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

FORM 10-K/A

Amendment No. 1

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2009

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to .

Commission File Number 01-14908

TGC INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

Texas	**74-2095844**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
101 East Park Blvd., Suite 955, Plano, Texas	**75074**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(972) 881-1099**

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, par value $.01 per share	**The NASDAQ Stock Market LLC**
(Title of Class)	(Name of exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (229.405) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer x
Non-accelerated filer o	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold as of the last business day of the Registrant's most recently completed second fiscal quarter was $64,577,846.

Number of shares of Common Stock outstanding as of February 26, 2010: 18,285,288

Documents incorporated by reference

Listed below are documents, parts of which are incorporated herein by reference, and the part of this report into which the document is incorporated:

Proxy statement for the 2010 annual meeting of shareholders — Part III

Part I

EXPLANATORY NOTE

The purpose of this Form 10-K/A is to amend Part II, Item 8 and Item 9A of the TGC Industries, Inc. Form 10-K (the “Original Filing”) for the fiscal year ended December 31, 2009, as filed with the Securities and Exchange Commission on March 16, 2010, to include a signed copy of the Report of Independent Registered Public Accounting Firm (the “Report”). The Original Filing inadvertently included an unsigned copy of the Report. Except for providing a signed copy of the Report, this Form 10-K/A does not reflect any events that occurred after the filing of the Original Filing nor does it modify, amend or update any disclosures contained in the Original Filing to reflect any subsequent events.

PART II

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Consolidated Financial Statements
December 31, 2009, 2008, and 2007

CONTENTS

Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders
TGC Industries, Inc. and Subsidiary

We have audited the accompanying consolidated balance sheets of TGC Industries, Inc. and Subsidiary (“the Company”) as of December 31, 2009 and 2008, and the related consolidated statements of income, shareholders’ equity, and cash flows for each of the three years in the period ended December 31, 2009. We also have audited the Company’s internal control over financial reporting as of December 31, 2009, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these consolidated financial statements and an opinion on the Company’s internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A Company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of TGC Industries, Inc. and Subsidiary as of December 31, 2009 and 2008, and the results of its operations and its cash flows for each of the years in the three year period ended December 31, 2009 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on criteria established in *Internal Control—Integrated Framework* issued by the COSO.

/s/ Lane Gorman Trubitt, L.L.P.

Dallas, Texas
March 16, 2010

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TGC Industries, Inc.
CONSOLIDATED BALANCE SHEETS
December 31,

	2009	2008
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 25,504,149	$ 24,114,351
Trade accounts receivable, net of allowance for doubtful accounts of $623,109 in 2009 and $-0- in 2008	9,455,224	5,853,908
Cost and estimated earnings in excess of billings on uncompleted contracts	474,059	2,300,985
Prepaid expenses and other	648,872	718,301
Prepaid federal and state income tax	943,600	1,220,154
Total current assets	37,025,904	34,207,699
PROPERTY AND EQUIPMENT - at cost		
Machinery and equipment	100,687,976	91,233,877
Automobiles and trucks	8,914,434	8,792,645
Furniture and fixtures	397,879	348,103
Leasehold improvements	14,994	14,994
	110,015,283	100,389,619
Less accumulated depreciation and amortization	(62,431,950)	(49,757,056)
	47,583,333	50,632,563
OTHER ASSETS		
Goodwill	1,408,089	201,530
Other assets	32,399	49,129
	1,440,488	250,659
Total assets	$ 86,049,725	$ 85,090,921

The accompanying notes are an integral part of these consolidated financial statements

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TGC Industries, Inc.
CONSOLIDATED BALANCE SHEETS — Continued
December 31,

	2009	2008
LIABILITIES AND SHAREHOLDERS’ EQUITY		
CURRENT LIABILITIES		
Trade accounts payable	$ 4,126,474	$ 4,569,911
Accrued liabilities	1,337,437	863,756
Billings in excess of costs and estimated earnings on uncompleted contracts	7,077,941	5,776,444
Current maturities of notes payable	6,407,892	5,171,872
Current portion of capital lease obligations	780,526	856,673
Total current liabilities	19,730,270	17,238,656
NOTES PAYABLE, less current maturities	5,875,390	10,851,621

CAPITAL LEASE OBLIGATIONS, less current portion	631,757	600,214
DEFERRED TAX LIABILITY	7,117,030	5,973,000
COMMITMENTS AND CONTINGENCIES	—	—
SHAREHOLDERS' EQUITY		
Preferred stock, $1.00 par value; 4,000,000 shares authorized; issued - none	—	—
Common stock, $.01 par value; 25,000,000 shares authorized; 18,323,091 and 17,435,319 in each period	183,231	174,353
Additional paid-in capital	27,014,078	26,501,011
Retained earnings	25,889,008	24,009,389
Treasury stock, at cost, 37,803 shares	(257,323)	(257,323)
Accumulated other comprehensive (loss)	(133,716)	—
	52,695,278	50,427,430
Total liabilities and shareholders' equity	$ 86,049,725	$ 85,090,921

The accompanying notes are an integral part of these consolidated financial statements

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TGC Industries, Inc.
CONSOLIDATED STATEMENTS OF EARNINGS
Years Ended December 31,

	2009	2008	2007
Revenue	$ 90,431,899	$ 86,769,742	$ 90,395,872
Cost and expenses			
Cost of services	65,379,612	55,935,068	60,445,783
Selling, general and administrative	5,522,939	4,468,883	3,864,810
Depreciation and amortization expense	14,621,237	13,911,124	12,743,065
	85,523,788	74,315,075	77,053,658
Income from operations	4,908,111	12,454,667	13,342,214
Interest expense	1,020,681	929,656	604,616
Income before income tax expense	3,887,430	11,525,011	12,737,598
Income tax expense:			
Current	1,289,938	609,569	4,108,196
Deferred	717,873	4,017,000	1,021,969
Income tax expense	2,007,811	4,626,569	5,130,165
NET INCOME	$ 1,879,619	$ 6,898,442	$ 7,607,433
Earnings per common share:			
Basic	$ 0.10	$ 0.38	$ 0.42
Diluted	$ 0.10	$ 0.38	$ 0.42
Weighted average number of Shares outstanding:			
Basic	18,280,318	18,260,110	18,236,718
Diluted	18,344,041	18,337,184	18,325,421

The accompanying notes are an integral part of these consolidated financial statements

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TGC Industries, Inc.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Common stock Shares	Common stock Amount	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
Balances at January 1, 2007	15,753,396	$ 157,535	$ 25,639,432	$ 9,503,514	$ (257,323)	$ —	$ 35,043,158
5% common stock dividend	787,387	7,873	(8,799)	—	—	—	(926)
Options issued to outside Directors	—	—	75,000	—	—	—	75,000
Issuance of restricted common stock	18,000	180	(180)	—	—	—	—
Repurchase of stock warrants	—	—	(262,571)	—	—	—	(262,571)
Cancellation of restricted stock	(4,221)	(42)	42	—	—	—	—
Amortization of unearned compensation restricted stock awards	—	—	380,261	—	—	—	380,261
Amortization of compensation cost of unvested stock options	—	—	49,854	—	—	—	49,854
Exercise of stock options	39,015	390	28,943	—	—	—	29,333
Shares issued	1,470	14	(14)	—	—	—	—
Net income	—	—	—	7,607,433	—	—	7,607,433
Balances at December 31, 2007	16,595,047	165,950	25,901,968	17,110,947	(257,323)	—	42,921,542
5% common stock dividend	827,751	8,278	(9,104)	—	—	—	(826)
Options issued to outside Directors	—	—	150,000	—	—	—	150,000
Issuance of restricted common stock	10,000	100	(100)	—	—	—	—
Cancellation of restricted stock	(2,110)	(21)	21	—	—	—	—
Amortization of unearned compensation restricted stock awards	—	—	411,113	—	—	—	411,113
Amortization of compensation cost of unvested stock options	—	—	43,959	—	—	—	43,959
Exercise of stock options	4,631	46	3,154	—	—	—	3,200
Net income	—	—	—	6,898,442	—	—	6,898,442
Balances at December 31, 2008	17,435,319	174,353	26,501,011	24,009,389	(257,323)	—	50,427,430
5% common stock dividend	870,379	8,704	(9,089)	—	—	—	(385)
Options issued to outside Directors	—	—	150,000	—	—	—	150,000
Issuance of restricted common stock	5,000	50	(50)	—	—	—	—
Cancellation of restricted stock	(1,499)	(15)	15	—	—	—	—
Exercise of stock options	13,892	139	9,461	—	—	—	9,600
Amortization of unearned compensation restricted stock awards	—	—	182,812	—	—	—	182,812
Amortization of compensation cost of unvested stock options	—	—	179,918	—	—	—	179,918
Foreign currency translation adjustments	—	—	—	—	—	(133,716)	(133,716)
Net income	—	—	—	1,879,619	—	—	1,879,619
	18,323,091	$ 183,231	$ 27,014,078	$ 25,889,008	$ (257,323)	$ (133,716)	$ 52,695,278

The accompanying notes are an integral part of these consolidated financial statements

TGC Industries, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31,

	2009	2008	2007
Cash flows from operating activities			
Net income	$ 1,879,619	$ 6,898,442	$ 7,607,433
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	14,621,237	13,911,124	12,743,065
Gain on disposal of property and equipment	(221,156)	(170,831)	(132,790)
Non-cash compensation	512,730	605,072	505,115
Deferred income taxes	717,873	4,017,000	1,021,969
Changes in operating assets and liabilities			
Trade accounts receivable	(2,352,493)	6,299,590	(4,704,896)
Cost and estimated earnings in excess of billings on uncompleted contracts	1,875,709	(1,765,842)	454,308
Prepaid expenses and other	2,187,472	1,994,248	1,908,209
Prepaid federal and state income tax	1,044,631	(1,118,783)	83,287
Other assets	16,730	(24,487)	(3,825)
Trade accounts payable	(1,115,265)	1,638,647	(2,020,721)
Accrued liabilities	230,476	(860,322)	613,055
Billings in excess of cost and estimated earnings on uncompleted contracts	1,300,559	2,436,224	(2,819,294)
Income taxes payable	—	—	(415,501)
Net cash provided by operating activities	20,698,122	33,860,082	14,839,414
Cash flows from investing activities			
Capital expenditures	(1,349,972)	(6,322,048)	(13,008,088)
Purchase of stock of Eagle Canada, Inc.	(10,345,000)	—	—
Net cash inflow on acquisition of subsidiary	370,822	—	—
Proceeds from sale of property and equipment	381,986	243,512	346,385
Net cash used in investing activities	(10,942,164)	(6,078,536)	(12,661,703)
Cash flows from financing activities			
Principal payments on notes payable	(7,296,477)	(6,793,635)	(5,516,361)
Principal payments on capital lease obligations	(1,080,217)	(1,379,759)	(1,312,129)
Proceeds from exercise of stock options	9,600	3,200	29,333
Redemption of stock purchase warrants	—	—	(262,571)
Payment of dividends	(385)	(827)	(926)
Net cash used in financing activities	(8,367,479)	(8,171,021)	(7,062,654)
Net increase (decrease) in cash and cash equivalents	1,388,479	19,610,525	(4,884,943)
Effect of exchange rates on cash	1,319	—	—
Cash and cash equivalents at beginning of year	24,114,351	4,503,826	9,388,769
Cash and cash equivalents at end of year	$ 25,504,149	$ 24,114,351	$ 4,503,826

TGC Industries, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED
Years Ended December 31,

	2009	2008	2007
Supplemental cash flow information			
Interest paid	$ 1,020,681	$ 893,536	$ 603,813
Income taxes paid	$ 1,722,914	$ 1,692,057	$ 4,448,135
Noncash investing and financing activities			
Capital lease obligations incurred	$ 609,734	$ 938,835	$ 1,110,057
Financed equipment purchase	$ —	$ 14,425,099	$ 4,120,254
Financed insurance premiums	$ 2,087,288	$ 1,999,935	$ 2,111,898
Restricted stock awards to employees net of cancellations	$ 24,350	$ 67,258	$ 159,243
Cash used in the purchase of Eagle Canada consisted of the following:			
Cash and cash equivalents	$ (370,822)	$ —	$ —

Trade accounts receivable	(1,245,336)	—	—
Other current assets	(861,911)	—	—
Deferred tax asset	(1,097,088)	—	—
Fixed assets	(9,940,118)	—	—
Goodwill	(1,226,992)	—	—
Current liabilities	918,390	—	—
Notes payable	1,496,494	—	—
Capital lease obligations	433,517	—	—
Long-term deferred tax liability	1,548,866	—	—
Purchase of stock of Eagle Canada, Inc.	$ (10,345,000)	$ —	$ —

The accompanying notes are an integral part of these consolidated financial statements

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NOTE A - NATURE OF OPERATIONS

TGC Industries, Inc. (TGC or the Company) is engaged in the geophysical services business and primarily conducts seismic surveys and sells gravity data to companies engaged in exploration in the oil and gas industry in the U.S. and Canada.

Management has evaluated subsequent events through March 16, 2010, which is the date of the consolidated financial statements were available to be issued.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The Consolidated Financial Statements include the accounts of TGC Industries, Inc. and its wholly-owned subsidiary, Eagle Canada, Inc. We have eliminated all significant intercompany accounts and transactions.

Business Combinations

We record acquisitions using the purchase method of accounting and, accordingly, have included the results of operations of acquired businesses in our consolidated results from the date of each acquisition. We allocate the purchase price of our acquisitions to the tangible assets, liabilities, and intangible assets acquired based on their estimated fair values. The excess purchase price over those fair values is recorded as goodwill. The fair value assigned to assets acquired is based on valuations provided by independent consultants and using management's estimates and assumptions.

Foreign Currency

The functional currency of the Company's international subsidiary is the local currency. Local currency assets and liabilities are translated at the rates of exchange on the balance sheet date, and local currency revenues and expenses are translated at average rates of exchange during the period. The resulting translation adjustments are recorded directly into a separate component of stockholders' equity and represents the only component of accumulated other comprehensive income.

Cash Equivalents

The Company considers all highly liquid investments with original maturity dates of three months or less to be cash equivalents. The Company maintains its accounts at financial institutions located in Texas and Alberta, Canada. The Texas bank accounts are insured by the Federal Deposit Insurance Corporation up to $250,000. The Alberta bank accounts are insured by the Canadian Depository Insurance Corporation up to $100,000 Canadian dollars.

Trade Accounts Receivable

Trade accounts receivable are recorded in accordance with terms and amounts as specified in the related contracts on an ongoing basis. The Company evaluates the collectibility of accounts receivable on a specific account basis using a combination of factors including the age of the outstanding balances, evaluation of the customer's financial condition, and discussions with relevant Company personnel and with the customers directly. An allowance for doubtful accounts or direct write-off is recorded when it is determined that the receivable may not be collected, depending on the facts known and the probability of collection of the outstanding amount.

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NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — CONTINUED

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the individual assets ranging from 1 to 7 years. The depreciation expense on assets acquired under capital leases is included with depreciation expense on owned assets. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Long-Lived Assets

Long-lived assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. For the purposes of evaluating the recoverability of long-lived assets, the recoverability test is performed using undiscounted cash flows estimated to be generated by those assets. No impairment charge was necessary at December 31, 2009, 2008, and 2007.

Income Taxes

The Company utilizes the liability method of accounting for income taxes. Under the liability method, deferred income tax assets and liabilities are provided based on the difference between the financial statement and tax bases of assets and liabilities measured by the currently enacted tax rates in effect for the years in which these differences are expected to reverse. Deferred tax expense or benefit is the result of changes in deferred tax assets and liabilities. An allowance against deferred tax assets is recorded in whole or in part when it is more likely than not that such tax benefits will not be realized.

Effective January 1, 2007, the Company adopted certain amendments of Topic No. 740 (“Topic 740”) which clarifies the accounting for income tax positions. Topic 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Under Topic 740, the Company recognizes in its financial statements the impact of a tax position if that position is “more likely than not” to be sustained on audit based on the technical merits of the position. Topic 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, and disclosure. Interest and penalties related to unrecognized tax benefits are recorded as income tax expense. See Note I for further information.

Revenue Recognition

Seismic Surveys

The Company provides seismic data acquisition survey services to its customers under general service agreements which define certain obligations for the Company and for its customers. A supplemental agreement setting forth the terms of a specific project, which may be cancelled by either party upon 30 days advance written notice, is entered into for every project. These supplemental agreements are either “turnkey” agreements providing for a fixed fee to be paid for each unit of seismic data acquired or “term” agreements providing for a fixed hourly, daily, or monthly fee during the term of the project. The duration of these projects will vary from a few days to several months. The Company recognizes revenue when services are performed under both types of agreements. Services are defined as the commencement of data acquisition. Under turnkey agreements, the total number of units of seismic data to be gathered is set forth in the agreement and revenue is recognized as services are performed on a per unit of seismic data acquired rate. Under term agreements, revenue is recognized as services are performed based on the time worked rate provided in the term agreement. Under both turnkey and term agreements, cost of earned revenue is recognized by multiplying total estimated agreement cost by the percentage-of-completion of the agreement. The excess of that amount over the cost of earned revenue reported in prior periods is recognized as cost of earned revenue for the period. Agreements are not segmented nor combined for purposes of calculating percentage of

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — CONTINUED

completion. The asset “Costs and estimated earnings in excess of billings on uncompleted contracts” represents cost incurred on turnkey agreements in excess of billings on those agreements. The liability “Billings in excess of costs and estimated earnings on uncompleted contracts” represents billings on turnkey agreements in excess of cost on those agreements. Claims have been negligible in the years ended December 31, 2009, 2008, and 2007.

Gravity Data

The Company owns a data bank which contains gravity data, and to a lesser extent magnetic data, from many of the major oil and natural gas producing areas located within the U.S. When an order for gravity data is received, the portion of gravity data requested by the customer is prepared in digital format for licensing and shipment to the customer. This process is performed by an employee in the Company’s headquarters office and normally takes no longer than a few days. The licensing of gravity data is not a material part of the Company’s revenue. Gravity data revenue during the years ended December 31, 2009, 2008, and 2007 was approximately $20,300, $46,100, and $187,300, respectively.

Reclassifications

Certain reclassifications have been made to the 2008 financial statements to conform to the 2009 presentation.

Stock-Based Compensation

The Company has two stock-based compensation plans, which are described more fully in Note H. The Company recognizes the fair value of the stock-based compensation awards as wages in the Statements of Earnings on a straight-line basis over the vesting period. As a result, during the years ended

December 31, 2009, 2008, and 2007, the Company recognized compensation expense for unvested stock options of $179,918 $43,959, and $49,854, respectively, and restricted stock of $182,812 $411,113, and $380,261, respectively.

For the year ended December 31, 2009, the fair value of each option grant was estimated on the date of the grant using the Binomial Lattice option pricing model with the following assumptions used for the outstanding grants: risk-free interest rate of 2.30%; expected dividend yields of 0.0%; expected lives of 5.0 years; and expected volatility of 95.0%. For the year ended December 31, 2008, the fair value of each option grant was estimated on the date of the grant using the Binomial Lattice option pricing model with the following assumptions used for the outstanding grants: risk-free interest rate of 2.90%; expected dividend yields of 0.0%; expected lives of 5.0 years; and expected volatility of 61.0%. In years ended December 31, 2007 and prior, the fair value of each option grant was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions used for outstanding grants: risk-free interest rate of 4.20%; expected dividend yields of 0.0%; expected lives of 5.0 years; and expected volatility of 92.72% to 96.54%.

Financial Instruments

The Company's financial instruments recorded on the consolidated balance sheet include cash and cash equivalents, accounts receivable, accounts payable, and debt. The carrying amounts of cash and cash equivalents, accounts receivable, and accounts payable approximate fair value because of the short-term nature of these items. Fair value of long-term debt is based on rates available to the Company for debt with similar terms and maturities.

Earnings Per Share

Basic earnings per common share is based upon the weighted average number of shares of common stock outstanding. Diluted earnings per share is based upon the weighted average number of common shares outstanding and, when dilutive, common shares issuable for stock options, warrants, and convertible securities.

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NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — CONTINUED

All share and per share amounts for the years ended December 31, 2009, 2008, and 2007 have been adjusted to reflect 5% stock dividends paid May 12, 2009, April 28, 2008, and April 27, 2007 to shareholders of record as of April 28, 2009, April 14, 2008, and April 13, 2007, respectively.

Use of Estimates

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Change in Accounting Estimates

Management evaluates its estimates on a routine basis. Effective July 1, 2007, the Company revised the estimated useful lives of certain seismic equipment and related components. The Company purchased this new equipment, not previously used, from November 2004 through June 2007. Based on the information gained from operations, management believes that this equipment will benefit periods ranging from 5 to 7 years beginning at the time the assets were originally placed in service. The original estimated useful lives ranged from 3 to 5 years.

The net book value of this equipment at June 30, 2007, was not modified and is amortized over the revised estimated useful lives of the equipment. The Company does not believe that this equipment will become obsolete at the end of the original estimate and has revised the estimated life of these assets. The effect to depreciation expense, net income, and earnings per share for the years ended December 31, 2009, and 2008 are as follows:

	Year Ended December 31, 2009		Year Ended December 31, 2008	
	As Reported	**Pro Forma**	**As Reported**	**Pro Forma**
Depreciation Expense	$ 14,621,237	$ 17,275,886	$ 13,911,124	$ 16,901,410
Net Income	$ 1,879,619	$ 594,769	$ 6,898,442	$ 5,108,576
Earnings per common share:				
Basic	$ 0.10	$ 0.03	$ 0.38	$ 0.28
Diluted	$ 0.10	$ 0.03	$ 0.38	$ 0.28

Recent Accounting Standards

In September of 2006, the Financial Accounting Standards Board (FASB) issued Accounting Standards Codification (ASC) 820-10, "Fair Value Measurements and Disclosures." ASC 820-10 defines fair value as the amount that would be exchanged to sell an asset or transfer a liability in an orderly transaction between market participants. The standard further establishes a framework for measuring fair value in generally accepted accounting principles and expands certain disclosures about fair value measurements. ASC 820-10 became effective for all financial assets and financial liabilities as of October 1, 2008, and upon adoption, ASC 820-10 did not have a material impact on our financial statements. In February of 2008, the FASB issued ASC 820-10-15-1A, "Fair Value Measurements and Disclosures — Transition and Open Effective Date Information," which delays the effective date of ASC 820-10 for all non-financial assets and non-financial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). We do not expect the adoption of ASC 820-10-15-1A to have a material impact on our financial statements.

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NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — CONTINUED

In February of 2007, the FASB issued ASC 825-10, "Financial Instruments." ASC 825-10 provides companies with an option to report selected financial assets and liabilities at fair value. As of December 31, 2009, we have not elected the fair value option for any additional financial assets and liabilities beyond those already prescribed by accounting principles generally accepted in the United States.

In December of 2007, the FASB issued a new accounting standard related to business combinations under ASC 805-10, "Business Combinations." The new standard expands the definition of a business and a business combination; requires recognition of assets acquired, liabilities assumed, and contingent consideration at their fair value on the acquisition date with subsequent changes recognized in earnings; requires acquisition-related expenses and restructuring costs to be recognized separately from the business combination and expensed as incurred; and requires that changes in accounting for deferred tax asset valuation allowances and acquired income tax uncertainties after the measurement period be recognized as a component of provision for taxes. The new standard also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination.

In April of 2009, the FASB issued ASC 825-10-65-1, "Financial Instruments — Transition and Open Effective Date Information." ASC 825-10-65-1 requires fair value disclosures in both interim and annual financial statements in order to provide more timely information about the effects of current market conditions on financial instruments. ASC 825-10-65-1 became effective June 15, 2009. The adoption of this standard did not have a material impact on our financial statements.

In June of 2009, the FASB issued ASC 105-10, "Generally Accepted Accounting Principles." ASC 105-10 provides for the FASB Accounting Standards Codification (the "Codification") to become the single official source of authoritative, nongovernmental U.S. generally accepted accounting principles. The Codification did not change GAAP but reorganizes the literature. ASC 105-10 became effective for us for the year ended December 31, 2009. The adoption of this standard did not have an impact on our financial statements.

NOTE C — COSTS, BILLINGS, AND ESTIMATED EARNINGS ON UNCOMPLETED CONTRACTS

The components of uncompleted contracts are as follows at December 31,:

	2009	2008
Costs incurred on uncompleted contracts and estimated earnings	$ 4,831,326	$ 8,984,322
Less billings to date	(11,435,208)	(12,459,781)
	$ (6,603,882)	$ (3,475,459)

The components of uncompleted contracts are reflected in the consolidated balance sheets at December 31, 2009 and 2008 as follows:

	2009	2008
Costs and estimated earnings in excess of billings on uncompleted contracts	$ 474,059	$ 2,300,985
Billings in excess of costs and estimated earnings on uncompleted contracts	(7,077,941)	(5,776,444)
	$ (6,603,882)	$ (3,475,459)

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NOTE D - ACCRUED LIABILITIES

Accrued liabilities consist of the following at December 31,:

	2009	2008
Compensation and payroll taxes	$ 811,676	$ 476,718
Accrued sales and use tax	101,542	3,035
Insurance	173,483	156,717
Accrued interest	73,105	73,105
Other	177,631	154,181
	$ 1,337,437	$ 863,756

NOTE E - DEBT

Line of Credit

In September of 2008, and again in September of 2009, the Company renewed its revolving line of credit allowing the Company to borrow, repay, and re-borrow, from time to time, up to $5,000,000. Interest on the outstanding amount under the line of credit loan agreement is payable monthly at the greater of the prime rate of interest or five percent. The credit loan agreement provides for non-financial and financial covenants including a debt to worth ratio not in excess of 1.25 to 1.0 and a minimum debt service coverage ratio in excess of 2.0 to 1.0. At December 31, 2009 and 2008, the Company had no borrowings outstanding under the line of credit loan agreement.

Notes Payable

Notes payable consists of the following at December 31:

	2009	2008
Note Payable to a finance company, Interest at 6.38%, due in fixed principal monthly installments of $85,839 plus interest; collateralized by equipment	$ 2,060,127	$ 3,090,191
Note Payable to a finance company, Interest at 5.75%, due in fixed principal monthly installments of $61,997 plus interest; collateralized by equipment	1,673,912	2,417,873
Note Payable to a finance company, Interest at 6.00%, due in fixed principal monthly installments of $56,050 plus interest; collateralized by equipment	1,849,651	2,522,252

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NOTE E — DEBT — CONTINUED

	2009	2008
Note Payable to a finance company, Interest at 5.33%, due in fixed principal monthly installments of $23,740 plus interest; collateralized by equipment	783,429	1,068,312
Note Payable to a commercial bank, Interest at 6.00%, due in fixed principal monthly installments of $88,889 plus interest; collateralized by equipment	1,688,887	2,755,555
Note Payable to a commercial bank, Interest at 6.00%, due in fixed principal monthly installments of $55,658 plus interest; collateralized by equipment	1,113,172	1,781,068
Note Payable to a commercial bank, Interest at 6.35%, due in monthly installments of $50,170 including interest; collateralized by equipment	1,682,254	2,161,061
Note payable to a finance company interest at 5.50% to 6.20%, due in monthly installments of $228,464 to $227,181 including interest	158,567	227,181
Note Payable to a commercial bank, Interest at 6.14%, due in fixed principal monthly installments of $102,033 plus interest; collateralized by equipment	1,186,578	—
Note Payable to a finance company, Interest at 6.25%, due in fixed principal monthly installments of $8,921 plus interest	86,705	—
	12,283,282	16,023,493
Less Current Maturities	(6,407,892)	(5,171,872)
	$ 5,875,390	$ 10,851,621

Aggregate annual maturities of notes payable at December 31, 2009 are as follows:

Year Ending December 31,	
2010	$ 6,407,892
2011	4,342,315
2012	1,482,831
2013	50,244
	$ 12,283,282

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NOTE F — LEASES

Capital Lease Obligations

The Company leases vehicles and certain specialized seismic equipment under leases classified as capital leases. The following is a schedule showing the future minimum lease payments under capital leases by years and the present value of the minimum lease payments as of December 31, 2009.

Year Ending December 31,		
2010	$	872,772
2011		550,994
2012		119,412
Total minimum lease payments required		1,543,178
Less: Amount representing interest		(130,895)
Present value of minimum lease payments		1,412,283
Less current maturities		(780,526)
	$	631,757

The net book value of the capital assets leased was approximately $1,928,000 and $2,265,000 as of December 31, 2009 and 2008, respectively. Total accumulated depreciation on these assets was approximately $5,435,000 and $5,286,000 as of December 31, 2009, and 2008, respectively. Interest rates on these leases range from 8.41% to 12.82%.

Operating Lease Obligations

The Company leases six offices and two warehouse facilities under operating leases that expire at various dates between January 2010 and July 2015 with three leases on a month to month basis. One of the office facilities, used by the Company as its corporate headquarters, is located in Plano, Texas. One of the office facilities, used by Eagle Canada, is located in Calgary, Alberta. The warehouse facilities, used as warehouse and equipment repair facilities, are located in Denison, Texas, and Calgary, Alberta. Two office facilities are used as sales offices and are located in Houston, Texas, and Oklahoma City, Oklahoma. The remaining office facilities are used as a permitting office, located in Pratt, Kansas, and as a crew office, located in Yazoo, Mississippi. Rent expense for these facilities for the years ended December 31, 2009, 2008, and 2007 were approximately $450,000, $350,000, and $279,000, respectively.

The following is a schedule by years of future minimum rental payments required under the operating leases as of December 31, 2009:

2010	$	550,378
2011		576,544
2012		432,310
2013		390,464
2014 and thereafter		269,726
Total minimum payments required	$	2,219,422

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NOTE G — FAIR VALUE OF DEBT OBLIGATIONS

The fair value of debt obligations is estimated using discounted cash flows based on the Company's incremental borrowing rate for similar types of borrowings. A comparison of the carrying value and fair value of these instruments is as follows:

	December 31,			
		2009		**2008**
Carrying value	$	12,283,282	$	16,023,493
Fair value	$	12,277,811	$	16,014,545

NOTE H — SHAREHOLDERS' EQUITY

Earnings Per Share

The following is a reconciliation of net income and weighted average common shares outstanding for purposes of calculating basic and diluted net income per share:

	December 31,					
		2009		**2008**		**2007**
Numerator:						
Net income	$	1,879,619	$	6,898,442	$	7,607,433
Denominator:						
Basic - weighted average common shares outstanding		18,280,318		18,260,110		18,236,718

Effect of Dilutive Securities:			
Warrants	—	—	23,765
Stock options	63,723	77,074	64,938
	18,344,041	18,337,184	18,325,421
Basic net income per share	$ 0.10	$ 0.38	$ 0.42
Diluted net income per share	$ 0.10	$ 0.38	$ 0.42

Outstanding options that were not included in the diluted calculation because their effect would be anti-dilutive total 282,265 and 52,330 for the years ended December 31, 2009 and 2008, respectively.

All share and per share amounts have been adjusted to reflect 5% stock dividends paid May 12, 2009, April 28, 2008, and April 27, 2007 to shareholders of record as of April 28, 2009, April 14, 2008, and April 13, 2007.

Stock-Based Compensation Plans

The Company currently has in effect a 1999 stock option plan (the "1999 Plan"). Options for up to 300,000 shares of the Company's common stock may be granted. Options under the 1999 Plan must be granted at prices not less than the lesser of the par value per share of the stock or the fair market value per share of the Company's stock on the date of the grant. The term cannot exceed five years from the date of the grant and are exercisable as follows: (i) one-third of the shares after the 12 month period following the date of the grant; (ii) two-thirds of the shares after the 24 month period following the date of the grant; and (iii) all of the shares of stock after the 36 month period following the date of the grant. During 2009, no options were granted or cancelled, and options covering 13,892 shares were exercised under the 1999 Plan. At December 31, 2009, options covering 80,050 shares were outstanding under the 1999 Plan, all of which are exercisable.

NOTE H - SHAREHOLDERS' EQUITY — CONTINUED

The Company currently has in effect a 2006 stock award plan (the "2006 Plan"). The 2006 Plan provides for the granting of stock options, common stock, and restricted stock. The Company can issue up to 1,000,000 shares of the Company's common stock pursuant to awards under the 2006 Plan. The 2006 Plan will be administered by a committee of the Board of Directors ("the Committee"). Currently the Committee is comprised of three directors. Any stock options granted under the 2006 Plan will be exercisable as set forth in the option agreements pursuant to which they are issued, but in no event will stock options be exercisable after the expiration of five (5) years from the date of grant. During 2009, 229,935 options were granted and 20,000 options were cancelled or exercised under the 2006 Plan. During 2008, 466,560 options were granted and no options were cancelled or exercised under the 2006 Plan. Restricted stock consists of shares that are transferred by the Company to a participant, but are subject to substantial risk of forfeiture and to restrictions on their sale or other transfer by the participant. In April of 2006, the Committee granted 111,711 shares of restricted stock. In August of 2007, the Committee granted 19,845 shares of restricted stock. In June of 2008, the Committee granted 10,500 shares of restricted stock. In June of 2009, the Committee granted 5,000 shares of restricted stock. The shares of restricted stock were issued in the names of the grantees and have restrictive legends prohibiting their sales prior to vesting. One-third (1/3) of the granted restricted shares vest each year on the annual anniversary of the grant. Upon vesting, a new certificate will be issued for the vested portion without the restrictive legend. During the years ended December 31, 2009, 2008, and 2007, the Company recognized compensation expense associated with the restricted stock of $182,812, $411,113, and $380,261, respectively. As a result of employees who left the Company during the years ended December 31, 2009, 2008, and 2007, the Company reversed approximately $4,000, $19,400, and $29,800, respectively, of deferred stock-based compensation and approximately $4,000, $19,300, and $29,700, respectively, of additional paid-in capital, which represented the unamortized balance of deferred stock-based compensation relating to the employees who left the Company. The number of shares of restricted stock issued in April of 2006 has been adjusted to reflect the 5% stock dividends paid in May of 2009, April of 2008 and April of 2007. The number of shares of restricted stock issued in August of 2007, has been adjusted to reflect the 5% stock dividend paid in May of 2009 and April of 2008. The number of shares of restricted stock issued in June of 2008 has been adjusted to reflect the 5% stock dividend paid in May of 2009.

During the years ended December 31, 2009, 2008, and 2007, the Company recognized compensation expense associated with unvested options under the 1999 and 2006 Plans of $179,918, $43,959, and $49,854, respectively.

The following table summarizes activity under the Plans:

	Shares under Option	**Weighted Average exercise price**
Balance at December 31, 2006	137,592	$ 2.94
Granted	52,330	$ 8.80
Exercised	(39,015)	$ .75
Canceled	—	$ —
Balance at December 31, 2007	150,907	$ 5.54
Granted	466,560	3.23
Exercised	(4,631)	$ .69
Canceled	—	—
Balance at December 31, 2008	612,836	$ 3.81
Granted	229,935	$ 4.21
Exercised	(13,892)	$ .69

Canceled	(20,000)		3.37
Balance at December 31, 2009	808,879	$	3.99

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NOTE H - SHAREHOLDERS' EQUITY — CONTINUED

The following information applies to options outstanding and exercisable at December 31, 2009:

	Range of Exercise prices	Number outstanding	Weighted average remaining contractual life (in years)		Weighted average exercise price
Outstanding options	$3.21 – $8.80	808,879	3.72	$	3.99
Exercisable options	$3.21 – $8.80	405,914	3.14	$	4.30

Stock Warrants

During 2004, the Company issued 28,665 warrants to a public relations firm as part of its fee for services provided the Company. The warrants have a strike price of $.91 per share and expired December 15, 2007. During January of 2005, the public relations firm sold the 28,655 warrants to a group of investors that included certain Directors of the Company. These warrants were redeemed by the Company in November of 2007. The number of warrants issued in 2004 have been adjusted to reflect the 5% stock dividends paid in April 2006 and 2007, respectively.

NOTE I - INCOME TAXES

The income tax provision charged to continuing operations for the years ended December 31, 2009, 2008, and 2007, was as follows:

		2009		2008		2007
Current:						
U.S. federal	$	774,429	$	243,569	$	3,565,519
Foreign		142,358		—		—
State and local		373,151		366,000		542,677
		1,289,938		609,569		4,108,196
Deferred expense		717,873		4,017,000		1,021,969
	$	2,007,811	$	4,626,569	$	5,130,165

The income tax provision differs from the amount of income tax determined by applying the applicable U.S. and Canadian federal income tax rates to pretax income from continuing operations for the year ended December 31, 2009, and applying the U.S. federal income tax rates to pretax income from continuing operations for the years ended December 31, 2008, and 2007, due to the following:

		2009		2008		2007
Computed "expected" tax expense	$	1,321,726	$	3,918,504	$	4,325,859
Increase in income taxes resulting from:						
Nondeductible expenses and other		407,168		470,165		451,566
State and local taxes, net of federal benefit		278,917		237,900		352,740
	$	2,007,811	$	4,626,569	$	5,130,165

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NOTE I - INCOME TAXES — CONTINUED

Net deferred tax liabilities consist of the following components as of December 31, 2009 and 2008:

		2009		2008
Deferred tax assets				
Foreign tax credits	$	144,626	$	—
Foreign capital losses		399,907		—
Loss carry forwards (expire in 2028)		—		83,252
Deferred stock compensation		11,491		173,511
Total gross deferred tax assets		556,024		256,763

Less valuation allowance	(399,907)	—
Total deferred tax assets	156,117	—
Deferred tax liability		
Property and equipment	(7,273,147)	(6,229,763)
Total deferred tax liabilities	$ (7,117,030)	$ (5,973,000)

The components giving rise to the net deferred tax items described above have been included in the accompanying balance sheets as of December 31, 2009 and 2008, as follows:

	2009	2008
Current assets	$ —	$ —
Noncurrent (liabilities)	7,117,030	5,973,000)
	$ 7,117,030	$ 5,973,000

The Company adopted Topic 740 on January 1, 2007. The implementation of Topic 740 did not have a material impact on the Company's consolidated financial statements, results of operations, or cash flows. At December 31, 2009 and 2008, the Company had no unrecognized tax benefits, interest or penalties within its provision for income taxes.

NOTE J - 401(k) PLAN

The Company has a 401(k) salary deferral plan which covers all employees who have reached the age of 20.5 years and have been employed by the Company for at least one year. The covered employees may elect to have an amount deducted from their wages for investment in the retirement plan. The Company makes contributions to the plan equal to 50% of each participant's salary reduction contributions to the plan up to 6% of the participant's compensation. The Company's matching contribution to the plan was approximately $16,000, $78,000, and $64,000 for the years ended December 31, 2009, 2008, and 2007, respectively.

NOTE K - CONCENTRATION OF CREDIT RISK

The Company sells its geophysical services primarily to large independent oil and gas companies operating in the U.S. and Canada. The Company performs ongoing credit evaluations of its customer's financial condition and, generally, requires no collateral from its customers.

During 2009 our largest customer accounted for approximately 30.8% of revenues. During 2008 our two largest customers accounted for approximately 26.7% of revenues. During 2007 our largest customer accounted for approximately 12.1% of revenues. As of December 31, 2009, three customers accounted for 19%, 19%, and 12% of outstanding accounts receivable, respectively. As of December 31, 2008, two customers accounted for 26% and 13% of outstanding accounts receivable, respectively. During 2009 our two largest vendors accounted for approximately 22% and 10% of our purchases. No vendor represented over 10% of purchases in 2008 or 2007.

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NOTE L - CONTINGENCIES

In conducting its activities, the Company from time to time is the subject of various claims arising from the ordinary course of business. In the opinion of management, the ultimate resolution of such claims is not expected to have a material adverse effect upon the financial position of the Company.

NOTE M — QUARTERLY FINANCIAL DATA — (UNAUDITED)

The following is a summary of the unaudited quarterly financial information for the two years ended December 31, 2009 and 2008 (in thousands, except per share amounts):

	Three Months Ended			
2009	**March 31**	**June 30**	**September 30**	**December 31**
Revenues	$ 36,011	$ 22,591	$ 16,083	$ 15,747
Income (loss) from operations	8,793	2,424	(2,481)	(3,828)
Net Income (loss)	5,035	1,242	(1,734)	(2,663)
Net income (loss) per share basic	.27	.07	(.09)	(.15)
Net income per share diluted	.27	.07	(.09)	(.15)

	Three Months Ended			
2008	**March 31**	**June 30**	**September 30**	**December 31**
Revenues	$ 22,471	$ 18,620	$ 21,554	$ 24,125
Income from operations	3,384	1,679	3,603	3,788
Net Income	1,983	868	1,863	2,185
Net income per share basic	.11	.05	.10	.12
Net income per share diluted	.11	.05	.10	.12

NOTE N — ACQUISITION OF EAGLE CANADA SUPPLEMENTARY DATA — (UNAUDITED)

On October 19, 2009, we disclosed our entry into a Material Definitive Agreement regarding the acquisition of the stock of Eagle Canada, Inc. ("Eagle Canada"), a Delaware corporation. Eagle Canada was a wholly-owned subsidiary of Eagle Geophysical, Inc. and Eagle Geophysical Onshore, Inc. (the "*Debtors*") which were debtors in a Chapter 11 bankruptcy proceeding in Houston, Texas. Eagle Canada is in the business of providing seismic data and surveying services to the Canadian energy industry and has its principal place of business located in Calgary, Alberta, Canada. By Order dated October 14, 2009, the Bankruptcy Court approved the sale of the Eagle Canada stock by the Debtors to TGC and authorized the Debtors to enter into a Stock Purchase Agreement with TGC. In accordance with the terms of the Stock Purchase Agreement, the sale transaction closed on October 16, 2009, with TGC acquiring the Eagle Canada stock for a total purchase price of approximately $10.3 million paid from existing cash. The acquisition provides the Company with a new geographic region in which to operate. The seismic recording equipment used by Eagle Canada is interchangeable with that of TGC. The amounts of Eagle Canada's revenue and earnings included in our consolidated statement of income for the year ended December 31, 2009, and the unaudited revenue and earnings of the combined entity had the acquisition date been January 1, 2009, or January 1, 2008, are as follows:

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NOTE N - - ACQUISITION OF EAGLE CANADA SUPPLEMENTARY DATA - (UNAUDITED) — CONTINUED

	Revenue	Earnings
Actual from 10/15/09 to 12/31/09	$ 4,783,892	$ 381,366
Supplemental pro forma from 1/1/09 to 12/31/09	$ 103,539,881	$ 1,584,565
Supplemental pro forma from 1/1/08 to 12/31/08	$ 113,762,636	$ 8,270,624

NOTE O — COMMITMENTS AND CONTINGENCIES

In connection with our acquisition of Eagle Canada as discussed in Item 1 and Note N to the consolidated financial statements, TGC is seeking damages against Eagle Geophysical, Inc. and Eagle Geophysical Onshore, Inc. (the "Debtors") arising out of their failure to disclose material information in connection with the sale of Eagle Canada. During the due diligence process, and in the purchase agreement, the Debtors made certain representations and warranties to TGC concerning Eagle Canada's financial condition and debt obligations including guarantee obligations. Soon after the sale closing, TGC discovered that the Debtors did not disclose a material guarantee obligation purportedly incurred by Eagle Canada as part of a secured loan Eagle Geophysical obtained from SunTrust Equipment Finance and Leasing Corp. with an outstanding balance of approximately $731,000. TGC notified the Debtors that their failure to disclose the existence of the guarantee constitutes a breach of the purchase agreement and demanded, and Debtors complied, that the Debtors escrow $800,000 in a segregated account pending resolution of Eagle Canada's liability, if any, under the guarantee and the determination and resolution of any other guarantee to which Eagle Canada is a party. The Company intends to vigorously pursue this matter.

ITEM 9A. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures

The Company maintains controls and procedures to ensure that it is able to collect the information it is required to disclose in the reports it files with the Securities and Exchange Commission, and to process, summarize, and disclose this information within the time periods specified in the rules of the SEC. Based on an evaluation of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this report conducted by the Company's management, with the participation of the Chief Executive and Chief Financial Officers, the Chief Executive and Chief Financial Officers believe that these controls and procedures are effective to ensure that the Company is able to record, process, summarize, and report information required to be included in reports filed or submitted under the Exchange Act within the required time period. As discussed in Item 1 and in Note N to the consolidated financial statements above, during October 2009 the company acquired all of the stock of Eagle Canada. Because the acquisition occurred in 2009, management has elected to exclude Eagle Canada from management's report on internal control over financial reporting. Revenue of $4,783,892 and earnings of $381,366 attributable to Eagle Canada for the period October 15, 2009 to December 31, 2009 are included in our consolidated statement of earnings for the year ended December 31, 2009. Other than the exclusion of Eagle Canada, there were no changes in the Company's internal controls over financial reporting during the year ended December 31, 2009, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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Management's Report on Internal Control over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2009. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control — Integrated Framework. Based on our assessment, we believe that, as of December 31, 2009, the Company's internal control over financial reporting, excluding Eagle Canada as discussed above, is effective based on those criteria.

Management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2009, excluding Eagle Canada as discussed above, has been audited by Lane Gorman Trubitt, L.L.P., the independent registered public accounting firm which also audited the Company's financial statements. Lane Gorman Trubitt, L.L.P.'s attestation report on management's assessment of the Company's internal control over financial reporting, excluding Eagle Canada, appears in their Report of Independent Registered Public Accounting Firm.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) The following documents are filed as a part of this report:

(1) Financial Statements included in Item 8 above are filed as part of this annual report.

(2) Financial Statement Schedules included in Item 8 herein:

All schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore, have been omitted.

(3) Exhibits: The information required by this Item 15(a)(3) is set forth in the Index to Exhibits accompanying this Annual Report on Form 10-K.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TGC INDUSTRIES, INC.

Date: May 4, 2010

By: /s/ Wayne A. Whitener
Wayne A. Whitener
President and Chief Executive Officer
(Principal Executive Officer)

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INDEX TO EXHIBITS

EXHIBIT NO.	DESCRIPTION
2.1	Stock Purchase Agreement, dated as of October 16, 2009, by and among TGC Industries, Inc., Eagle Geophysical, Inc. and Eagle Geophysical Onshore, Inc., filed as Exhibit 2.1 to the Company's Current Report on Form 8-K dated October 17, 2009, and incorporated herein by reference.
3.1	Restated Articles of Incorporation (with amendment) as filed with the Secretary of State of Texas on June 20, 2003, filed as Exhibit 3.4 to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2003, and incorporated herein by reference.
3.2	Amended and Restated Bylaws (as amended March 25, 2009), filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed on March 31, 2009, and incorporated herein by reference.
4.1	Form of Specimen Stock Certificate filed as Exhibit 4.1 to the Company's Registration Statement on Form SB-2/A on September 20, 2005 (Registration No. 333-128018), and incorporated herein by reference.
+10.1	Employment Contract (as Amended and Restated effective September 11, 2008) between TGC Industries, Inc. and Wayne A. Whitener, filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 17, 2008, and incorporated herein by reference.
10.2	Form of TGC Industries, Inc. Director and Officer Indemnification Agreement, filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 22, 2008, and incorporated herein by reference.
10.3	Commercial Lease Agreement dated August 25, 2005, by and among TGC Industries, Inc. and JSS/Capital Avenue, L.P., filed as Exhibit 10.3 to the Company's Current Report on Form 8-K dated August 31, 2005, and incorporated herein by reference.
10.4	Amended and Restated Loan and Security Agreement by and between TGC Industries, Inc. and Sovereign Bank, dated September 16, 2009, filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 22, 2009, and incorporated herein by

reference.

10.5	Amended and Restated Promissory Note by and between TGC Industries, Inc. and Sovereign Bank, dated September 16, 2009, filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed on September 22, 2009, and incorporated herein by reference.
10.6	Promissory Note by and among TGC Industries, Inc. and General Electric Capital Corporation, dated September 2, 2005, filed as Exhibit 10.3 to the Company's Current Report on Form 8-K dated September 20, 2005, and incorporated herein by reference.
10.7	Amendment, dated September 9, 2005, to the Promissory Note by and among TGC Industries, Inc. and General Electric Capital Corporation, dated September 2, 2005, filed as Exhibit 10.4 to the Company's Current Report on Form 8-K dated September 20, 2005, and incorporated herein by reference.
10.8	Promissory Note by and among TGC Industries, Inc. and General Electric Capital Corporation, dated September 12, 2005, filed as Exhibit 10.5 to the Company's Current Report on Form 8-K dated September 20, 2005, and incorporated herein by reference.

10.9	Amendment, dated September 9, 2005, to the Promissory Note by and among TGC Industries, Inc. and General Electric Capital Corporation, dated September 12, 2005, filed as Exhibit 10.6 to the Company's Current Report on Form 8-K dated September 20, 2005, and incorporated herein by reference.
10.10	Amendment, dated September 12, 2005, to the Promissory Note by and among TGC Industries, Inc. and General Electric Capital Corporation, dated September 12, 2005, filed as Exhibit 10.7 to the Company's Current Report on Form 8-K dated September 20, 2005, and incorporated herein by reference.
10.11	Promissory Note by and among TGC Industries, Inc. and General Electric Capital Corporation, dated September 19, 2005, Filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 30, 2005, and incorporated herein by reference.
+10.12	1999 Stock Option Plan as adopted by the Board of Directors on December 14, 1999, filed as Exhibit 10.13 to the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1999, and incorporated herein by reference.
+10.13	2006 Stock Awards Plan, dated March 30, 2006, filed as Exhibit A to the Company's definitive proxy statement on Form DEFR 14A dated April 25, 2006, and incorporated herein by reference.
*23.1	Consent of Lane Gorman Trubitt, L.L.P.
*31.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*31.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith.
+ Management contract on compensatory plan, contract, or arrangement.

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statements (No. 333-142221, No. 333-118588 and No. 333-13947) on Form S-8 of our report dated March 16, 2010, relating to the consolidated financial statements of TGC Industries, Inc. and subsidiary and the effectiveness of TGC Industries, Inc. and subsidiary's internal control over financial reporting, which appear in this Annual Report on Form 10-K/A, Amendment No. 1, of TGC Industries, Inc., for the year ended December 31, 2009.

/s/ Lane Gorman Trubitt, L.L.P.

Dallas, Texas
May 3, 2010

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Wayne A. Whitener, certify that:

1. I have reviewed this annual report on Form 10-K/A of TGC Industries, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2010

/s/ Wayne A. Whitener
Wayne A. Whitener
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, James K. Brata, certify that:

1. I have reviewed this annual report on Form 10-K/A of TGC Industries, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2010

/s/ James K. Brata
James K. Brata
Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 32.1

Certification of
Chief Executive Officer
of TGC Industries, Inc.
Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

This certification is furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and accompanies the annual report on Form 10-K/A (the "Form 10-K/A") for the fiscal year ended December 31, 2009, of TGC Industries, Inc. (the "Company"). I, Wayne A. Whitener, the Chief Executive Officer of the Company, certify that, to the best of my knowledge:

(1) The Form 10-K/A fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Form 10-K/A fairly presents, in all material respects, the financial condition and results of operations of the Company.

The foregoing certification is being furnished as an exhibit to the Form 10-K/A pursuant to Item 601(6)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and, accordingly, is not being filed as part of the Form 10-K/A for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any filing of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Date: May 4, 2010

By: /s/ Wayne A. Whitener
Wayne A. Whitener
President and Chief Executive Officer
(Principal Executive Officer)

Certification of
Chief Financial Officer of
TGC Industries, Inc.
Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

This certification is furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and accompanies the annual report on Form 10-K/A (the "Form 10-K/A") for the fiscal year ended December 31, 2009, of TGC Industries, Inc. (the "Company"). I, James K. Brata, the Chief Financial Officer of the Company, certify that, to the best of my knowledge:

(1) The Form 10-K/A fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Form 10-K/A fairly presents, in all material respects, the financial condition and results of operations of the Company.

The foregoing certification is being furnished as an exhibit to the Form 10-K/A pursuant to Item 601(6)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and, accordingly, is not being filed as part of the Form 10-K/A for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any filing of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Date: May 4, 2010

By: /s/ James K. Brata
James K. Brata
Chief Financial Officer
(Principal Financial and Accounting Officer)