ION GEOPHYSICAL CORP

Form 4

August 18, 2008

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

Expires:

January 31, 2005

0.5

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See Instruction

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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 Address of Reporting Person * SMITH SAM K | | | 2. Issuer Name and Ticker or Trading Symbol ION GEOPHYSICAL CORP [IO] | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) | | | |
|---|---------|----------|--|---|--|--|--|
| (Last) | (First) | (Middle) | 3. Date of Earliest Transaction | (Check all applicable) | | | |
| 2105 CITYWEST BOULEVARD, SUITE 400 | | | (Month/Day/Year) 08/14/2008 | Director 10% Owner Officer (give titleX Other (specify below) Former Director | | | |
| (Street) | | | 4. If Amendment, Date Original Filed(Month/Day/Year) | 6. Individual or Joint/Group Filing(Chec Applicable Line) | | | |
| HOUSTON, TX 77042-2839 | | | T Hea(Month Day/ Tear) | _X_Form filed by One Reporting PersonForm filed by More than One Reporting Person | | | |

| (City) | (State) | (Zip) Tak | ole I - Non- | Derivative S | Securi | ties Acquire | d, Disposed of, o | 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. Transactio Code (Instr. 8) | 4. Securitie orDisposed o (Instr. 3, 4 a | f (D) | nired (A) or | 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 Indirect Beneficial Ownership (Instr. 4) |
| Common Stock | 08/14/2008 | | M | 30,000 | A | \$ 10 | 68,949 | D | |
| Common Stock | 08/14/2008 | | M | 20,000 | A | \$ 7.5625 | 88,949 | D | |
| Common Stock | 08/14/2008 | | M | 10,000 | A | \$ 5.25 | 98,949 | D | |
| Common Stock | 08/14/2008 | | M | 10,000 | A | \$ 8.5 | 108,949 | D | |
| Common Stock | 08/14/2008 | | M | 10,000 | A | \$ 8.45 | 118,949 | D | |

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| Common Stock | 08/14/2008 | M | 10,000 | A | \$ 4.35 | 128,949 | D |
|-----------------|------------|---|---------|---|---------------|-----------|---|
| Common Stock | 08/14/2008 | M | 10,000 | A | \$ 4.11 | 1,389,491 | D |
| Common Stock | 08/14/2008 | M | 12,500 | A | \$ 6.75 | 151,449 | D |
| Common Stock | 08/14/2008 | M | 12,500 | A | \$ 7.76 | 163,949 | D |
| Common Stock | 08/14/2008 | S | 125,000 | D | \$ 16.0153 | 38,949 | D |

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

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SEC 1474

(9-02)

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

| 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 orDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amo Underlying Secur (Instr. 3 and 4) | |
|---|---|--------------------------------------|---|---|---|--|--------------------|--|------------------------|
| | | | | Code V | (A) (D) | Date Exercisable | Expiration Date | Title | An or Nu of S |
| Non-employee option (right-to-buy) | \$ 10 | 08/14/2008 | | M | 30,000 | <u>(1)</u> | 06/01/2009 | Common Stock | 30 |
| Non-employee option (right-to-buy) | \$ 7.5625 | 08/14/2008 | | M | 20,000 | 05/31/2000 | 06/28/2009 | Common Stock | 20 |
| Non-employee option (right-to-buy) | \$ 5.25 | 08/14/2008 | | M | 10,000 | (2) | 11/01/2019 | Common Stock | 10 |
| Non-employee option (right-to-buy) | \$ 8.5 | 08/14/2008 | | M | 10,000 | 11/01/2001 | 11/01/2020 | Common Stock | 10 |
| Non-employee option (right-to-buy) | \$ 8.45 | 08/14/2008 | | M | 10,000 | 11/01/2001 | 11/01/2021 | Common Stock | 10 |

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| Non-employee option (right-to-buy) | \$ 4.35 | 08/14/2008 | M | 10,000 | 11/01/2002 | 11/01/2022 | Common Stock | 10 |
|------------------------------------|---------|------------|---|--------|------------|------------|-----------------|----|
| Non-employee option (right-to-buy) | \$ 4.11 | 08/14/2008 | M | 10,000 | 11/01/2003 | 11/01/2023 | Common Stock | 10 |
| Non-employee option (right-to-buy) | \$ 6.75 | 08/14/2008 | M | 12,500 | 11/01/2004 | 11/01/2024 | Common Stock | 12 |
| Non-employee option (right-to-buy) | \$ 7.76 | 08/14/2008 | M | 12,500 | 11/01/2005 | 11/01/2025 | Common Stock | 12 |

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

SMITH SAM K

2105 CITYWEST BOULEVARD
SUITE 400
Former Director

HOUSTON, TX 77042-2839

Signatures

/s/ Debra A. Addington, attorney-in-fact 08/18/2008

**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).
- (1) The option vested in three equal annual installments on June 28 of 2000, 2001, and 2002.
- (2) The option vested in equal annual installments on November 1st of 2000 and 2001.

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 3