SEITEL INC Form 4 July 18, 2006

FORM 4

OMB APPROVAL

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

OMB 3235-0287 Number:

Check this box if no longer subject to Section 16. Form 4 or

January 31, Expires: 2005

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Estimated average burden hours per response... 0.5

Form 5 obligations may continue. See Instruction

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

1(b).

(Print or Type Responses)

1. Name and Ad CALLAGHA	•	_	2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer			
a			SEITEL INC [SELA]	(Check all applicable)			
(Last)	(First)	(Middle)	3. Date of Earliest Transaction				
			(Month/Day/Year)	Director 10% Owner			
10811 S. WESTVIEW			07/14/2006 $X Officer (give title)$				
CIRCLE, BUILDING C, STE. 100				below) below) COO, Executive Vice President			
	(Street)		4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check			
HOUSTON,	TX 77043		Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person			
(City)	(State)	(Zip)	Table I. Non Derivative Securities Ac	quired Disposed of or Ranaficially Owner			

(City)	(State) (2	Table	I - Non-De	erivative S	ecurit	ties Acc	quired, Disposed o	of, or Beneficial	lly Owned
1.Title of	2. Transaction Date		3.	4. Securit			5. Amount of	6. Ownership	7. Nature of
Security	(Month/Day/Year)	Execution Date, if	Transactio	ransactionAcquired (A) or		Securities	Form: Direct	Indirect	
(Instr. 3)		any	Code	Disposed	of (D)	Beneficially	(D) or	Beneficial
		(Month/Day/Year)	(Instr. 8)	(Instr. 3,	4 and	5)	Owned	Indirect (I)	Ownership
							Following	(Instr. 4)	(Instr. 4)
					()		Reported		
					(A)		Transaction(s)		
					or		(Instr. 3 and 4)		
			Code V	Amount	(D)	Price	` '		
Common									
Stock, par	07/14/2006		F	8.816	D	\$ 0	603.197	D	
value \$.01			_	-,		Ŧ •			
varue 4.01									

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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	2. Conversion	3. Transaction Date (Month/Day/Year)		4. Transactio	5. Mumber	6. Date Exerc Expiration D		7. Title at Amount of		8. Price of Derivative	9. Nu Deriv
Security (Instr. 3)	or Exercise Price of Derivative Security	(монил дау/ теаг)	any (Month/Day/Year)	Code (Instr. 8)	of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/		Underlyin Securities (Instr. 3 a	ng s	Security (Instr. 5)	Secur Bene Owne Follo Repo Trans (Instr
				Code V	(A) (D)	Date Exercisable	Expiration Date	or Title Nu of	umber		

Reporting Owners

Reporting Owner Name / Address	Relationships							
	Director	10% Owner	Officer	Other				
CALLAGHAN KEVIN P 10811 S. WESTVIEW CIRCLE BUILDING C, STE. 100 HOUSTON, TX 77043			COO, Executive Vice President	e				

Signatures

/s/ Kevin P.
Callaghan

**Signature of Reporting Person

O7/18/2006

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).

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.

Reporting Owners 2