

**ENTERED**

July 29, 2022

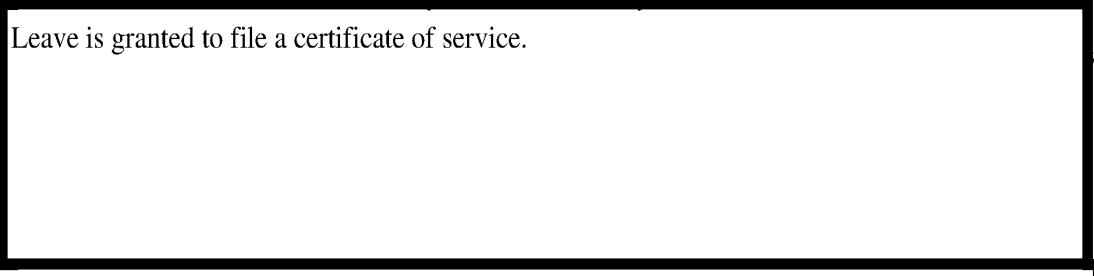
Nathan Ochsner, Clerk

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

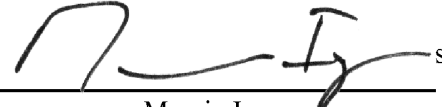
_____	)	Chapter 11
In re:	)	
	)	Case No. 22-30987 (MI)
ION GEOPHYSICAL CORPORATION., <i>et al.</i> , <sup>1</sup>	)	
	)	(Jointly Administered)
Debtors.	)	
	)	

**STIPULATION AND AGREED ORDER FOR LIMITED RELIEF FROM THE  
AUTOMATIC STAY TO EFFECTUATE A SETOFF**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) and  
Leave is granted to file a certificate of service.



Signed: July 29, 2022

  
 \_\_\_\_\_  
 Marvin Isgur  
 United States Bankruptcy Judge

of the Federal Rules of Bankruptcy Procedure (the Bankruptcy Rules), (collectively, the Chapter  
11 Cases”). The Debtors continue to operate their business and manage their properties as debtors  
in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are: ION Geophysical Corporation (6646); I/O Marine Systems, Inc. (3230); ION Exploration Products (U.S.A.), Inc. (1394); and GX Technology Corporation (0115). The location of the Debtors’ service address is 4203 Yoakum Blvd., Suite 100, Houston, Texas 77006.

**WHEREAS**, ION Geophysical Corporation (“ION”), a Debtor in the Chapter 11 Cases, entered into that certain *Continuing Agreement for Standby Letters of Credit*, dated May 27, 2010 (the “Agreement”), which established the terms by which Citibank would issue certain letters of credit on account of ION.

**WHEREAS**, ION also executed that certain *Assignment of Deposit Account*, dated May 27, 2010 (the “Deposit Agreement”), by which ION granted to Citibank a first-priority interest in, lien on, and exclusive control over a certain account ending in 2233 maintained by ION at Citibank (the “Account”), and the funds contained in the Account secure ION’s reimbursement obligations under any letter of credit issued by Citibank, including any principal, interest, fees, expenses or otherwise, together with all costs of collection or enforcement, including, without limitation, reasonable attorneys’ fees incurred in any judicial proceeding, including, without limitation, bankruptcy or reorganization proceedings.

**WHEREAS**, on June 2, 2020, pursuant to the Agreement, Citibank issued that certain irrevocable standby letter of credit (collectively with any amendments, modifications, or supplements thereto, the “Letter of Credit”) in the aggregate amount of \$50,000.00 on ION’s behalf and in favor of Travelers Casualty and Surety Company of America and its parents, affiliates and subsidiaries, as beneficiary (the “Beneficiary”). On July 1, 2020, the Letter of Credit amount was increased to \$300,000.00.

**WHEREAS**, on May 25, 2022, Citibank received a draw request for \$300,000.00 against the Letter of Credit (the “Draw”) from the Beneficiary, which Citibank honored in full on June 2, 2022.

**WHEREAS**, on the Petition Date, Citibank’s secured claim consisted of Debtor’s potential reimbursement obligations under the Agreement of \$300,000, plus interest, fees, expenses or

otherwise, together with all costs of collection or enforcement, including, without limitation, reasonable attorneys' fees incurred in any judicial proceeding, including, without limitation, bankruptcy or reorganization proceedings.

**WHEREAS**, pursuant to the Agreement, Citibank has the right to use the funds in the Account to recoup and setoff the Draw.

**WHEREAS**, the Debtors have agreed to reimburse Citibank for the Beneficiary's draw of the Letter of Credit in an amount that totals \$300,060.57, in addition to any interests, fees, and expenses arising from the Draw (the "Reimbursement Amount") and allow Citibank a general unsecured claim for any Reimbursement Amounts in excess of the funds in the Account.

**WHEREAS**, as of the date hereof, the Parties have agreed to lift the automatic stay under section 365 of the Bankruptcy Code solely for the purpose of authorizing Citibank to effectuate a setoff to obtain the Reimbursement Amount from the Account pursuant to the Letter of Credit and this Stipulation and Order.

**NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED AND UPON APPROVAL BY THE BANKRUPTCY COURT OF THIS STIPULATION, THE FOLLOWING IS SO ORDERED:**

1. This Stipulation and Agreed Order shall only be effective and enforceable upon its approval and entry by the Bankruptcy Court on the docket for the Chapter 11 Cases, and then it shall be immediately effective and enforceable.

2. The foregoing recitals are hereby incorporated by reference into this Stipulation and Agreed Order.

3. The automatic stay under section 362 of the Bankruptcy Code is hereby modified solely to permit Citibank to effectuate a setoff with respect to the Reimbursement Amount from

the Account. Citibank shall have an allowed prepetition general unsecured claim against ION for any difference between the Reimbursement Amount and the total funds in the Account as of the date hereof in the amount of \$10,000.00 (the "General Unsecured Claim").

4. Upon the Bankruptcy Court's approval and entry of this Stipulation and Agreed Order, Citibank's proof of claim (Claim No. 8) shall be deemed disallowed, except with respect to the General Unsecured Claim. These agreed upon terms may be reflected on the Bankruptcy Court's official claims register. For the avoidance of doubt, nothing in this Stipulation and Agreed Order shall be, or be deemed to be, a satisfaction, settlement, release or discharge of any claim of Citibank in any capacity other than as issuer of the Letter of Credit.

5. Nothing in this Stipulation and Agreed Order nor any actions taken pursuant hereto shall be deemed as (i) an admission as to the validity of any claim against any Debtor entity for the Reimbursement Amount or Draw, (ii) a waiver of any Party's right to dispute the Draw, whether pursuant to the Agreement, the Letter of Credit, or otherwise, (iii) a promise or requirement to pay any alleged claim arising from the Draw other than as set forth in this Stipulation and Order, or (iv) a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code.

6. Neither this Stipulation and Agreed Order nor any actions taken pursuant hereto shall constitute evidence admissible against the Parties in any action or proceeding other than one to enforce the terms of this Stipulation and Agreed Order.

7. The Parties intend for this Stipulation and Agreed Order to be binding upon their successors, agents, assigns, including bankruptcy trustees and estate representatives and any parent, subsidiary, or affiliated entity of the Parties.

8. The undersigned hereby represent and warrant that they have full authority to

execute this Stipulation and Agreed Order on behalf of the respective Parties and that the respective Parties have full knowledge of and have consented to this Stipulation and Agreed Order.

9. This Stipulation and Agreed Order constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior discussions, agreements, and understandings, both written and oral, among the Parties with respect thereto.

10. This Stipulation and Agreed Order shall not be modified, altered, amended, or supplemented except pursuant to a written agreement between the Parties or their authorized representatives or an order that the Bankruptcy Court may enter on the docket for the Chapter 11 Cases.

11. The Bankruptcy Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Stipulation and Agreed Order, and the Parties hereby consent to such jurisdiction to resolve any disputes or controversies arising from or related to this Stipulation and Agreed Order.

Dated: \_\_\_\_\_, 2022  
Houston, Texas

\_\_\_\_\_  
UNITED STATES BANKRUPTCY JUDGE

IN WITNESS WHEREOF, the Parties, by their authorized counsel, executed this Stipulation and Agreed Order as of the date written below.

/s/ Daniel J. McGuire  
**WINSTON & STRAWN LLP**

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-and-

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*Counsel to the Debtors and Debtors in Possession*

/s/ Anthony Pirraglia  
**Holland & Knight LLP**

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-and-

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*Counsel to Citibank, N.A.*

United States Bankruptcy Court  
Southern District of Texas

In re:  
ION Geophysical Corporation  
I/O Marine Systems, Inc.  
Debtors

Case No. 22-30987-mi  
Chapter 11

## CERTIFICATE OF NOTICE

District/off: 0541-4  
Date Rcvd: Jul 29, 2022

User: ADIuser  
Form ID: pdf002

Page 1 of 2  
Total Noticed: 32

The following symbols are used throughout this certificate:

Symbol	Definition
+	Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.
^	Addresses marked '^' were sent via mandatory electronic bankruptcy noticing pursuant to Fed. R. Bank. P. 9036.

**Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Jul 31, 2022:**

Recip ID	Recipient Name and Address
db	+ GX Technology Corporation, 4203 Yoakum Blvd., Suite 100, Houston, TX 77006, UNITED STATES 77006-5455
db	+ I/O Marine Systems, Inc., 5000 River Road, Harahan, LA 70123, UNITED STATES 70123-5314
db	+ ION Exploration Products (USA) Inc., 4203 Yoakum Blvd., Suite 100, Houston, TX 77006, UNITED STATES 77006-5455
db	+ ION Geophysical Corporation, 4203 Yoakum Blvd., Suite 100, Houston, TX 77006-5455
aty	+ Mette Kurth, Culhane Meadows PLLC, 3411 Silverside Rd, Ste 104-13, Wilmington, DE 19810-4812
intp	+ Alexandros Kessarlis, 4908 North Kentucky Ave, Chicago, IL 60630-2577
cr	+ AmTrust North America, Inc. on behalf of Wesco Ins, c/o Maurice Wutscher LLP, 23611 Chagrin Blvd. Suite 207, Beachwood, OH 44122-5540
cr	+ Angola Geoscience Service, 5555 West Loop South, Suite 235, Houston, LA 77401-2100
cr	+ Anthony Boncimino, 800 Rathbun Ave, Staten Island, NY 10309-2409
cr	+ Cobra Acquisition Services, SA and Cobra Cayman, L, c/o Law Office of Tom Kirkendall, 2 Violetta Ct, The Woodlands, TX 77381-4550
cr	+ David Oreck LLC, 147 Carondelet Street, New Orleans, LA 70130, UNITED STATES 70130-2586
cr	+ Digital Greenspoint LP, c/o Reich Reich & Reich, P.C., 235 Main Street, Suite 450, White Plains, NY 10601-2421
cr	+ Edmond Halltari, 5 Totman Dr, Apt 5, Woburn, MA 01801-5436
intp	+ Exion LLC, 2018 Morse Street, Houston, TX 77019-6115
intp	+ Fairfield Industries Incorporated, 60 East 42nd Street, 55th Floor, New York, NY 10165-0035
cr	+ Geophysical Pursuit, Inc. and Seismic Exchange Inc, c/o Jackson Walker LLP, Attn: Bruce J. Ruzinsky, 1401 McKinney Street, Suite 1900, Houston, TX 77010-1900
cr	+ Journyx, Inc., 303 Colorado Street, Suite 2300, Austin, TX 78701, UNITED STATES 78701-0021
intp	+ Kenneth Williamson, 2018 Morse Street, Houston, TX 77019-6115
cr	+ Oracle America, Inc., Buchalter, A Professional Corporation, c/o Shawn M. Christianson, 425 Market St., Suite 2900, San Francisco, CA 94105-2491
intp	+ PKY-2101 CITYWEST 3&4, LP, Michael S. Held, Jackson Walker LLP, 2323 Ross Avenue, Suite 600 Houston, TX 75201-2725
cr	Patrick Morin, 438 Cote St, Ottawa Ontario, CA K1K1A5
intp	Sercel Holding SAS, 16 rue de Bel Air, 44470 Carquefou, FRANCE
intp	+ TGS ASA, c/o Bradley, Attn: James B. Bailey, 1819 Fifth Avenue North, Birmingham, AL 35203-2120
cr	+ The Government of Barbados, c/o Chamberlain Hrdlicka, Attention: Jarrod B. Martin, 1200 Smith Street, Suite 1400 Houston, TX 77002-4496
cr	+ The Trustees of Columbia University in the City of, 80 Claremont Ave. 4th Floor, MC 9606, New York City, NY 10027-5747
cr	+ Travis County, c/o Jason A. Starks, P.O. Box 1748, Austin, TX 78767-1748
intp	+ WesternGeco, LLC, c/o John Baay, Suite 4800, 701 Poydras Street, New Orleans, LA 70139-7756

TOTAL: 27

**Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.**

Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI). Electronic transmission is in Eastern Standard Time.

Recip ID	Notice Type: Email Address	Date/Time	Recipient Name and Address
cr	+ Email/Text: <a href="mailto:bnkatty@aldineisd.org">bnkatty@aldineisd.org</a>	Jul 29 2022 20:04:00	ALDINE, ALDINE INDEPENDENT SCHOOL DISTRICT, LEGAL DEPARTMENT, 2520 W.W. Thorne Blvd., Houston, TX 77073, UNITED STATES 77073-3406
cr	+ Email/Text: <a href="mailto:houston_bankruptcy@LGBS.com">houston_bankruptcy@LGBS.com</a>	Jul 29 2022 20:04:00	Cypress Fairbanks ISD, Linebarger Goggan Blair & Sampson LLP, c/o Tara L. Grundemeier, P.O. Box 3064, Houston, TX 77253-3064
cr	Email/Text: <a href="mailto:houston_bankruptcy@LGBS.com">houston_bankruptcy@LGBS.com</a>	Jul 29 2022 20:04:00	Fort Bend County, Linebarger Goggan Blair &

District/off: 0541-4  
Date Rcvd: Jul 29, 2022

User: ADIuser  
Form ID: pdf002

Page 2 of 2  
Total Noticed: 32

cr	+ Email/Text: houston_bankruptcy@LGBS.com	Jul 29 2022 20:04:00	Sampson LLP, C/O Tara L. Grundemeier, P.O. Box 3064, Houston, TX 77253-3064
cr	^ MEBN	Jul 29 2022 20:03:00	Harris County, Linebarger Goggan Blair & Sampson LLP, c/o Tara L. Grundemeier, P.O. Box 3064, Houston, TX 77253-3064
			Texas Comptroller of Public Accounts, Revenue Acco, Courtney J. Hull, P.O. Box 12548, Austin, TX 78711-2548

TOTAL: 5

## BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, \*duplicate of an address listed above, \*P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

Recip ID	Bypass Reason	Name and Address
intp		Ad Hoc Group of First Lien Lenders and Second Lien
cr		Alief Independent School District
cr		Apache Corporation
cr		Apache Energy Ltd.
cr		Apache Kenya Ltd.
cr		Apache Suriname Corp LDC
cr		BGP Inc.
cr		BGP Offshore
cr		Chevron U.S.A. Inc.
cr		Christopher Corona, US
cr		Citibank, N.A.
cr		Directorate General of Hydrocarbons, Government of
op		Epiq Corporate Restructuring, LLC
cr		INOVA Geophysical, Inc.
cr		Life Insurance Company of North America
cr		MGAI LLP
cr		Official Committee of Unsecured Creditors of ION G
cr		PGS Exploration (UK), Ltd.
cr		PGS Geophysical AS
cr		Shearwater GeoServices Limited
cr		Starr Indemnity & Liability Company
intp		The Board of Directors of Ion Geophysical Corporat
cr		USI Insurance Services, LLC
cr		USI Southwest, Inc.
cr		United States
cr		Wilmington Savings Fund Society, FSB, as Trustee f

TOTAL: 26 Undeliverable, 0 Duplicate, 0 Out of date forwarding address

## NOTICE CERTIFICATION

**I, Gustava Winters, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.**

**Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.**

Date: Jul 31, 2022

Signature: /s/Gustava Winters