or indicate that they may reduce, their ratings of our debt in the future, the trading price of the Notes could significantly decline.

A decision by a rating agency to downgrade the Notes rating in the future could result in increased interest and other financial expenses relating to our future borrowings and could restrict our ability to obtain additional financing on satisfactory terms, if at all. In addition, any downgrade could restrict our access to, and negatively impact the terms of, trade credit extended to us by our vendors.

There is no public trading market for the new notes and an active trading market may not develop for the new ones.

The new notes are new securities for which there is no established trading market. We do not intend to apply for listing or quotation of the notes on any securities exchange or stock market. In addition, the liquidity of the trading market in the new notes, and the market price quoted for the new notes, may be adversely affected by changes in the overall market for high yield securities and by changes in our financial performance or prospects or in the prospects for companies in our industry generally. As a result, we cannot assure you that an active trading market will develop for the new notes.

Failure to exchange your old notes for new notes could limit your ability to resell.

The old notes were not registered under the Securities Act or under the securities laws of any state and may not be resold, offered for resale or otherwise transferred unless they are subsequently registered or resold under an exemption from the registration requirements of the Securities Act and applicable state securities laws. If you

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do not exchange your old notes for new notes under the exchange offer, you will not be able to resell, offer to resell or otherwise transfer the old notes unless they are registered under the Securities Act or unless you resell them, offer to resell or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act. In addition, we will no longer be under an obligation to register the old notes under the Securities Act except in the limited circumstances provided under the registration rights agreement. In addition, if you want to exchange your old notes in the exchange offer for the purpose of participating in the distribution of the new notes, you may be deemed to have received restricted securities, and, if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

The issuance of the new notes may adversely affect the market for the old notes.

To the extent that old notes are tendered for exchange and accepted in the exchange offer, the trading market for the untendered and tendered but unaccepted old notes could be adversely affected.

Changes in the financial and credit markets or in our credit ratings could adversely affect the market prices of the Notes.

The future market prices of the Notes will depend on a number of factors, including:

- the prevailing interest rates being paid by companies similar to us;
- our ratings with major credit rating agencies; and
- the overall condition of the financial and credit markets.

The condition of the financial and credit markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations in these factors could have an adverse effect on the market prices of the Notes. In addition, credit rating agencies continually revise their ratings for companies that they follow, including us. We cannot assure you that any credit rating agencies that rate the Notes will maintain their ratings on the Notes. A negative change in our rating could have an adverse effect on the market price of the Notes.

We may choose to redeem Notes when prevailing interest rates are relatively low.

We may choose to redeem the Notes from time to time, especially when prevailing interest rates are lower than the rate borne by the Notes. If prevailing rates are lower at the time of redemption, you would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the Notes being redeemed. Our redemption right also may adversely impact your ability to sell your Notes as the optional redemption date or period approaches.

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USE OF PROCEEDS

We will not receive any proceeds from the exchange offer. In consideration for issuing the new notes, we will receive in exchange old notes of like principal amount, the terms of which are identical in all material respects to the new notes. The old notes surrendered in exchange for new notes will be retired and cancelled and cannot be reissued. Accordingly, our issuance of the new notes will not result in any increase in our indebtedness. We have agreed to bear the expenses of the exchange offer. No underwriter is being used in connection with the exchange offer.

The net proceeds from the offering of the old notes were approximately $243.2 million after deducting the initial purchasers   discounts and expenses paid by us. We used the net proceeds from the offering of the old notes, along with $36.6 million of cash on hand to redeem our 9.75% Senior Notes due 2014 (the   9.75% Senior Notes).

RATIO OF EARNINGS TO FIXED CHARGES

Our consolidated ratio of earnings to fixed charges for each of the periods indicated are as follows:

	Year Ended December 31,					Three Months Ended March 31,	
	2008(1)	2009(1)	2010(1)	2011	2012	2012	2013
Ratio of earnings to fixed charges				1.1	2.5	3.5	1.3

	Pro forma Calculation	
	Year Ended December 31, 2012	Three Months Ended March 31, 2013
Ratio of earnings to fixed charges	2.6	1.5

(1) During the years ended December 31, 2008, 2009 and 2010, earnings were insufficient to cover fixed charges by $77.6 million, $99.8 million and $67.4 million, respectively.

The ratio of earnings to fixed charges has been computed by dividing earnings available for fixed charges (earnings from continuing operations before income taxes and cumulative effect of change in accounting principle plus fixed charges less capitalized interest) by fixed charges (interest expense, capitalized interest and the estimated interest component of rental expense).

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CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of March 31, 2013. The table below should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this prospectus.

	As of March 31, 2013 (Amounts in millions)	
Cash and cash equivalents	$	25.5
Total Debt, including current portion:		
Existing Credit Facility(1)		
Notes offered hereby		250.0
Other debt (including capital leases)		3.0
		253.0
Less deferred issue costs		(7.2)
Total debt		245.8
Total stockholder s equity		149.2
Total capitalization	$	395.0

(1) The Credit Facility provides commitments of up to $30.0 million, with a Canadian sublimit of $5.0 million, subject to borrowing base limitations.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

You should read the following selected historical consolidated financial data in conjunction with our consolidated financial statements and the accompanying notes. You should also read Management s Discussion and Analysis of Financial Condition and Results of Operations. All of these materials are contained in this prospectus. The data presented below as of and for the years ended December 31, 2008, 2009, 2010, 2011 and 2012 have been derived from our consolidated financial statements which have been audited by BKD, LLP, independent registered public accounting firm. The data as of March 31, 2013 and for the three months ended March 31, 2012 and 2013 have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus. The unaudited consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements and, in the opinion of our management, reflect all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results for those periods. The results for any interim period are not necessarily indicative of the results that may be expected for a full year.

	Year Ended December 31,					Three Months Ended March 31,	
	2008	2009	2010	2011	2012	2012 (unaudited)	2013 (unaudited)
	(thousands)						
Statement of Operations Data:							
Total revenue	$ 172,403	$ 115,345	$ 175,556	$ 218,008	$ 240,458	$ 72,547	$ 51,351
Expenses and costs:							
Depreciation and amortization	168,629	150,199	175,592	142,963	139,754	39,384	29,338
Cost of sales	462	290	97	100	464	97	39
Merger	357						
Impairment of intangible asset	225						
Selling, general and administrative	36,316	25,090	31,831	31,649	29,088	8,092	7,387
	205,989	175,579	207,520	174,712	169,306	47,573	36,764
Income (loss) from operations	(33,586)	(60,234)	(31,964)	43,296	71,152	24,974	14,587
Interest expense, net	(40,017)	(40,696)	(40,536)	(34,767)	(29,011)	(7,219)	(9,315)
Foreign currency exchange gains (losses)	(4,059)	1,008	441	(726)	681	411	(647)
Loss on early extinguishment of debt				(7,912)			(1,504)
Gain on sale of marketable securities			4,188	2,467	230		
Other income	40	151	446	250	780	81	1
Income (loss) before income taxes	(77,622)	(99,771)	(67,425)	2,608	43,832	18,247	3,122
Provision (benefit) for income taxes	(3,548)	(2,974)	(4,008)	392	6,782	3,541	1,384
Net income (loss)	$ (74,074)	$ (96,797)	$ (63,417)	$ 2,216	$ 37,050	$ 14,706	$ 1,738

	As of December 31,					As of March 31
	2008	2009	2010	2011	2012	2013 (unaudited)
	(thousands, except shares)					
Balance Sheet Data:						
Cash and cash equivalents	$ 42,678	$ 26,270	$ 89,971	$ 74,894	$ 61,891	$ 25,544
Seismic data library, net	279,257	200,389	106,104	120,694	180,117	197,221
Total assets	643,825	522,019	491,009	500,330	550,744	510,585
Total debt	405,499	405,732	405,604	278,256	278,142	253,002
Stockholder s equity (deficit)	115,785	46,361	(7,022)	109,840	150,358	149,245
Common shares outstanding(1)	100	100	100	100	100	100

(1) Common shares outstanding are presented in actual figures, not in thousands.

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MANAGEMENT S DISCUSSION AND ANALYSIS

OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our consolidated financial statements and the related notes to the financial statements included elsewhere in this document or incorporated by reference.

Overview

General

Our products and services are used by oil and gas companies to assist in oil and gas exploration and development of hydrocarbon reserves. Historically, seismic data was tied to exploration capital expenditures as E&P companies used seismic data to increase the success rate of discovering hydrocarbon deposits. With the shift to unconventional plays, E&P companies now use seismic data as a development tool to better identify efficient drilling plans and maximize production by identifying and understanding a series of critical characteristics of the targeted resource. We own an extensive library of onshore and offshore seismic data that we offer for license to oil and gas companies. We believe that our library of onshore seismic data is the largest available for licensing in North America. We generate revenue primarily by licensing data from our data library and from new data creation products, which are substantially underwritten or paid for by our clients. By participating in underwritten, nonexclusive surveys or purchasing licenses to existing data, oil and gas companies can obtain access to surveys at reduced costs as compared to acquiring seismic data on a proprietary basis.

Our primary areas of focus are onshore United States and Canada and, to a lesser extent, offshore U.S. Gulf of Mexico. These markets continue to experience major changes. Major integrated oil and gas companies and national oil companies have become more active in the North American market, primarily in the unconventional plays, through joint ventures, asset purchases and corporate transactions. The larger independent oil and gas companies continue to be responsible for a significant portion of current U.S. drilling activity. Our offshore seismic data is primarily located in the shallow waters of the U.S. Gulf of Mexico and generates a small percentage of our revenue.

Our clients continue to seek our services to create data in the United States and Canada. On June 7, 2013, our clients commitment for underwriting on new data creation projects was $58.4 million. Licensing data off the shelf does not require the longer planning and lead times like new data creation and thus is more likely to fluctuate quarter to quarter.

Principal Factors Affecting Our Business

Our business is dependent upon a variety of factors, many of which are beyond our control. The following are those that we consider to be principal factors affecting our business.

Demand for Seismic Data: Demand for our products and services is cyclical due to the nature of the oil and gas industry. In particular, demand for our seismic data services depends upon exploration, production, development and field management spending by oil and gas companies and, in the case of new data creation, the willingness of these companies to forgo ownership in the seismic data. Capital expenditures by oil and gas companies depend upon several factors, including actual and forecasted oil and natural gas commodity prices, prospect availability and the companies own short-term and strategic plans. These capital expenditures may also be affected by worldwide economic or industry-wide conditions. With the shift to unconventional plays, seismic data is increasingly tied to relatively stable development capital expenditures.

Merger and Acquisition/Joint Venture Activity: Merger and acquisition activity continues to occur within our client base. This activity could have a negative impact on seismic companies that operate in markets with a limited number of participating clients. However, we believe that, over time, this activity could have a positive

impact on our business, as it should generate re-licensing fees, result in increased vitality in the trading of mineral interests and result in the creation of new independent customers through the rationalization of staff within those companies affected by this activity.

Exploiting unconventional plays is a capital intensive endeavor and many technically proficient E&P companies remain capital constrained. They find themselves needing to sell their positions to, or create partnerships with, large well-capitalized companies in order to develop their recoverable resource base. These joint venture partners or new owners will often need to purchase licenses to our seismic data for their own use.

North America Drilling Activity: Drilling activity has shifted to areas with oil and liquids-rich hydrocarbons, such as the Eagle Ford/Woodbine, Niobrara/Bakken and Utica/Marcellus in the U.S. and Montney and Cardium in Canada with several emerging plays, including the Granite Wash (Panhandle Plays), Sussex, Mowry and Point Pleasant in the U.S. and Duvernay in Canada. Horizontal drilling rigs in oil and liquids-rich areas have leveled off, while activity in dry gas areas continues to be depressed.

Availability of Capital for Our Customers: Some of our customers are independent oil and gas companies and private prospect-generating companies that rely primarily on private capital markets to fund their exploration, production, development and field management activities. Reductions in cash flows resulting from lower commodity prices, along with the reduced availability of credit and increased costs of borrowing, could have a material impact on the ability of such companies to obtain funding necessary to purchase our seismic data.

Government Regulation: Our operations are subject to a variety of federal, provincial, state, foreign and local laws and regulations, including environmental and health and safety laws. We invest financial and managerial resources to comply with these laws and related permit requirements. Modification of existing laws or regulations and the adoption of new laws or regulations limiting or increasing exploration or production activities by oil and gas companies may have a material effect on our business operations.

Key Performance Measures

Management considers certain performance measures in evaluating and managing our financial condition and operating performance at various times and from time to time. Some of these performance measures are non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company s performance, financial position or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with United States generally accepted accounting principles, or GAAP. These non-GAAP measures are not in accordance with, nor are they a substitute for, GAAP measures. These non-GAAP measures are intended to supplement our presentation of our financial results that are prepared in accordance with GAAP.

The following are the key performance measures considered by management:

Cash Resales

Cash Resales represent new contracts for data licenses from our library, including data currently in progress, payable in cash. We believe this measure is important in assessing overall industry and client activity. Cash Resales are likely to fluctuate quarter to quarter as they do not require the longer planning and lead times necessary for new data creation.

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The following is a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure, total revenue (in thousands):

	Year Ended December 31,			Three Months Ended March 31,	
	2010	2011	2012	2012	2013
Cash Resales	$ 137,605	$ 134,497	$ 136,234	$ 39,169	$ 22,445
Other revenue components:					
Acquisition underwriting revenue	40,500	77,406	107,254	36,572	25,089
Non-monetary exchanges	4,678	7,609	1,554	709	324
Revenue recognition adjustments	(11,005)	(5,856)	(10,257)	(5,173)	2,072
Solutions and other	3,778	4,352	5,673	1,270	1,421
Total revenue	$ 175,556	$ 218,008	$ 240,458	$ 72,547	$ 51,351

Cash EBITDA

Cash EBITDA represents cash generated from licensing data from our seismic library net of recurring cash operating expenses. We believe this measure is helpful in determining the level of cash from operations we have available for debt service and funding of capital expenditures (net of the portion funded or underwritten by our customers). Cash EBITDA includes Cash Resales plus all other cash revenues other than from data acquisitions, plus gains on sales of marketable securities and cash distributions from investments obtained as part of licensing our seismic data, less cost of goods sold and cash selling, general and administrative expenses (excluding non-recurring corporate expenses such as severance and legal, financial and other expenses related to corporate and strategic transactions).

The following is a quantitative reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure, net income (loss) (in thousands):

	Year Ended December 31,			Three Months Ended March 31,	
	2010	2011	2012	2012	2013
Cash EBITDA	$ 117,252	$ 112,031	$ 115,347	$ 32,673	$ 16,656
Add (subtract) other revenue components not included in cash EBITDA					
Acquisition underwriting revenue	40,500	77,406	107,254	36,572	25,089
Non-monetary exchanges	4,678	7,609	1,554	709	324
Revenue recognition adjustments	(11,005)	(5,856)	(10,257)	(5,173)	2,072
Solutions non-cash revenue		71	20	20	
Add (subtract) other items included in net income:					
Depreciation and amortization	(175,592)	(142,963)	(139,754)	(39,384)	(29,338)
Non-cash operating expenses	(3,433)	(743)	(1,154)	(145)	(226)
Non-recurring corporate expenses	(176)	(1,792)	(1,228)	(298)	10
Interest expense, net	(40,536)	(34,767)	(29,011)	(7,219)	(9,315)
Foreign currency gains (losses)	441	(726)	681	411	(647)
Loss on early extinguishment of debt		(7,912)			(1,504)
Other income	446	250	380	81	1
Benefit (provision) for income taxes	4,008	(392)	(6,782)	(3,541)	(1,384)
Net income (loss)	$ (63,417)	$ 2,216	$ 37,050	$ 14,706	$ 1,738

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Growth of Our Seismic Data Library

We regularly add to our seismic data library through four different methods: (1) recording new data; (2) buying ownership of existing data for cash; (3) obtaining ownership of existing data sets through non-monetary exchanges; and (4) creating new value-added products from existing data within our library. For the years ended December 31, 2010, 2011 and 2012 and for the period from January 1, 2013 to June 7, 2013, we completed the addition of approximately 850 square miles, 2,200 square miles, 2,800 square miles and 1,800 square miles, respectively, of seismic data to our library. As of June 7, 2013, we had approximately 1,350 square miles of seismic data in progress.

Critical Accounting Policies

We operate in one business segment, which is made up of seismic data acquisition, seismic data licensing, seismic data processing and seismic reproduction services.

We prepare our financial statements and the accompanying notes in conformity with GAAP, which requires management to make estimates and assumptions about future events that affect the reported amounts in the financial statements and the accompanying notes. We identify certain accounting policies as critical based on, among other things, their impact on the portrayal of our financial condition and results of operations and the degree of difficulty, subjectivity and complexity in their deployment. Notes A and B of the notes to the consolidated financial statements included in this prospectus include a summary of the significant accounting policies used in the preparation of the accompanying consolidated financial statements. The following is a brief discussion of our most critical accounting policies.

Revenue Recognition

Revenue from Data Acquisition

We generate revenue when we create a new seismic survey that is initially licensed by one or more of our customers to use the resulting data. We consider the contracts signed up to the time we make a firm commitment to create the new seismic survey as underwriting. Underwriting revenue is recognized throughout the creation period using the proportional performance method based upon costs incurred and work performed to date as a percentage of total estimated costs and work required. Management believes that this method is the most reliable and representative measure of progress for our data creation projects. The customers paying for the initial licenses receive legally enforceable rights to any resulting product of the specific activities required to complete the survey. The customers also receive access to and use of the newly acquired, processed data.

Revenue from Non-Exclusive Data Licenses

We recognize a substantial portion of our revenue from licensing of data once it is available for delivery. Revenue from the non-exclusive licensing of seismic data is recognized when the following criteria are met:

- we have an arrangement with the customer that is validated by a signed contract;
- the sales price is fixed and determinable;
- collection is reasonably assured;
- the customer has selected the specific data or the contract has expired without full selection;
- the data is currently available for delivery; and

the license term has begun.

Copies of the data are available to the customer immediately upon request.

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For licenses that have been invoiced for which payment is due or has been received, but have not met the aforementioned criteria, the revenue is deferred along with the related direct costs (primarily sales commissions). This normally occurs under the library card, review and possession or review only license contracts because the data selection may occur over time. Additionally, if the contract allows licensing of data that is not currently available or enhancements, modifications or additions to the data are required per the contract, revenue is deferred until such time that the data is available.

Revenue from Non-Monetary Exchanges

In certain cases, we will take ownership of a customer s seismic data or revenue interest (collectively referred to as data) or receive advanced data processing services in exchange for a non-exclusive license to selected seismic data from our library, as partial consideration for the underwriting of new data acquisition or, in some cases, services provided by Solutions. These exchanges are referred to as non-monetary exchanges. In non-monetary exchange transactions, we record a data library asset for the data received or processed at the time the contract is entered into or the data is completed, as applicable, and recognize revenue on the transaction in equal value in accordance with our policies on revenue from data licenses, which is, when the seismic data is selected by the customer, or revenue from data acquisition, as applicable, or as services are provided by Solutions. These transactions are valued at the fair value of the data received or delivered, whichever is more readily determinable.

Seismic Data Library

Costs associated with creating, acquiring or purchasing seismic data are capitalized and amortized principally on the income forecast method subject to a straight-line amortization period of four years, applied on a quarterly basis at the individual survey level.

Data Library Amortization

We amortize our seismic data library using the greater of the amortization that would result from the application of the income forecast method (subject to a minimum amortization rate) or a straight-line basis over the useful life of the data. Due to the subjectivity inherent in the income forecast amortization method, this amortization policy ensures a minimum level of amortization will be recorded if sales of the specific data do not occur as expected and ensures that costs are fully amortized at the end of the data s useful life. With respect to each survey in the data library, the straight-line policy is applied from the time such survey is available for licensing to customers on a non-exclusive basis.

We apply the income forecast method by forecasting the ultimate revenue expected to be derived from a particular data library component over the estimated useful life of each survey comprising part of such component. We make this forecast annually and review it quarterly. If, during any such review, we determine that the ultimate revenue for a library component is expected to be significantly different than the original estimate of total revenue for such library component, we revise the amortization rate attributable to future revenue from each survey in such component.

The greater of the income forecast or straight-line amortization policy is applied quarterly on a cumulative basis at the individual survey level. Under this policy, we first record amortization using the income forecast method. The cumulative amortization recorded for each survey is then compared with the cumulative straight-line amortization. If the cumulative straight-line amortization is higher for any specific survey, additional amortization expense is recorded, resulting in accumulated amortization being equal to the cumulative straight-line amortization for such survey. This requirement is applied regardless of future-year revenue estimates for the library component of which the survey is a part and does not consider the existence of deferred revenue with respect to the library component or to any survey.

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Seismic Data Library Impairment

We evaluate our seismic data library for impairment by grouping individual surveys into components based on our operations and geological and geographical trends. We believe that these library components constitute the lowest levels of independently identifiable cash flows. We evaluate our seismic data library investment for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

The impairment evaluation is based first on a comparison of the undiscounted future cash flows over each component s remaining estimated useful life with the carrying value of each library component. If the undiscounted cash flows are equal to or greater than the carrying value of such component, no impairment is recorded. If undiscounted cash flows are less than the carrying value of any component, the forecast of future cash flows related to such component is discounted to fair value and compared with such component s carrying amount. The difference between the library component s carrying amount and the discounted future value of the expected revenue stream is recorded as an impairment charge.

The estimation of future cash flows and fair value is highly subjective and inherently imprecise. Estimates can change materially from period to period based on many factors, including those described in the preceding paragraph. Accordingly, if conditions change in the future, we may record impairment losses relative to our seismic data library, which could be material to any particular reporting period.

Goodwill

Goodwill is not amortized to earnings but is assessed, at least annually, for impairment at the reporting unit level. We conduct a qualitative goodwill impairment assessment as of October 1 of each year by examining relevant events and circumstances which could have a negative impact on our goodwill such as macroeconomic conditions, industry and market conditions, cost factors that have a negative effect on earnings and cash flows, overall financial performance, and other relevant entity-specific events. If after assessing the totality of events or circumstances described above, we determine that it is more likely than not that the fair value of the reporting unit is less than its carrying amount, the two-step goodwill test is performed. The two-step goodwill impairment test is also performed whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Use of Estimates and Assumptions

In preparing our financial statements, a number of estimates and assumptions are made by management that affect the accounting for and recognition of assets, liabilities, revenues and expenses. These estimates and assumptions must be made because certain information that is used in the preparation of our financial statements is dependent on future events, cannot be calculated with a high degree of precision from data available or is not otherwise capable of being readily calculated based on generally accepted methodologies. In some cases, these estimates are particularly difficult to determine and we must exercise significant judgment.

The most difficult, subjective and complex estimates and assumptions that deal with the greatest amount of uncertainty are related to our accounting for our seismic data library and goodwill.

Accounting for our seismic data library requires us to make significant subjective estimates and assumptions relative to future sales and cash flows from such library. These cash flows impact amortization rates, as well as potential impairment charges. Any changes in these estimates or underlying assumptions will impact our income from operations prospectively from the date changes are made. To the extent that such estimates, or the assumptions used to make those estimates, prove to be significantly different than actual results, the carrying value of the seismic data library may be subject to higher prospective amortization rates, additional straight-line amortization or impairment losses.

Because we apply a minimum income forecast amortization rate of 70%, the effect of decreasing future sales by 10%, with all other factors remaining constant, would cause the range of amortization rates to be from 70% to 75% as of January 1, 2013. The effect of decreasing future sales by 20%, with all other factors remaining constant, would cause the range of amortization rates to be from 70% to 85% as of January 1, 2013.

In a portion of our seismic data library activities, we engage in certain non-monetary exchanges and record a data library asset for the seismic data received and recognize revenue on the transaction in accordance with our policies on revenue recognition. These transactions are valued at the fair value of the data received by us or licenses or services granted by us, whichever is more readily determinable. Our estimate of the value of these transactions is highly subjective and based, in large part, on data sales transactions between us and a limited number of customers over a limited time period.

We conduct a qualitative goodwill impairment assessment at least annually. If, based on our qualitative procedures, it is more likely than not that the fair value of a reporting unit is less than its carrying amount, we are required to perform a two-step impairment test to identify potential goodwill impairment and measure the amount of a goodwill impairment loss to be recognized. The impairment test involves a comparison of the fair value of a reporting unit with its carrying amount, including goodwill to identify if a goodwill impairment exists. For our estimates of the fair value of goodwill, we prepare discounted cash flow analysis, which requires significant judgments and estimates about our future performance. If these projected cash flows change materially, we may be required to record impairment losses relative to goodwill.

Actual results could differ materially from the estimates and assumptions that we use in the preparation of our financial statements. To the extent management s estimates and assumptions change in the future, the effect on our reported results could be significant to any particular reporting period.

Results of Operations

Revenue

The following table summarizes the components of our revenue for the years ended December 31, 2010, 2011 and 2012 and the three months ended March 31, 2012 and 2013 (in thousands):

	Year Ended December 31,			Three Months Ended March 31,	
	2010	2011	2012	2012	2013
Acquisition underwriting revenue:					
Cash underwriting	$ 37,823	$ 75,132	$ 101,803	$ 35,304	$ 25,032
Underwriting from non-monetary exchanges	2,677	2,274	5,451	1,268	57
Total acquisition underwriting revenue	40,500	77,406	107,254	36,572	25,089
Resale licensing revenue:					
Cash Resales	137,605	134,497	136,234	39,169	22,445
Non-monetary exchanges	4,678	7,609	1,554	709	324
Revenue recognition adjustments	(11,005)	(5,856)	(10,257)	(5,173)	2,072
Total resale licensing revenue	131,278	136,250	127,531	34,705	24,841
Total seismic revenue	171,778	213,656	234,785	71,277	49,930
Solutions and other	3,778	4,352	5,673	1,270	1,421
Total revenue	$ 175,556	$ 218,008	$ 240,458	$ 72,547	$ 51,351

Total revenue for the year ended December 31, 2012 was $240.5 million, an increase of $22.5 million or 10%, from the year ended December 31, 2011 total revenue of $218.0 million. This increase was primarily due to an increase in acquisition underwriting revenue which

increased to $107.3 million in 2012 compared to

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$77.4 million in 2011. Activity for new data acquisition remained strong in 2012 with our acquisition underwriting revenue occurring in the key active unconventional plays in North America focused on oil and liquids-rich hydrocarbons including Eagle Ford, Utica/Marcellus, Niobrara, Granite Wash (Panhandle Plays), Montney and Cardium. Total resale licensing revenue was $127.5 million in 2012 compared to $136.3 million in 2011. Cash Resales were $136.2 million in 2012 compared to $134.5 million in 2011. In 2012, Cash Resales were distributed across most basins in which we have seismic data, including unconventional and conventional areas, with a focus on oil and liquids-rich areas. Non-monetary exchanges fluctuate year to year depending upon the data available for trade and totaled $1.6 million in 2012 compared to $7.6 million in 2011. Revenue recognition adjustments are non-cash adjustments to revenue and reflect the net amount of (i) revenue deferred as a result of all of the revenue recognition criteria not being met and (ii) the subsequent revenue recognition once the criteria are met. The change in revenue recognition adjustments between 2011 and 2012 which resulted in a decrease in revenue recognized of $4.4 million between periods was due to a decrease in revenue recognized on library card contracts (i.e., more deferrals than selections in the year) partially offset by an increase on direct licensing contracts because the revenue recognition criteria were met. Solutions and other revenue was $5.7 million in 2012 compared to $4.4 million in 2011. The $1.3 million increase was due to the types of products delivered and revenue from third-party data processing projects.

Total revenue was $218.0 million for the year ended December 31, 2011 compared to $175.6 million for the year ended December 31, 2010. This $42.5 million, or 24%, increase was primarily due to an increase in acquisition underwriting revenue. Acquisition underwriting revenue increased to $77.4 million in 2011 compared to $40.5 million in 2010 due to our campaign to acquire data in unconventional plays and client interest in participating in the new projects. All of our data acquisition underwriting revenue in 2011 occurred in the key active unconventional plays in North America, primarily the Eagle Ford, Marcellus, Niobrara, Montney and Cardium. Total resale licensing revenue was $136.3 million in 2011 compared to $131.3 million in 2010. Cash Resales were $134.5 million in 2011 compared to $137.6 million in 2010. The decrease between years was primarily the result of a shift from gas-directed plays due to lower natural gas prices to areas focused more on oil and liquids production. Non-monetary exchanges fluctuate year to year depending upon the data available for trade and totaled $7.6 million in 2011 compared to $4.7 million in 2010. The increase of $5.1 million in revenue recognition adjustments from 2010 to 2011 was primarily due to an increase in recognition of revenue previously deferred as a result of new data acquisition projects being completed and delivered partially offset by an increase in the deferral of new licensing contracts. Solutions and other revenue increased $0.6 million in 2011 compared to 2010 due to the increase in total seismic revenue and the types of products delivered.

Total revenue was $51.4 million in the first quarter of 2013 compared to $72.5 million in the first quarter of 2012. Acquisition underwriting revenue was $25.1 million in the first quarter of 2013 compared to $36.6 million in the first quarter of 2012. The decrease between quarters was primarily due to fewer square miles of data being acquired in Canada in 2013 compared to 2012. The Company made a strategic decision to reduce its level of net cash capital expenditures on new data creation for 2013 as compared to 2012 and 2011, which directly impacts acquisition underwriting revenue. The majority of new data acquisition activity in the first quarter of 2013 occurred in the Eagle Ford and Utica/Marcellus unconventional plays, with the Granite Wash (Panhandle Plays) and Cardium contributing as well. Total resale licensing revenue was $24.8 million in the first quarter of 2013 compared to $34.7 million in the first quarter of 2012. Cash Resales in the first quarter of 2013 were $22.4 million compared to Cash Resales in the first quarter of 2012 of $39.2 million. Cash Resales activity is tied closely to our clients annual budget cycles and therefore should be viewed on an annual basis. As a result, Cash Resales activity can fluctuate significantly from quarter to quarter, as we experienced in 2012. Revenue recognition adjustments are non-cash adjustments to revenue and reflect the net amount of (i) revenue deferred as a result of all of the revenue recognition criteria not being met and (ii) the subsequent revenue recognition once the criteria are met. The change in revenue recognition adjustments between 2012 and 2013 was primarily due to fewer contracts requiring deferral in the first quarter of 2013. Solutions and other revenue was $1.4 million in the first quarter of 2013 compared to $1.3 million in the first quarter of 2012.

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At December 31, 2012, we had a deferred revenue balance of $52.9 million compared to the December 31, 2011 balance of $48.8 million. The deferred revenue balance was related to (i) data licensing contracts on which selection of specific data had not yet occurred, (ii) deferred revenue on data acquisition projects and (iii) contracts in which the data products are not yet available or the revenue recognition criteria has not yet been met. The deferred revenue will be recognized when selection of specific data is made by the customer, upon expiration of the data selection period specified in the data licensing contracts, as work progresses on the data acquisition contracts, as the data products become available for delivery or as all of the revenue recognition criteria are met. Deferred revenue will be recognized no later than the following, based on the expiration of the selection period or our estimate of progress on acquisition projects and the availability of data products, although some revenue may be recognized earlier (in thousands):

2013	$ 44,788
2014	6,570
2015 and thereafter	1,499

At March 31, 2013, we had a deferred revenue balance of $51.3 million, compared to the December 31, 2012 balance of $52.9 million.

Depreciation and Amortization

Depreciation and amortization was composed of the following for the years ended December 31, 2010, 2011 and 2012 and the three months ended March 31, 2012 and 2013 (in thousands):

	Year Ended December 31,			Three Months Ended March 31,	
	2010	**2011**	**2012**	**2012**	**2013**
Amortization of seismic data:					
Income forecast	$ 87,617	$ 102,210	$ 108,482	$ 31,812	$ 22,708
Straight-line	80,190	32,758	24,354	5,744	4,936
Total amortization of seismic data	167,807	134,968	132,836	37,556	27,644
Depreciation of property and equipment	2,081	2,167	1,127	379	256
Amortization of acquired intangibles	5,704	5,828	5,791	1,449	1,438
Total	$ 175,592	$ 142,963	$ 139,754	$ 39,384	$ 29,338

Total seismic data library amortization amounted to $167.8 million, $135.0 million and $132.8 million in 2010, 2011 and 2012, respectively. Total seismic data library amortization amounted to $37.6 million in the first quarter of 2012 compared to $27.6 million in the first quarter of 2013. The amount of seismic data library amortization fluctuates based on the level and location of specific seismic surveys licensed (including licensing resulting from new data acquisition) and selected by our customers during any period as well as the amount of straight-line amortization required under our accounting policy. Additionally, the step-up in our data library value resulting from the 2007 merger between Seitel Acquisition Corp. with and into Seitel, Inc. (the Merger) became fully amortized in the first quarter of 2011 which resulted in a decrease in the level of straight-line amortization in 2011 and 2012.

Seismic data amortization as a percentage of total seismic revenue is summarized as follows:

	Year Ended December 31,			Three Months Ended March 31,	
	2010	**2011**	**2012**	**2012**	**2013**
Components of Amortization:					
Income forecast	51%	48%	46%	45%	46%
Straight-line	47%	15%	10%	8%	10%

Total	98%	63%	56%	53%	55%

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The percentage of income forecast amortization to total seismic revenue was 51% for the year ended December 31, 2010; 48% for the year ended December 31, 2011; 46% for the year ended December 31, 2012; 45% for the three months ended March 31, 2012; and 46% for the three months ended March 31, 2013. In all periods, we had resale revenue recognized which was from data whose costs were fully amortized. In 2010, 36% of resales did not attract amortization, as compared to 50% in 2011 and 63% in 2012. In the first quarter of 2012, 75% of resale revenue recognized was from data whose costs were fully amortized as compared to 70% in the first quarter of 2013. Additionally, all acquisition revenue attracts amortization; thus, the increasing level of acquisition revenue between 2010 and 2012 impacted the overall percentage of income forecast amortization for the years ended December 31, 2010, 2011 and 2012. Amortization expense related to new data acquisition decreased from the first quarter of 2012 to 2013 due to the lower level of acquisition revenue in the first quarter of 2013.

Straight-line amortization represents the expense required under our accounting policy to ensure our data value is fully amortized within four years of when the data becomes available for sale. The $8.4 million decrease in straight-line amortization from 2011 to 2012 and the $47.4 million decrease from 2010 to 2011 was because a significant portion of our data library became fully amortized in the first quarter of 2011 due to such data reaching its four-year life after the Merger and due to the distribution of revenue among the various seismic surveys. The amount of straight-line amortization decreased $0.8 million between the first quarters of 2012 and 2013 due to the distribution of revenue among the various seismic surveys.

For each of the years ended December 31, 2010, 2011 and 2012 and for the three months ended March 31, 2012 and 2013, the rates utilized under the income forecast method was 70% for all components. The rate of amortization with respect to each component is decreased or increased if our estimate of future cash sales from such component is materially increased or decreased, subject to a minimum amortization rate of 70%. Additionally, certain seismic surveys have been fully amortized; consequently, no amortization expense is required on revenue recorded for these seismic surveys. As of April 1, 2013, the amortization rate to be utilized under the income forecast method is 70% for all components.

Selling, General and Administrative Expenses

Selling, general and administrative (SG&A) expenses were $31.8 million in 2010, $31.6 million in 2011 and $29.1 million in 2012. SG&A expenses were $8.1 million in the first quarter of 2012 compared to $7.4 million in the first quarter of 2013. SG&A expenses are made up of the following cash and non-cash expenses (in thousands):

	Year Ended December 31,			Three Months Ended March 31,	
	2010	2011	2012	2012	2013
Cash SG&A expenses	$ 28,398	$ 30,906	$ 27,934	$ 7,947	$ 7,161
Non-cash compensation expense	3,157	453	761	73	226
Non-cash rent expense	276	290	393	72	
Total	$ 31,831	$ 31,649	$ 29,088	$ 8,092	$ 7,387

The decrease in cash SG&A expenses of $3.0 million from 2011 to 2012 was primarily due to (1) a decrease of $3.0 million in annual cash incentive compensation expense due to our Cash EBITDA results falling in the range of minimum and target goals established for 2012, (2) a $0.5 million decrease in our bad debt expense primarily due to collection of previously reserved receivables and (3) a decrease of $0.6 million in non-recurring expenses mainly related to severance costs. These decreases were partially offset by an increase of $0.9 million in salaries and benefits due to merit increases on base salary and new hires and an increase of $0.2 million in various other expenses.

The increase in cash SG&A expenses of $2.5 million from the year ended December 31, 2010 to the year ended December 31, 2011 was primarily due to (1) an increase of $1.4 million in salaries and benefits, (2) an

increase of $1.6 million in non-recurring expenses, mainly professional fees incurred with respect to evaluating debt restructuring alternatives and severance costs and (3) an increase of $1.0 million in various other expenses associated with our increased revenue and acquisition activities in 2011. These increases were partially offset by a $1.5 million decrease in our bad debt expense.

The decrease in cash SG&A expenses of $0.8 million from the first quarter of 2012 to the first quarter of 2013 was primarily attributable to (i) a decrease of $0.5 million in variable SG&A expenses related to sales commissions and performance incentive compensation due to the lower level of sales in the first quarter of 2013 and (ii) a decrease of $0.3 million in non-recurring expenses mainly related to severance costs.

The increase in non-cash compensation expense of $0.3 million from 2011 to 2012 was due to amortization associated with 2012 stock option issuances offset by a reduction in expense related to prior period stock option issuances and our use of graded vesting to amortize the compensation expense. The decrease in non-cash equity compensation expense of $2.7 million between 2010 and 2011 was primarily due to the 2010 period including expense associated with the re-pricing of outstanding options granted to certain employees and non-employee directors. Additionally, there was a reduction in the expense related to stock options due to the expense being recognized using graded vesting and a significant portion of our options becoming fully vested in the first quarter of 2011. The increase in non-cash compensation expense from the first quarter of 2012 to the first quarter of 2013 was due to amortization associated with stock option issuances in May 2012.

The non-cash rent expense for the years ended December 31, 2012, 2011 and 2010 represents amortization of a favorable facility lease that was recorded as an intangible asset in connection with the Merger. As of December 31, 2012, this intangible asset has been fully amortized.

Interest Expense

Interest expense was $41.1 million for the year ended December 31, 2010, $35.2 million for the year ended December 31, 2011 and $29.1 million for the year ended December 31, 2012. The decrease in interest expense in both 2012 and 2011 was due to the repayment of $125.0 million of our 9.75% Senior Notes on July 1, 2011.

Interest expense was $7.3 million in the first quarter of 2012 compared to $9.4 million in the first quarter of 2013. Due to the satisfaction and discharge of our 9.75% Senior Notes in March 2013, interest expense for the first quarter of 2013 included interest on our existing 9.75% Senior Notes for the entire quarter, as well as interest paid on these senior notes from April 1, 2013 to April 18, 2013. In addition, interest expense for the first quarter of 2013 included interest on our new 9 $^{1}/_{2}$% Senior Notes issued on March 20, 2013.

Loss on Early Extinguishment of Debt

The call premium incurred to repay $125.0 million of our 9.75% Senior Notes along with the write-off of the related unamortized issuance costs resulted in a $7.9 million loss on early extinguishment of debt in 2011.

In connection with the early extinguishment of our 9.75% Senior Notes in the first quarter of 2013, we recorded a $1.5 million non-cash charge which included the write-off of unamortized issue expenses.

Other Income (Expense)

During the years ended December 31, 2010, 2011 and 2012, we sold $4.2 million, $2.5 million and $0.2 million, respectively, of marketable securities through multiple transactions on an active international exchange. Total gains were equal to the proceeds received.

Other income was $0.4 million, $0.3 million and $0.8 million for the years ended December 31, 2010, 2011 and 2012, respectively. The increase in other income of $0.5 million from 2011 to 2012 was primarily due to cash dividends received from investments.

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During the years ended December 31, 2010, 2011 and 2012 and the three months ended March 31, 2012 and 2013, we reported foreign currency transaction gains (losses) on U.S. denominated transactions of our Canadian subsidiaries totaling $0.4 million, $(0.7) million, $0.7 million, $0.4 million and $(0.6) million, respectively.

Income Taxes

Tax expense (benefit) was $(4.0) million, $0.4 million and $6.8 million for the years ended December 31, 2010, 2011 and 2012, respectively. Income tax expense was $3.5 million in the first quarter of 2012 compared to $1.4 million in the first quarter of 2013.

The 2012 expense was comprised of (i) an expense of $5.6 million related to our Canadian operations, (ii) a benefit of $0.4 million related to certain research and development tax credits received in Canada, (iii) an expense of $1.1 million related to U.S. state taxes, (iv) an expense of $0.3 million in U.S. Federal taxes and (v) an expense of $0.2 million related to interest on uncertain tax positions. Our current estimate of U.S. Federal taxable income for 2012 was offset against our net operating loss carryforward and the U.S. Federal tax expense recorded in 2012 related to our estimated alternative minimum tax liability as of December 31, 2012. The increase in U.S. state tax expense is a result of our geographic expansion in recent years.

The 2011 expense was comprised of (i) an expense of $1.0 million related to our Canadian operations, (ii) a benefit of $0.4 million related to certain research and development tax credits received in Canada, (iii) a benefit of $0.4 million related to U.S. state taxes and (iv) an expense of $0.2 million related to interest on uncertain tax positions. The Federal tax benefit of $0.2 million in 2011 resulting from our U.S. operations was offset by a valuation allowance because it was more likely than not that the deferred tax asset would not be realized.

The 2010 benefit was comprised of (i) a benefit of $3.7 million related to our Canadian operations, (ii) a benefit of $0.4 million related to certain research and development tax credits received in Canada and (iii) an expense of $0.1 million related to principal, penalties and interest on uncertain tax positions. The Federal tax benefit of $18.1 million in 2010 resulting from our U.S. operations was offset by a valuation allowance because it was more likely than not that the deferred tax asset would not be realized.

The expense in the first quarter of 2013 was comprised of (i) $0.9 million related to our Canadian operations, (ii) $0.1 million in U.S. Federal taxes related to our estimated alternative minimum tax liability and (iii) $0.4 million in U.S. state taxes. The expense in the first quarter of 2012 was comprised of (i) $3.2 million related to our Canadian operations and (ii) $0.3 million in U.S. state taxes.

Net Income

Net income (loss) was $(63.4) million, $2.2 million and $37.1 million for the years ended December 31, 2010, 2011 and 2012, respectively. Net income was $14.7 million in the first quarter of 2012 compared to $1.7 million in the first quarter of 2013.

The increase in net income from 2011 to 2012 was primarily due to an increase in revenue, a reduction in interest expense and a reduction in loss on extinguishment of debt. The increase in net income from 2010 to 2011 was primarily due to an increase in revenue and a decrease in amortization of our data library. These increases were partially offset by a $7.9 million loss on early extinguishment of debt.

The reduction in net income from the first quarter of 2012 to the first quarter of 2013 was primarily due to the lower level of revenue partially offset by a reduction in amortization expense associated with our data library. The first quarter of 2013 also included a $1.5 million non-cash charge related to the early extinguishment of our 9.75% Senior Notes as well as additional interest paid upon the satisfaction and discharge of the 9.75% Senior Notes in the first quarter.

Liquidity and Capital Resources

As of March 31, 2013, we had $25.5 million in consolidated cash, cash equivalents and short-term investments, including $0.8 million of restricted cash. Our foreign subsidiary regularly holds cash which is used to reinvest in our Canadian operations. If we decide at a later date to repatriate those funds to the U.S., we may be required to provide taxes on certain of those funds based on applicable U.S. tax rates net of foreign taxes. Cash held by our foreign subsidiary fluctuates throughout the year and at March 31, 2013, was $0.2 million.

In addition to the cash on our balance sheet, other sources of liquidity, including our Credit Facility, are described below.

***Credit Facility*:** On May 25, 2011, we entered into the Credit Facility, which provides us with the ability to borrow up to $30.0 million. The Credit Facility provides a $30.0 million revolving credit facility with a Canadian sublimit of $5.0 million, subject to borrowing base limitations based on our seismic data assets and eligible accounts receivable, each as defined in the Credit Facility, calculated on a monthly basis. U.S. borrowings under the Credit Facility accrue interest based on, at our option, either the LIBOR rate plus an applicable margin, or the base rate, as defined in the agreement, plus an applicable margin. Canadian borrowings under the Credit Facility accrue interest based on Canadian base rate, as defined in the agreement. In addition, we are required to pay an unused line fee of 0.50% per annum in respect of any unutilized commitments under the Credit Facility. The Credit Facility expires on May 25, 2016. As of March 31, 2013, no amounts were outstanding under the Credit Facility and there was $20.0 million of availability.

***9 $^1/_2$% Senior Unsecured Notes*:** On March 20, 2013, we issued in a private placement $250.0 million aggregate principal amount of our 9 $^1/_2$% Senior Notes. The proceeds from the 9 $^1/_2$% Senior Notes, together with $29.8 million cash on hand, were used to satisfy and discharge the 9.75% Senior Notes, including accrued interest of $4.8 million. Interest is payable in cash, semi-annually on April 15 and October 15 of each year, commencing on October 15, 2013.

We are obligated to use our reasonable best efforts to consummate an offer to exchange the 9 $^1/_2$% Senior Notes under the Securities Act or otherwise register the resale of such notes no later than 240 days after their issuance. If this requirement is not met, then the annual interest on the 9 $^1/_2$% Senior Notes will increase by (1) 0.25 percentage points for the first 90 days following the end of such period and (2) 0.25 percentage points at the beginning of each subsequent 90-day period up to a maximum of 1.0 percentage point. We are filing this prospectus in order to satisfy this obligation.

We may from time to time, as part of various financing and investment strategies, purchase our outstanding indebtedness. These purchases, if any, could have a material positive or negative impact on our liquidity available to repay outstanding debt obligations or on our consolidated results of operations.

***Contractual Obligations*:** As of March 31, 2013, we had outstanding debt and lease obligations, with aggregate contractual cash obligations, including principal and interest, summarized as follows (in thousands):

		Payments due by period			
Contractual cash obligations	**Total**	**Remainder of 2013**	**2014-2016**	**2017-2018**	**2019 and thereafter**
Debt obligations(1)(2)	$ 394,161	$ 13,536	$ 71,250	$ 47,500	$ 261,875
Capital lease obligations(2)	3,952	328	1,262	877	1,485
Operating lease obligations	2,705	697	1,920	88	
Total contractual cash obligations	$ 400,818	$ 14,561	$ 74,432	$ 48,465	$ 263,360

(1) Debt obligations include the face amount of our 9 $^1/_2$% Senior Notes totaling $250 million.
(2) Amounts include interest related to debt and capital lease obligations.

***Cash Flows from Operating Activities*:** Cash flows provided by operating activities were $108.9 million, $126.8 million and $171.5 million for the years ended December 31, 2010, 2011 and 2012, respectively, and $45.1 million and $35.4 million for the three months ended March 31, 2012 and 2013, respectively. Operating cash flows for 2012 increased from 2011 primarily due to increased collections from our acquisition underwriting related receipts, lower interest payments on our 9.75% Senior Notes and lower income taxes paid. Operating cash flows for 2011 increased from 2010 primarily due to increased collections on acquisition underwriting partially offset by lower collections on Cash Resales and tax payments made to appeal the results of the tax audit of Olympic Seismic Ltd., a wholly-owned subsidiary, by Canada Revenue Agency. Operating cash flows for 2013 decreased from 2012 primarily due to (i) lower collections on acquisition underwriting partially offset by higher collections on Cash Resales, (ii) higher interest payments during the quarter associated with the satisfaction and discharge of our 9.75% Senior Notes and (iii) an increase in income taxes paid.

***Cash Flows from Investing Activities*:** Cash flows used in investing activities were $45.7 million, $127.2 million and $184.4 million for the years ended December 31, 2010, 2011 and 2012, respectively, and $56.7 million and $40.7 million for the three months ended March 31, 2012 and 2013, respectively. Cash expenditures for seismic data were $49.5 million, $127.0 million, and $183.2 million for the years ended December 31, 2010, 2011 and 2012, respectively. The increase in cash invested in seismic data for 2012 compared to 2011 and 2011 compared to 2010 was due to increased data acquisition activity in both the U.S. and Canada and due to continuing strong activity in unconventional plays. Cash expenditures for seismic data were $56.4 million and $40.1 million for the three months ended March 31, 2012 and 2013, respectively. The decrease in cash invested in seismic data for 2013 compared to 2012 was primarily due to decreased data acquisition activity in Canada partially offset by higher capital expenditure payments in the U.S.

***Cash Flows from Financing Activities*:** Cash flows used in financing activities were $0.3 million, $14.7 million and $0.3 million for the years ended December 31, 2010, 2011 and 2012, respectively, and $0.1 million and $30.9 million for the three months ended March 31, 2012 and 2013, respectively. In 2011, our financing activities primarily consisted of the following: (i) a $125.0 million cash capital contribution by Holdings in connection with the minority interest investment in Holdings by Centerbridge in May 2011, (ii) $131.1 million in principal and premium payments on our 9.75% Senior Notes, (iii) $6.3 million in costs paid in conjunction with our Credit Facility and the Centerbridge transaction and (iv) $2.0 million in principal payments on our 11.75% senior notes due 2011. Our financing activities in the first quarter of 2013 included (i) $250.0 million received from the issuance of our 9 $^{1}/_{2}$% Senior Notes, (ii) payment of $275.0 million of principal on our 9.75% Senior Notes and (iii) payment of $5.8 million of fees in connection with the issuance of our 9 $^{1}/_{2}$% Senior Notes.

***Anticipated Liquidity*:** Our ability to cover our operating and capital expenses, make required debt service payments on our 9 $^{1}/_{2}$% Senior Notes, incur additional indebtedness, and comply with our various debt covenants, will depend primarily on our ability to generate substantial operating cash flows. Over the next 12 months, we expect to obtain the funds necessary to pay our operating, capital and other expenses as well as interest on our 9 $^{1}/_{2}$% Senior Notes and principal and interest on our other indebtedness, from our operating cash flows, cash and cash equivalents on hand and, if required, from additional borrowings (to the extent available under our Credit Facility subject to the borrowing base). Our ability to satisfy our payment obligations depends substantially on our future operating and financial performance, which necessarily will be affected by, and subject to, industry, market, economic and other factors. If necessary, we could choose to reduce our spending on capital projects and operating expenses to ensure we operate within the cash flow generated from our operations. We will not be able to predict or control many of these factors, such as economic conditions in the markets where we operate and competitive pressures.

Deferred Taxes

As of March 31, 2013, we had a net deferred tax liability of $2.9 million attributable to our Canadian operations. In the U.S., we had a Federal deferred tax asset of $100.0 million, all of which was fully offset by a valuation allowance. The recognition of the U.S. Federal deferred tax asset will not occur until such time that it is

more likely than not that some portion or all of the U.S. Federal deferred tax asset will be realized. As of March 31, 2013, it was more likely than not that all of the U.S. Federal deferred tax asset will not be realized. Additionally, in the U.S., we had a state deferred tax asset of $730,000 of which $646,000 was offset by a valuation allowance. The remaining state deferred tax asset of $84,000 was recognized as it is more likely than not that the state deferred tax asset will be realized.

Off-Balance Sheet Transactions

Other than operating leases, we do not maintain any off-balance sheet transactions, arrangements, obligations or other relationships with unconsolidated entities or others that are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenue or expense, results of operations, liquidity, capital expenditures or capital resources.

Capital Expenditures

During the years ended December 31, 2010, 2011 and 2012, capital expenditures for seismic data and other property and equipment amounted to $72.3 million, $153.0 million and $192.6 million, respectively. During the three months ended March 31, 2013, capital expenditures for seismic data and other property and equipment amounted to $46.7 million. Our capital expenditures for the remainder of 2013 are presently estimated to be $122.7 million. The capital expenditures for these periods and the estimated capital expenditures for the remainder of 2013 are comprised of the following (in thousands):

	Year Ended December 31,			Three Months Ended March 31, 2013	Estimate for Remainder of 2013	Total Estimate for 2013
	2010	**2011**	**2012**			
New data acquisition	$ 59,428	$ 137,737	$ 176,062	$ 41,809	$ 112,691	$ 154,500
Cash purchases and data processing	1,767	2,894	11,678	1,851	3,749	5,600
Non-monetary exchanges	10,545	10,215	3,376	2,716	4,684	7,400
Property and equipment and other	527	2,121	1,517	364	1,536	1,900
Total capital expenditures	72,267	152,967	192,633	46,740	122,660	169,400
Less: Non-monetary exchanges	(10,545)	(10,215)	(3,376)	(2,716)	(4,684)	(7,400)
Changes in working capital	(11,730)	(13,652)	(4,591)	(3,556)		(3,556)
Cash investment per statement of cash flows	$ 49,992	$ 129,100	$ 184,666	$ 40,468	$ 117,976	$ 158,444

Capital expenditures funded from operating cash flow are as follows (in thousands):

	Year Ended December 31,			Three Months Ended March 31, 2013	Estimate for Remainder of 2013	Total Estimate for 2013
	2010	**2011**	**2012**			
Total capital expenditures	$ 72,267	$ 152,967	$ 192,633	$ 46,740	$ 122,660	$ 169,400
Less: Non-cash additions	(10,545)	(10,215)	(3,376)	(2,716)	(4,684)	(7,400)
Cash underwriting	(37,823)	(75,132)	(101,803)	(25,032)	(76,968)	(102,000)
Capital expenditures funded from operating cash flow	$ 23,899	$ 67,620	$ 87,454	$ 18,992	$ 41,008	$ 60,000

As of June 7, 2013, we had capital expenditure commitments related to data acquisition projects of approximately $83.9 million, of which we have obtained approximately $58.4 million of cash underwriting. We expect the majority of our $25.5 million committed net cash capital expenditures to be incurred in 2013.

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THE EXCHANGE OFFER

Purpose of the Exchange Offer

On March 20, 2013, we issued and sold the old notes to the initial purchasers in a private placement transaction exempt from the registration requirements of the Securities Act. The initial purchasers subsequently sold the old notes to qualified institutional buyers in reliance on Rule 144A under the Securities Act. Because the old notes are subject to transfer restrictions, we, our guarantors and the initial purchasers in the March 2013 offering entered into a registration rights agreement dated March 20, 2013 under which we agreed, with respect to the old notes, to:

- file a registration statement with the SEC, enabling holders to exchange the old notes for publicly registered exchange notes with substantially identical terms as the old notes;
- use reasonable best efforts to cause the registration statement to be declared effective and consummate the exchange offer within 240 days after March 20, 2013; and
- file a shelf registration statement for the resale of the old notes by the holders of the old notes who satisfy certain conditions relating to the provision of information in connection with the shelf registration statement.

The Registration Statement is intended to satisfy our exchange offer obligations under the registration rights agreement.

Under existing interpretations of the SEC, the new notes will be freely transferable by holders other than our affiliates after the exchange offer without further registration under the Securities Act if the holder of the new notes represents that:

- it has no arrangement or understanding with any person to participate in the public distribution (within the meaning of the Securities Act) of the Exchange Notes in violation of the provisions of the Securities Act,
- it is not an affiliate of the Issuer or any Guarantor, as defined in Rule 405 under the Securities Act, or if it is such an affiliate, it will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable,
- if such Holder is not a broker-dealer, it is not engaged in, and does not intend to engage in, a public distribution of Exchange Notes, and
- if such holder is a broker-dealer (a Participating Broker-Dealer) that will receive Exchange Notes for its own account in exchange for Notes acquired as a result of market-making or other trading activities, it will deliver a prospectus in connection with any resale of such Exchange Notes.

However, participating broker-dealers receiving new notes in the exchange offer will have a prospectus delivery requirement with respect to resales of such new notes. The SEC has taken the position that participating broker-dealers may fulfill their prospectus delivery requirements with respect to new notes, other than a resale of an unsold allotment from the original sale of the old notes, with this prospectus. Under the registration rights agreement, we are required to allow participating broker-dealers and other persons, if any, with similar prospectus delivery requirements to use this prospectus in connection with the resale of such new notes. Each broker-dealer that receives new notes for its own account in exchange for old notes, where such notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. Under the Registration Rights Agreement, if requested by a Participating Broker-Dealer, we are required to use our reasonable best efforts to keep the Exchange Offer Registration Statement continuously effective for a period of not longer than 180 days after the date on which such statement is declared effective to satisfy their prospectus delivery requirements. See Plan of Distribution.

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Terms Of The Exchange Offer; Period For Tendering Old Notes

Upon the terms and subject to the conditions set forth in this prospectus and in the accompanying letter of transmittal (which together constitute the exchange offer), we will accept for exchange old notes which are properly tendered on or prior to the expiration date and not withdrawn as permitted below. The expiration date will be 5:00 p.m., New York City time, on , 2013, unless extended by us in our sole discretion.

As of the date of this prospectus, $250,000,000 aggregate principal amount of the old notes are outstanding. Only a registered holder of the old notes (or such holder s legal representative or attorney-in-fact) as reflected on the records of the trustee under the applicable indenture may participate in the exchange offer. There will be no fixed record date for determining registered holders of the old notes entitled to participate in the exchange offer. The old notes may be tendered only in integral multiples of $1,000. This prospectus, together with the letter of transmittal, is first being sent on or about , 2013 to all holders of old notes known to us.

We shall be deemed to have accepted validly tendered old notes when, as and if we have given oral or written notice thereof to the exchange agent. The exchange agent will act as agent for the tendering holders of old notes for the purposes of receiving the new notes from us.

We expressly reserve the right, at any time or from time to time, to extend the period of time during which the exchange offer is open, and thereby delay acceptance for any exchange of any old notes, by giving notice of such extension to the exchange agent and the holders of the old notes as described below. During any such extension, all old notes previously tendered will remain subject to the exchange offer and may be accepted for exchange by us. Any old notes not accepted for exchange for any reason will be returned without expense to the tendering holder as promptly as practicable after the expiration or termination of the exchange offer.

We expressly reserve the right, in our sole and absolute discretion:

- to delay accepting any old notes;
- to extend the exchange offer;
- to terminate the exchange offer; and
- to waive any condition or otherwise amend the terms of the exchange offer in any manner.

If the exchange offer is amended in a manner determined by us to constitute a material change, we will promptly disclose the amendment by means of a prospectus supplement that will be distributed to the eligible holders of old notes. Any delay in acceptance, extension, termination, amendment or waiver will be followed promptly by oral or written notice to the exchange agent and by making a public announcement of it, and the notice and announcement in the case of an extension will be made no later than 9:00 a.m., New York City time, on the next business day after the exchange offer was previously scheduled to expire. Subject to applicable law, we may make this public announcement by issuing a press release.

Holders of old notes do not have any appraisal or dissenters rights under the Delaware Corporation Law in connection with the exchange offer.

Procedures For Tendering Old Notes

Only a registered holder of old notes may tender such old notes in the exchange offer. To tender in the exchange offer, a holder must complete, sign and date the letter of transmittal, or facsimile thereof, have the signatures thereon guaranteed if required by the letter of transmittal, and mail or otherwise deliver such letter of transmittal or such facsimile to the exchange agent at the address set forth below under Exchange Agent for receipt prior to the expiration date. In addition, either:

- certificates for such old notes must be received by the exchange agent along with the letter of transmittal;

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a timely confirmation of a book-entry transfer of such old notes, if such procedure is available, into the exchange agent s account at the depositary pursuant to the procedure for book-entry transfer described below, must be received by the exchange agent prior to the expiration date; or

the holder must comply with the guaranteed delivery procedures described below.

The tender by a holder which is not withdrawn prior to the expiration date will constitute an agreement between such holder and us in accordance with the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal.

The method of delivery of old notes and the letter of transmittal and all other required documents to the exchange agent is at your election and risk. Instead of delivery by mail, it is recommended that you use an overnight or hand delivery service, properly insured. If delivery is by mail, we recommend that you use registered mail, properly insured, with return requested. In all cases, you should allow sufficient time to assure delivery to the exchange agent before the expiration date. You should not send letters of transmittal or old notes to us. You may request your respective brokers, dealers, commercial banks, trust companies or nominees to effect the above transactions for you.

Any beneficial owner whose old notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender should contact the registered holder promptly and instruct such registered holder to tender on such beneficial owner s behalf. If such beneficial owner wishes to tender on such owner s own behalf, such owner must, prior to completing and executing the letter of transmittal and delivering such owner s old notes, either make appropriate arrangements to register ownership of the old notes in such owner s name or obtain a properly completed power of attorney from the registered holder. The transfer of registered ownership may take considerable time.

Signatures on a letter of transmittal or a notice of withdrawal, as the case may be, must be guaranteed by an eligible institution unless the old notes tendered pursuant thereto are tendered:

by a registered holder of the old notes who has not completed the box entitled Special Issuance Instruction or Special Delivery Instructions on the letter of transmittal; or

for the account of an eligible institution.

In the event that signatures on a letter of transmittal or a notice of withdrawal, as the case may be, are required to be guaranteed, such guarantees must be by an eligible institution. Eligible institutions include any firm which is a member of a registered national securities exchange or a member of the National Association of Securities Dealers, Inc. or a commercial bank or trust company having an office or correspondent in the United States.

If the letter of transmittal is signed by a person other than the registered holder of any old notes listed therein, such old notes must be endorsed or accompanied by a properly completed bond power, signed by such registered holder as such registered holder s name appears on such old notes.

If the letter of transmittal or any old notes or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and unless waived by us, evidence satisfactory to us of their authority to so act must be submitted with the letter of transmittal.

The exchange agent and the depositary have confirmed that any financial institution that is a participant in the depositary s system may utilize the depositary s Automated Tender Offer Program to tender old notes.

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All questions as to the validity, form, eligibility (including time of receipt), acceptance and withdrawal of tendered old notes will be determined by us in our sole discretion. This determination will be final and binding. We reserve the absolute right to reject any and all old notes not properly tendered or to not accept any particular old notes our acceptance of which might, in our judgment or our counsel s judgment, be unlawful. We also reserve the right to waive any defects or irregularities or conditions of the exchange offer as to particular old notes either before or after the expiration date (including the right to waive the ineligibility of any holder who seeks to tender old notes in the exchange offer). Our interpretation of the terms and conditions of the exchange offer (including the instructions in the letter of transmittal) will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of old notes must be cured within such time as we shall determine. Neither we, the exchange agent nor any other person shall be under any duty to give notification of any defect or irregularity with respect to any tender of old notes for exchange, nor shall any of them incur any liability for failure to give such notification. Tenders of old notes will not be deemed to have been made until such defects or irregularities have been cured or waived.

While we have no present plan to acquire any old notes which are not tendered in the exchange offer or to file a registration statement to permit resales of any old notes which are not tendered pursuant to the exchange offer, we reserve the right in our sole discretion to purchase or make offers for any old notes that remain outstanding subsequent to the expiration date or, as set forth below under Certain Conditions to the Exchange Offer, to terminate the exchange offer and, to the extent permitted by applicable law, purchase old notes in the open market, in privately negotiated transactions or otherwise. The terms of any such purchases or offers could differ from the terms of the exchange offer.

By tendering, each holder will represent to us in writing that, among other things:

- the new notes acquired pursuant to the exchange offer are being acquired in the ordinary course of business of the holder and any beneficial holder;
- neither the holder nor any such beneficial holder has an arrangement or understanding with any person to participate in the distribution of new notes;
- the holder acknowledges and agrees that any person who is a broker-dealer registered under the Exchange Act or is participating in the exchange offer for the purposes of distributing the new notes must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction of the new notes acquired by such person and cannot rely on the position of the staff of the SEC set forth in certain no-action letters;
- the holder and any beneficial holder understands that a secondary resale transaction described in the third bullet point above and any resales of new notes obtained by such holder in exchange for old notes acquired by such holder directly from us should be covered by an effective registration statement containing the selling security holder information required by Item 507 or Item 508, as applicable, of Regulation S-K of the SEC; and
- the holder is not an affiliate, as defined in Rule 405 of the Securities Act, of our company.

If the holder is a broker-dealer that will receive new notes for its own account in exchange for old notes that were acquired as a result of market-making activities or other trading activities, the holder is required to acknowledge in the letter of transmittal that it will deliver a prospectus in connection with any resale of such new notes. However, by so acknowledging and by delivering a prospectus, the holder will not be deemed to admit that it is an underwriter within the meaning of the Securities Act.

Acceptance of Old Notes For Exchange; Delivery Of New Notes

Upon satisfaction or waiver of all of the conditions to the exchange offer, we will accept, promptly after the expiration date of the exchange offer, all old notes properly tendered, and will issue the new notes promptly after acceptance of the old notes. See Conditions to the Exchange Offer below. For purposes of the exchange

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offer, we shall be deemed to have accepted properly tendered old notes for exchange when, as and if we have given oral and written notice to the exchange agent. The new notes will bear interest from the most recent date to which interest has been paid on the old notes, or if no interest has been paid on the old notes, from March 20, 2013. Accordingly, registered holders of new notes on the relevant record date for the first interest payment date following the consummation of the exchange offer will receive interest accruing from the most recent date to which interest has been paid or, if no interest has been paid, from March 20, 2013. Old notes accepted for exchange will cease to accrue interest from and after the date of consummation of the exchange offer. Holders of old notes whose old notes are accepted for exchange will not receive any payment for accrued interest on the old notes otherwise payable on any interest payment date the record date for which occurs on or after consummation of the exchange offer and will be deemed to have waived their rights to receive accrued interest on the old notes.

Return of Old Notes

If any tendered old notes are not accepted for any reason set forth in the terms and conditions of the exchange offer or if old notes are withdrawn or are submitted for a greater principal amount than the holders desire to exchange, such unaccepted, withdrawn or non-exchanged old notes will be returned without expense to the tendering holder of such old notes (or, in the case of old notes tendered by book-entry transfer into the exchange agent s account at the depositary pursuant to the book-entry transfer procedures described below, such old notes will be credited to an account maintained with the depositary) as promptly as practicable after the expiration of the exchange offer.

Book-Entry Transfer

The exchange agent will make a request to establish an account with respect to the old notes at the depositary for purposes of the exchange offer within two business days after the date of this prospectus, and any financial institution that is a participant in the depositary s systems may make book-entry delivery of old notes by causing the depositary to transfer such old notes into the exchange agent s account at the depositary in accordance with the depositary s procedures for transfer. However, although delivery of old notes may be effected through book-entry transfer at the depositary, the letter of transmittal or facsimile thereof, with any required signature guarantees and any other required documents, must, in any case, be transmitted to and received by the exchange agent at the address set forth below under Exchange Agent on or prior to the expiration date or pursuant to the guaranteed delivery procedures described below.

Guaranteed Delivery Procedures

Holders who wish to tender their old notes and (i) whose old notes are not immediately available or (ii) who cannot deliver their old notes, the letter of transmittal or any other required documents to the exchange agent prior to the expiration date, may effect a tender if:

- the tender is made through an eligible institution;
- prior to the expiration date, the exchange agent receives from such eligible institution a properly completed and a duly executed letter of transmittal and notice of guaranteed delivery substantially in the form provided by us (by facsimile transmission, mail or hand delivery) setting forth the name and address of the holder, the certificate number(s) of such old notes and the principal amount of old notes tendered, stating that the tender is being made thereby and guaranteeing that, within five New York Stock Exchange trading days after the date of execution of the notice of guaranteed delivery, the certificate(s) representing the old notes in proper form for transfer or a book-entry confirmation, as the case may be, and any other documents required by the letter of transmittal will be deposited by the eligible institution with the exchange agent; and
- the certificates representing all tendered old notes in proper form for transfer or a book-entry confirmation, as the case may be, and all other documents required by the letter of transmittal are received by the exchange agent within five New York Stock Exchange trading days after the date of execution of the notice of guaranteed delivery.

Upon request to the exchange agent, a notice of guaranteed delivery will be sent to holders who wish to tender their old notes according to the guaranteed delivery procedures set forth above.

Withdrawal of Tenders

Except as otherwise provided herein, tenders of old notes may be withdrawn at any time prior to the expiration date.

To withdraw a tender of old notes in the exchange offer, a written or facsimile transmission notice of withdrawal must be received by the exchange agent at its address set forth below, prior to the expiration date. Any such notice of withdrawal must:

- specify the name of the person having deposited the old notes to be withdrawn;
- identify the old notes to be withdrawn (including the certificate number or numbers and aggregate principal amount of such old notes);
- where the certificates for old notes have been transmitted, specify the name in which such old notes are registered, if different from that of the withdrawing holder.

If certificates for old notes have been delivered or otherwise identified to the exchange agent, then, prior to the release of such certificates, the withdrawing holder must also submit the serial numbers of the particular certificates to be withdrawn and a signed notice of withdrawal with signatures guaranteed by an eligible institution unless such holder is an eligible institution.

If old notes have been tendered pursuant to the procedure for book-entry transfer described above, any notice of withdrawal must specify the name and number of the account at the depositary to be credited with the withdrawn old notes and otherwise comply with the procedures of such facility. All questions as to the validity, form and eligibility (including time of receipt) of such notices will be determined by us in our sole discretion, and our determination shall be final and binding on all parties. Any old notes so withdrawn will be deemed not to have been validly tendered for purposes of the exchange offer and no new notes will be issued with respect thereto unless the old notes so withdrawn are validly retendered. Properly withdrawn old notes may be retendered by following one of the procedures described above at any time prior to the expiration date.

Certain Conditions To The Exchange Offer

Notwithstanding any other provision of the exchange offer, we shall not be required to accept for exchange, or to issue new notes in exchange for, any old notes. We may terminate or amend the exchange offer if at any time before the acceptance of such old notes for exchange or the exchange of new notes for such old notes, we determine that:

- the exchange offer does not comply with any applicable law or any applicable interpretation of the staff of the SEC;
- we have not received all applicable governmental approvals; or
- any actions or proceedings of any governmental agency or court exist which could materially impair our ability to consummate the exchange offer.

The foregoing conditions are for our sole benefit and may be asserted by us regardless of the circumstances giving rise to any such condition or may be waived by us in whole or in part at any time and from time to time in our reasonable discretion. Our failure at any time to exercise any of the foregoing rights shall not be deemed a waiver of such right and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time.

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In addition, we will not accept for exchange any old notes tendered, and no new notes will be issued in exchange for any such old notes, if at such time any stop order shall be threatened or in effect with respect to the registration statement of which this prospectus constitutes a part or the qualification of the indenture under the Trust Indenture Act of 1939, as amended. In any such event we are required to use every reasonable effort to obtain the withdrawal of any stop order at the earliest possible time.

Exchange Agent

Deutsche Bank Trust Company Americas has been appointed as the exchange agent for the exchange offer. All executed letters of transmittal should be directed to the exchange agent at one of the addresses set forth below. Questions and requests for assistance, requests for additional copies of this prospectus or of the letter of transmittal and requests for notices of guaranteed delivery should be directed to the exchange agent addressed as follows:

By Mail, Overnight Mail or Courier:

DB Services Americas, Inc.

Attention: Reorg. Department

5022 Gate Parkway, Suite 200

Jacksonville, FL 32256

DB.Reorg@db.com

Fax: 615-866-3889

Information (877) 843-9767

Delivery other than as set forth above will not constitute a valid delivery.

Fees and Expenses

The expenses of soliciting tenders will be borne by us. The principal solicitation is being made by mail. However, additional solicitation may be made by facsimile, telephone or in person by our officers and employees.

We have not retained any dealer-manager in connection with the exchange offer and will not make any payments to brokers, dealers or others soliciting acceptances of the exchange offer. We will, however, pay the exchange agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses in connection with the exchange offer.

The expenses to be incurred in connection with the exchange offer will be paid by us. Such expenses include registration fees, fees and expenses of the exchange agent and trustee, accounting and legal fees and printing costs, among others.

Transfer Taxes

Holders who tender their old notes for exchange will not be obligated to pay any transfer taxes in connection with the tender. If, however, new notes issued in the exchange offer are to be delivered to, or are to be issued in the name of, any person other than the holder of the old notes tendered, or if a transfer tax is imposed for any reason other than the exchange of old notes in connection with the exchange offer, then any such transfer taxes, whether imposed on the registered holder or on any other person, will be payable by the holder or such other person. If satisfactory evidence of payment of, or exemption from, such taxes is not submitted with the letter of transmittal, the amount of such transfer taxes will be billed directly to the tendering holder.

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Accounting Treatment

The new notes will be recorded at the same carrying value as the old notes, which is the principal amount as reflected in our accounting records on the date of the exchange. Accordingly, no gain or loss for accounting purposes will be recognized. The debt issuance costs will be capitalized for accounting purposes and will be amortized over the term of the new notes.

Consequences Of Failure To Exchange; Resales Of New Notes

Participation in the exchange offer is voluntary. Holders of the old notes are urged to consult their financial and tax advisors in making their own decisions on what action to take.

Holders of old notes who do not exchange their old notes for new notes pursuant to the exchange offer will continue to be subject to the restrictions on transfer of those old notes as set forth in the legend thereon as a consequence of the issuance of the old notes pursuant to the exemptions from, or in transactions not subject to, the registration requirements of, the Securities Act and applicable state securities laws. In general, the old notes may not be offered or sold unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws.

Old notes not exchanged pursuant to the exchange offer will continue to accrue interest at 9 $^1/_2$% per annum and will otherwise remain outstanding in accordance with their terms. Holders of old notes do not have any appraisal or dissenters rights under the Delaware General Corporation Law in connection with the exchange offer.

Based on interpretive letters issued by the staff of the SEC to third parties in unrelated transactions, we are of the view that new notes issued pursuant to the exchange offer may be offered for resale, resold or otherwise transferred by holders thereof (other than any such holder which is our affiliate within the meaning of Rule 405 under the Securities Act or any broker-dealer that purchases notes from us to resell pursuant to Rule 144A or any other available exemption), without compliance with the registration and prospectus delivery provisions of the Securities Act. This is the case provided that such new notes are acquired in the ordinary course of such holders business and such holders have no arrangement or understanding with any person to participate in the distribution of such new notes. If any holder has any arrangement or understanding with respect to the distribution of the new notes to be acquired pursuant to the exchange offer, such holder:

- could not rely on the applicable interpretations of the staff of the SEC; and
- must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction.

A broker-dealer who holds old notes that were acquired for its own account as a result of market-making or other trading activities may be deemed to be all underwriter within the meaning of the Securities Act and must, therefore, deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of new notes. Each broker-dealer that receives new notes for its own account in exchange for old notes, where the old notes were acquired by the broker-dealer as a result of market-making activities or other trading activities, must acknowledge in the letter of transmittal that it will deliver a prospectus in connection with any resale of such new notes.

The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for old notes where such old notes were acquired by such broker-dealer as a result of market-making or other trading activities. Pursuant to the registration rights agreement, we have agreed to make this prospectus, as it may be amended or supplemented from time to time, available to broker-dealers for use in connection with any resale for a period of one year following the effective date. See Plan of Distribution.

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We have not requested the staff of the SEC to consider the exchange offer in the context of a no-action letter, and there can be no assurance that the staff would take positions similar to those taken in the interpretive letters referred to above if we were to make such a no-action request.

In addition, to comply with the securities laws of applicable jurisdictions, the new notes may not be offered or sold unless they have been registered or qualified for sale in the applicable jurisdictions or an exemption from registration or qualification is available and is complied with. We have agreed, under the registration rights agreement and subject to specified limitations therein, to register or qualify the new notes for offer or sale under the securities or blue sky laws of the applicable jurisdictions in the United States as any selling holder of the notes reasonably requests in writing.

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BUSINESS

Company Overview

We are a leading provider of onshore seismic data to the oil and gas industry in North America. We own an extensive library of proprietary onshore and offshore geological data that we have accumulated since our inception in 1982. We believe our data library is the largest three-dimensional (3D) onshore database available for licensing in North America and includes leading positions in oil- and liquids-rich unconventional plays.

As of June 7, 2013, we own 39,000 square miles of 3D onshore data, consisting of 25,950 U.S. square miles (67%) and 13,050 Canadian square miles (33%). We have a leading market position in key geographies that benefit from the ongoing growth in North American unconventional onshore oil and gas activity. Approximately 48.7% of our 3D onshore library is comprised of data located in unconventional plays, and currently we have an additional 1,350 square miles of 3D onshore data in progress in those areas. Since 2008, we have embarked upon a campaign to acquire data in key unconventional plays, including oil- and liquids-rich North American plays such as the Eagle Ford/Woodbine and Niobrara/Bakken, where we own a combined 8,100 square miles of 3D unconventional data. Our library also includes data in other oil- and liquids-rich plays including, in the U.S., Utica/Marcellus and Granite Wash (Panhandle Plays) and, in Canada, the Montney and Cardium. Recently, we began acquiring a new seismic data program in the Permian basin. Including data in progress, we have grown our 3D onshore unconventional library by 12.5% compounded annually since the beginning of 2008.

Our business model is to acquire data selectively in geological formations that we believe will support drilling from a variety of oil and gas producers over an extended period of time. We design and manage new surveys and license them to initial clients which typically fund a significant portion (approximately 50% 70%) of the total cost of each survey (referred to as client underwriting). We own 100% of the acquired data and license it to additional parties on a non-exclusive basis. Such resales are unlimited in both time and amount and require minimal incremental cash costs, leading to a rapid payback period on new investments of typically less than three years and high returns thereafter. Our long-lived, diverse data library built over three decades continues to provide value to our customers, with 52% of our 2012 3D onshore resale revenue coming from data over 5 years old, including resales of data from vintages as early as 1994.

We believe that we have low fixed costs and a highly flexible operating model, as we do not own any seismic survey equipment or directly employ field personnel. Instead, we outsource those functions by contracting with third-party specialists, as required, in various facets of the data acquisition process in order to complete surveys to expand our data library. We also use sales commissions to create incentives for our sales force while matching our costs to our achieved sales. We believe this business model provides enhanced flexibility, allowing us to optimize our level of investment for the market environment and resulting in substantially lower cash flow volatility by enabling us to respond quickly to changes in demand and shifts in client geographic focus.

We serve a market which includes over 1,600 companies in the oil and gas industry. Our customers include large independent and major integrated oil and gas companies, as well as small- and mid-cap exploration and production companies. The importance of geological data in the exploration and development process drives demand for data in our library. Specifically, our customers use seismic data to identify geographical areas where subsurface conditions are favorable for oil and gas exploration and to optimize development and production of oil and gas reserves. Seismic data provides valuable insight for operators, including a target zone s thickness, as well as faulting pattern complexity, helping with the design of horizontal drilling programs and minimizing the potential for uneconomic wells.

We are a private company controlled by ValueAct and Centerbridge. Our 2012 Cash Sales and Cash EBITDA were $141.9 million and $115.3 million, respectively, and total revenue and Adjusted EBITDA were $240.5 million and $213.9 million, respectively. For the three months ended March 31, 2013, our Cash Sales and

Cash EBITDA were $23.9 million and $16.7 million, respectively, and total revenue and Adjusted EBITDA were $51.4 million and $44.1 million, respectively. See pages 17 to 21 for an explanation of Cash Sales, Cash EBITDA and Adjusted EBITDA.

We are incorporated under the laws of the State of Delaware. Our principal executive offices are in Houston, Texas.

Seismic Data

Oil and gas companies consider seismic data an essential tool in finding and exploiting hydrocarbons. Oil and gas companies use seismic data in oil and gas exploration and development efforts to increase the probability of drilling success. Further, seismic data analysis can increase recoveries of reserves from existing, mature oil fields by optimizing the drilling location of development wells and by revealing additional, or stepout, locations that would not otherwise be apparent. With the shift to unconventional plays, E&P companies now use seismic data in the unconventional plays as a development tool to better identify efficient drilling plans and maximize production by identifying and understanding a series of critical characteristics of the targeted resource. The cost of seismic data is less than 1% of the total cost of exploration for most projects, but provides substantial benefits to operators. 3D seismic data provides a graphic depiction of the earth s subsurface from two horizontal dimensions and one vertical dimension, rendering a more detailed picture than two-dimensional (2D) data, which presents a cross-sectional view from one vertical and one horizontal dimension. The more comprehensive geophysical information provided by 3D surveys significantly enhances an interpreter s ability to evaluate the probability of the existence and location of oil and gas deposits. However, the cost to create 3D seismic data is significantly more than the cost to create 2D seismic data. As a result, 2D data continues to be used by clients for preliminary, broad-scale exploration evaluation, as well as in determining the location and design of 3D surveys. 3D surveys can then be used for more detailed analysis to maximize actual drilling potential and success.

Although we amortize our seismic data over a maximum period of four years, much of our seismic data has continued to generate licensing revenue past the amortization period. Assuming the data is sampled and gathered adequately in the field recording phase, it is amenable to re-evaluation and re-presentation multiple times, using new or alternate processing techniques or updated knowledge of the Earth model.

Management believes the level of resales from various vintages of our investment in seismic data is useful in order to assess the resiliency and value of our seismic data library. Management considers estimated longevity of and foreseeable demand for data in determining whether to undertake new data acquisition projects. For the year ended December 31, 2012, resale revenue from 3D onshore data was recognized from net historical investments made in the indicated periods (in thousands):

	Resale Revenue	Percentage	Net Investment(1)	Percentage
Investments prior to 2008	$ 63,142	52%	$ 439,197	66%
Investments 2008 through 2012	58,150	48%	223,101	34%
Total 3D onshore	$ 121,292	100%	$ 662,298	100%

(1) Net investment reflects total data cost less client underwriting before fair value adjustments resulting from the Merger.

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The following table presents a reconciliation of resale revenue for 3D onshore to total revenue for the year ended December 31, 2012 (in thousands):

Total resale revenue 3D onshore	$ 121,292
Other revenue components:	
Other resale revenue (principally 2D and offshore)	6,239
Acquisition underwriting revenue	107,254
Solutions and other revenue	5,673
Total revenue	$ 240,458

The following table presents a reconciliation of net historical investment for 3D onshore data (a non-GAAP financial measure) to net book value at December 31, 2012 (the most directly comparable GAAP financial measure) (in thousands):

Net historical investment in seismic data 3D onshore	$	662,298
Add:		
Acquisition underwriting revenue 3D onshore		694,780
Other seismic data investment (principally 2D and offshore)		384,803
Foreign currency translation		41,306
Seismic projects in progress		84,907
Fair value adjustment resulting from Merger		275,235
Less:		
Historical impairment charges		(112,923)
Accumulated amortization (including historical amounts pre-Merger)		(1,850,289)
Net book value	$	180,117

Data Library Overview

We believe our data library is the largest 3D onshore database available for licensing in North America. We have built our 3D onshore library over more than 20 years with over $1.5 billion in gross investments and we view our library as an asset that would be time- and cost-prohibitive for others to replicate. Approximately 48.7% of our 3D onshore library is comprised of data located in unconventional plays, and we currently have an additional 1,350 square miles of 3D onshore data in progress in those areas. We believe we are well positioned in oil- and liquids-rich plays such as the Eagle Ford/Woodbine, Niobrara/Bakken, Utica/Marcellus, Granite Wash (Panhandle Plays), Montney and Cardium with 19,000 miles of data in unconventional areas.

Our library also consists of data targeted at conventional plays and shot before we embarked on our current strategy of targeting data from unconventional plays. We also own a library of 3D offshore data covering parts of the shelf and certain deep water areas in the Western and Central U.S. Gulf of Mexico. In addition, we own or manage approximately 1.1 million linear miles of 2D data concentrated primarily in North America, both onshore and offshore.

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The following table describes our 3D seismic data library, as of June 7, 2013:

3D Seismic library overview as of June 7, 2013

	Completed surveys		Surveys in Progress
	Square miles(a)	**% of total**	**Square miles(a)**
Eagle Ford/Woodbine	5,500	11%	400
Niobrara/Bakken	2,600	5%	
Haynesville	1,350	3%	
Utica/Marcellus	750	2%	450
Granite Wash (Panhandle Plays)	650	1%	100
Permian Basin(b)			400
Conventional 3D	15,100	30%	
Total U.S. onshore	25,950	52%	1,350
Montney	3,750	8%	
Cardium	3,350	7%	
Horn River	1,050	2%	
Conventional 3D	4,900	10%	
Total Canada	13,050	27%	
Total onshore	39,000	79%	1,350
U.S. offshore	10,500	21%	
Worldwide total	49,500	100%	1,350

(a) Square miles reflect mileage net to our revenue interest.

(b) Existing surveys in the Permian have not yet been reclassified from U.S. conventional 3D pending identification of the areal extent of the play.

The following chart depicts our unconventional 3D libraries by plays as a percentage of total square miles of unconventional 3D data, as of June 7, 2013:

Unconventional 3D library by play

19,000 square miles unconventional onshore 3D data

Our data library is a highly valuable asset that has historically generated strong returns on capital. As of March 7, 2012, the appraised value of our data library was $467.0 million. Since then, we have committed approximately $60 million net investment and approximately $150 million gross investment towards acquiring approximately 2,800 square miles of additional data. The technical and informational usefulness of our data has generally not declined over time. Demand for data is driven by the level and location of customer exploration and development activity and not the age of the data. Because of our positioning in favorable geographies and the long life of the data, there is significant built-in potential for repeat licensing of data at little or no marginal cost. The existing library is highly defensible as the customer s cost of licensing data is typically much lower than the cost of creating a new survey, thus there is little incentive for competitors to survey areas where we already have data.

Virtually all capital expenditures are additive to our library, as we have minimal true maintenance capital expenditure requirements. However, we estimate that approximately $25 million of net cash capital expenditures are required annually to offset declines in contribution from older data, depending on the areas in which customers are focusing their exploration and production activity. In 2012, we invested $87.5 million of net cash capital expenditures (defined as total capital expenditures net of client-funded cash underwriting and non-cash additions to the library) to grow our 3D data library and for 2013, our budgeted net cash capital expenditures are $60.0 million. We have $25.5 million net cash capital expenditures in our data acquisition backlog as of June 7, 2013. In 2012, we completed approximately 2,800 square miles of 3D data that was added to our library. In 2013, we expect to add approximately 2,400 square miles to our library, of which 1,800 had been added to our library as of June 7, 2013. See pages 17 and 19 for an explanation of net cash capital expenditures.

Onshore U.S. and Canada: Since 2008, our capital investment in both the U.S. and Canada has been focused on unconventional plays, initially in the shale gas areas and, since 2011, shifting towards oil- and liquids-rich objectives. These shifts in focus are made in accordance with the activity of our clients and our ability to serve them is an important component of our growth strategy.

The U.S. 3D onshore conventional sector of our seismic data library is mainly comprised of our Gulf Coast Texas and southern Louisiana/Mississippi components, which we began accumulating in 1993. We also have relatively small amounts of 3D seismic data in other areas, such as Alabama, California, Michigan, Northern Louisiana and West Texas, as well as an extensive 2D data library that continues to contribute to our licensing sales.

The Canadian 3D onshore conventional sector of our seismic data library is mainly comprised of data within the Western Canadian Basin, which we began accumulating in 1998. We also have an extensive 2D data library that continues to contribute to our licensing sales.

Offshore U.S. Gulf of Mexico: Our library of offshore data covers parts of the U.S. Gulf of Mexico shelf and certain deep water areas in the Western and Central U.S. Gulf of Mexico. We have accumulated our U.S. Gulf of Mexico 3D offshore data since 1993. Although we have not shot new offshore surveys since 2002, on occasion, we add offshore Gulf of Mexico data through non-monetary exchanges.

Data Library Growth

We regularly add to our library of seismic data by: (1) recording new data, (2) buying ownership of existing data for cash, (3) acquiring ownership of existing data through non-monetary exchanges or (4) creating new value-added products from data existing within our library.

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Underwritten Data Acquisitions: We design and manage new seismic surveys that are specifically suited to the geology and environmental conditions of the area using the most appropriate technology available. Typically, one or more customers will underwrite or fund a significant portion of the direct cost in exchange for a license or licenses to use the resulting data. Under the terms of these licenses, the customers may occasionally have a limited exclusivity period. We consider the contracts signed up to the time we make a firm commitment to create the new seismic survey as underwriting or pre-funding. Any subsequent licensing of the data while it is in progress or once it is completed is considered a resale license. All of our data acquisition activity during 2012 occurred in unconventional plays, primarily the Eagle Ford/Woodbine in Texas, Utica/Marcellus in Pennsylvania and West Virginia, Niobrara in Colorado, Granite Wash (Panhandle Plays) in North Texas and Oklahoma, and both Montney and Cardium in Western Canada. All field work on these projects is outsourced to subcontractors. A significant percentage of the data processing for our U.S. projects is processed by our wholly-owned subsidiary Seitel Data Processing, Inc. Until 2012, all of the data processing for our Canadian projects had been outsourced to local subcontractors. In 2012, we formed an internal data processing group in Canada that began processing data acquired in Canada and will continue to undertake a high percentage of the processing work on our Canadian projects. We employ experienced geoscientists who design seismic programs and oversee field acquisition and data processing to ensure the quality and longevity of the data created.

Cash Purchases: We purchase data for cash from oil and gas companies, other seismic companies or financial investors in seismic data when opportunities arise and that meet our investment criteria.

Non-Monetary Exchanges: We grant our customers a non-exclusive license to selected data from our library in exchange for ownership of seismic data from the customer. The data that we receive is distinct from the data that is licensed to the customer. These transactions will tend to be for individual surveys or groups of surveys, rather than whole libraries. Occasionally, we also use non-monetary exchanges in conjunction with data acquisitions and cash purchases. In addition, we may receive advanced data processing services on selected existing data in exchange for a nonexclusive license to selected data from our library.

Value-Added Products: We create new products from existing seismic surveys in our library by extracting a variety of additional information from these surveys that was not readily apparent in the initial products. Opportunities to extract such additional information and create such additional products may result from information from secondary sources, alternative conclusions regarding the initial products and applying alternate or more complex processes to the initial products, or some combination of these factors. Additional products may include Pre-Stack Depth Migration volumes, Amplitude Versus Offset volumes, Complex Attribute volumes, and Rock Property volumes. Typically, one or more customers will underwrite a portion of the direct cost involved in these products in exchange for a license or licenses to use the resulting data. Under such licenses, the customers may have exclusive access to the newly acquired data for a limited term. After this limited term of exclusivity, the data is added to our library for licensing to the industry on a non-exclusive basis. Work on these projects may be performed by our internal processing groups, outsourced to specific specialists in the arena or conducted under an alliance with a particular specialist. We employ experienced geoscientists who design these value-added products and oversee the processing to ensure the quality and longevity of the data created.

Competitive Strengths

We believe we have the following competitive strengths:

Large and Diverse Data Library with Leading Market Position in Key Oil- and Gas-Producing Regions: We believe we have the largest 3D onshore seismic data library available for licensing in North America. Our 3D onshore library has been built through a gross investment of over $1.5 billion, over $700 million net of underwriting, since 1994. Our data covers a diverse range of oil- and gas-producing regions in the United States and Canada and we believe it provides us with leading positions in oil- and liquids-rich unconventional plays. As of June 7, 2013, we have 19,000 square miles of unconventional 3D onshore data, and all of our data acquisition backlog as of June 7, 2013 is directed to oil- and liquids-rich unconventional plays. We

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have grown our 3D onshore unconventional library by 12.5% compounded annually since the beginning of 2008, including surveys in progress. Moving forward, further development of existing plays, as well as exploration of new unconventional plays, including the Mowry, Point Pleasant and Woodbine in the U.S. and Duvernay in Canada, represent areas of key growth potential.

The size and coverage of our seismic data library enables us to capitalize on the favorable trends in the North American oil- and gas-exploration market. Our competitive advantage is driven by our ability to:

- Successfully bid for new seismic surveys that are in our areas of focus as a result of our knowledge of data return characteristics for similar data in our existing library;