

ZEIDMAN FRED S
Form 4
February 16, 2007

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
ZEIDMAN FRED S

(Last) (First) (Middle)
10811 S. WESTVIEW
CIRCLE, BUILDING C, STE. 100
(Street)

HOUSTON, TX 77043

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
SEITEL INC [SELA]

3. Date of Earliest Transaction
(Month/Day/Year)
02/14/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
Chairman of the BOD

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Stock, par value \$.01	02/14/2007		D	75,329	D 0	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)				
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount of Number of Shares
Option - Right to buy ⁽²⁾	\$ 1.3	02/14/2007		D		100,000		07/02/2005	07/02/2014	Common Stock	100,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ZEIDMAN FRED S 10811 S. WESTVIEW CIRCLE BUILDING C, STE. 100 HOUSTON, TX 77043	X			Chairman of the BOD

Signatures

/s/ Fred S. Zeidman by /s/ Marcia H. Kendrick
 Date: 02/16/2007
**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- These shares of common stock include 57,796 shares of unvested restricted common stock which were vested in the merger. All shares
- (1) were converted in the merger into (i) the right to receive a cash payment of \$278,717.30, representing 75,329 shares of stock multiplied by \$3.70, the consideration for shares of Seitel's common stock in the merger.
 - (2) This option, which provided for vesting on July 2, 2005, was cancelled in the merger in exchange for a cash payment of \$240,000.00, representing 100,000 multiplied by \$3.70, the consideration for shares of Seitel's common stock in the merger, minus the strike price of \$1.30 per share.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.