

MLB
12-21-98

12-30-1998

IN THE UNITED STATES



PK OFFICE

100932266

Box Assignments
Assistant Commissioner for Patents
Washington, D.C. 20231

5 **RECORDATION FORM COVER SHEET (37 CFR 3.31)**

Attached please find a document entitled Affidavit of Jerry L. Swinford Regarding Title of Patent for recordal.

10 **Identification Of Application(s) And/Or Patent(s) For
Document Recordal (37 CFR 3.21 and 37 CFR
3.31(a)(4))**

1. This document affecting title is for the following patent:

U.S. Pat. No.: 5,584,342
Issued: December 17, 1996
Applicant: Jerry L. Swinford
15 For: Subterranean Rotation Inducing Device and Method

**Total Number Of Applications And/Or Patents
And Total Fee (37 CFR 3.31(a)(6))**

2. A. The total number of applications and/or patents identified in this cover sheet is ONE (1).

- 20 B. The total fee is (37 CFR 1.21(h)):

25 $\frac{1}{\text{Total number of applications and/or patents}} \times \$40.00 = \$40.00$

- C. Payment of Fee is made by:

Certificate of Mailing/Transmission Under 38 CFR §§ 1.8, 1.10

I hereby certify that this correspondence is being transmitted to the Patent & Trademark Office by:

☐ facsimile

☒ first class mail with the U.S. Postal Service ☒ Express Mail: Post Office to Addressee No. ~~FE 339 424 127~~
US addressed to: Assistant Commissioner for Patents, Washington D.C. 20231 on:

Date 12/17/98

Jeffrey E. Griffin, Registration No. 36,534

PATENT

REEL: 9662 FRAME: 0264

RECEIVED
DEC 21 PM 3 56
95 C W 10 00 00

40.00 00
00000700 5584342
12/28/1998 SBURNS
01 FC:581

☒ attached check for \$ 40.00

**Name Of Party(ies) Conveying Interest or Whose Interest is Affected
(37 CFR 3.31(a)(1))**

3. The party(ies) conveying interest or whose interest is affected is (are):

5 Name 1: Ponder Industries, Inc.

**Name And Address Of Party(ies) Receiving
Interest (37 CFR 3.31(a)(2))**

4. The rights are being conveyed to:

10 Name: Jerry L. Swinford
Address: 1934 Sugar Pine Circle
Houston, Texas 77090

**Description Of Interest Conveyed Or
Transaction Recorded (37 CFR 3.31(a)(3))**

5. The accompanying document intends to accomplish:

15 ☒ a notice of a reversion of a previous assignment and is in the form of an affidavit
setting forth the facts and accompanying written agreements that establish and
support the reversion.

**Name And Address Of Party To Whom
Correspondence Should Be Mailed (37 CFR 3.31(a)(5))**

20 6. Please address correspondence to:

Name: Jeffrey E. Griffin
Address: 7500 San Felipe, Suite 700
Houston, Texas 77063
Tel. No.: (713) 532-5005

25 **Date Assignment (Document) Executed
(37 CFR 3.31(a)(7))**

7. The attached document was executed on December 17, 1998.

Language Of Assignment (Document) To Be Recorded

8. The attached document:
☒ is in the English language

Original Document or True Copy Submitted

- 5 9. Submitted herewith is:
☐ the original document
☒ a true copy of the original document.

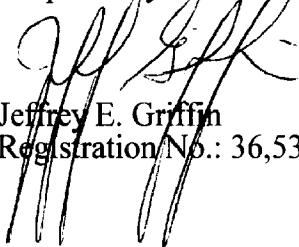
**Statement (37 CFR 3.31(a)(9)) and
Signature (37 CFR 3.31(a)(10))**

- 10 10. To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is the original document or is a true copy of the original document.

TOTAL NUMBER OF PAGES BEING SUBMITTED

- 15 11. The total number of pages being submitted, **including cover sheet attachment(s), and documents** are TWENTY-ONE (21).

Respectfully submitted,



Jeffrey E. Griffin
Registration No.: 36,534

20 Jeffrey E. Griffin
Attorney at Law
7500 San Felipe, Suite 700
Houston, Texas 77063
(713) 532-5005
(713) 785-8651

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant: Jerry L. Swinford

Attorney Docket No: 01SWI002

U.S. Patent No.: 5,584,342

Issued: December 17, 1996

For: Subterranean Rotation-Inducing Device and Method

Box Assignment

**Assistant Commissioner for Patents
Washington, DC 20231**

AFFIDAVIT OF JERRY L. SWINFORD REGARDING TITLE OF PATENT

STATE OF TEXAS §

COUNTY OF HARRIS §

On this day, Jerry L. Swinford appeared to me, the undersigned authority, and after I administered an oath to him upon his oath, he said:

"My name is Jerry L. Swinford. I am capable of making this affidavit. The facts stated within this affidavit are within my personal knowledge and are true and correct.

1. I, Jerry L. Swinford, am the inventor of the above-referenced patent.
2. I (hereinafter referred to as "Swinford") entered into various agreements with Ponder Industries, Inc. of P.O. Drawer 2229, Alice, Texas 78333 (hereinafter referred to as "Ponder").
3. Included among these various agreements are a Royalty Agreement and an Assignment entered into on or about June 4, 1996 and an Employment Agreement entered into on or about June 11, 1996 (collectively referred to herein as the

Certificate of Mailing/Transmission Under 38 CFR §§ 1.8, 1.10

I hereby certify that this correspondence is being transmitted to the Patent & Trademark Office by:

☐ facsimile

☒ first class mail with the U.S. Postal Service ☐ Express Mail Post Office to Addressee No.

addressed to: Assistant Commissioner for Patents, Washington D.C. 20231 on:

2/17/98
Date

Jeffrey E. Griffin, Registration No. 36,584

"Previous Agreements").

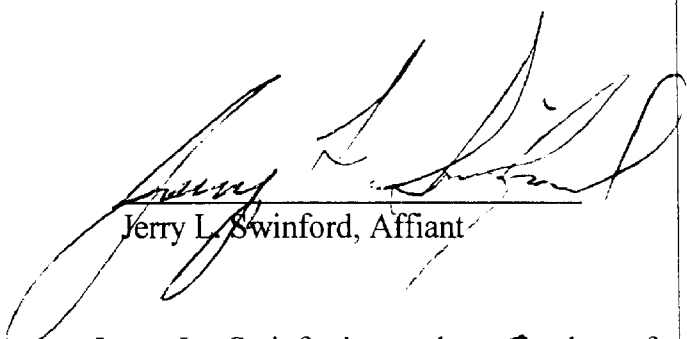
4. A true and correct copy of the Assignment is attached hereto as "Attachment A;" a true and correct copy of the Royalty Agreement is attached hereto as "Attachment B;" a true and correct copy of the Employment Agreement is attached hereto as "Attachment C;" and the identified Previous Agreements are hereby incorporated herein by reference.
5. The Assignment states: "The Assignment is subject to the terms and conditions of the Royalty Agreement entered into by [the] parties hereto on even date herewith."
6. In paragraph 4 under "Terms and Conditions," the Royalty Agreement includes the following provision relating to reversion of the patent:

"4. Reversionary Rights - all right, title and interest in and to the Patent Application and any Related Intellectual Property shall revert to Swinford in the event of: (i) a material breach of the terms of the Employment Agreement, or (ii) non-payment of royalties owed and payable to Swinford pursuant to this Royalty Agreement."
7. The Employment Agreement provides in paragraph 1.02 for a "term of two years commencing as of the execution date of [the] Agreement [of June 11th, 1996]; provided, however, the term shall automatically renew for one additional one-year term unless either party provides written notice to the other party at least 90 days prior to its termination that this Agreement will not be renewed."
8. Neither party notified the other of the termination of the Employment Agreement in accordance with paragraph 1.02 and the agreement automatically renewed for one additional year according to its terms extending the term of the agreement to about June 11th, 1999.
9. Effective on or about November 15th, 1998 Ponder severed the employment relationship between Ponder and Swinford without cause and without complying with any of the termination provisions set forth in Article 4 of the Employment Agreement and, thereby, materially breached the Employment Agreement.
10. Therefore, it is Swinford's contention and belief that according to the terms of the Previous Agreements, the above referenced patent has reverted to Swinford due to Ponder's material breach of the Employment Agreement and Swinford now possesses "all right, title and interest in and to the [patent]."
11. Additionally, in paragraph 1 under "Terms and Conditions," the Royalty Agreement requires payment of royalties in the amount of "four per centum (4%) on any and all rental revenues and gross sales derived from the rental or sale, by Ponder . . . of: (i) any device covered by any pending, or issued and non-expired, claim of the Patent Application or of the Related Intellectual Property."
12. Ponder has failed to make certain royalty payments owed and payable pursuant to the

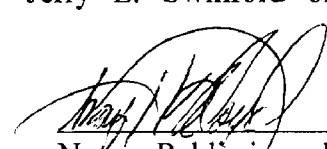
Royalty Agreement and has not made any such payments since at least February of 1998 even though they have generated "rental revenues and gross sales derived from the rental or sale" of the patented device.

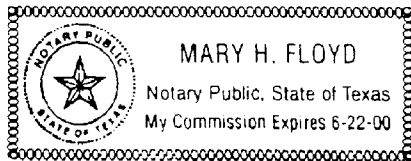
13. Therefore, it is Swinford's contention and belief that according to the terms of the Previous Agreements, the above referenced patent has reverted to Swinford due to Ponder's non-payment of royalties owed and payable to Swinford pursuant to [the] Royalty Agreement" and Swinford now possesses "all right, title and interest in and to the [patent]."
14. Swinford also contends and believes that Ponder has made other material breaches and has failed to pay other royalties owed as required by the Previous Agreements and that the patent has thus reverted according to the terms of the Previous Agreements."

Further affiant sayeth not.


Jerry L. Swinford, Affiant

SWORN TO and SUBSCRIBED before me by Jerry L. Swinford on the 17 day of DECEMBER, 1998.


Notary Public in and for
the State of Texas



ATTACHMENT A

ASSIGNMENT

WHEREAS, Jerry Swinford, an individual, residing at 3220 W. FM 1960, Suite A009, Houston, Texas 77068, and Reeled Tubular Components, Inc., a Texas corporation, (hereinafter, the "Assignors"), own or have an interest in a certain new and useful invention entitled "Subterranean Rotation-Inducing Device and Method" (hereinafter called the "Invention"); and

WHEREAS, Ponder Industries, Inc., (hereinafter, "Ponder"), a Delaware corporation, having its principal place of business at 511 Commerce Road, Alice, Texas 78333 (hereinafter called the "Assignee"), is desirous of acquiring, and Assignors are desirous of assigning to Ponder, any and all right, title and interest in and to said Invention, patents and patent applications related to said Invention;

NOW THEREFORE, Assignors, for and in consideration of Ten Dollars and No/cents (\$10.00), paid herewith, the receipt and sufficiency of which is hereby acknowledged, do hereby SELL, ASSIGN and CONVEY unto Ponder any and all right, title and interest throughout the world in and to:

1. Said Invention;
2. All applications for patent or like protection on said Invention made by Assignors or their respective legal representative, whether in the United States of America or in any other country or place anywhere in the world;
3. Assignors covenant that they, their heirs, legal representatives, assigns, administrators, and executors shall execute all papers and perform such other acts as may be reasonably necessary to give Assignee, its successors and assigns, the full benefit of this Assignment.

4. All substitutions for and divisions, continuations, continuations-in-part, renewals, reissues, extension, reexamination and the like of said applications and patents and like grants, including without limitation, those obtained or permissible under past, present and future laws or statutes;

5. All rights of action on account of past, present and future unauthorized use of said Invention and for infringement of said patents and like protection;

6. The right of Assignee to file in its name applications for patents and like protection for said Invention in any country or countries foreign to the United States; and

7. All international rights or priority associated with said Invention, applications for patents, patents and like protection.

This Assignment shall be binding upon and shall inure to the benefit of the successors, assigns and legal representatives of the parties hereto.

This Assignment is subject to the terms and conditions of the Royalty Agreement entered into by parties hereto on even date herewith.

[signatures on next page]

EXECUTED this 4th day of June, 1996

Assignors:

REELED TUBULAR COMPONENTS, INC.

By: [Signature]

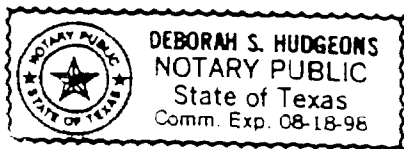
Name: JERRY SWINFORD

Title: PRESIDENT

[Signature]
Jerry Swinford

THE STATE OF TEXAS §
 §
COUNTY OF ~~TRAVIS~~ HARRIS §

This instrument was acknowledged by Jerry Swinford on this the 4th day of
June, 19 96.



[Signature]
Notary Public in and for
the State of Texas

ATTACHMENT B

ROYALTY AGREEMENT

This Royalty Agreement is being entered into this 4th day of June, 1996 (the "Effective Date") by and between Ponder Industries, Inc. ("Ponder") and Jerry Swinford ("Swinford").

WHEREAS, this Royalty Agreement is being entered into contemporaneously with a Purchase Agreement of even date herewith;

WHEREAS, Swinford has assigned to Ponder, by Assignment Agreement being entered into of even date herewith, all right, title and interest in and to U.S. Patent Application No. 08/471,774, entitled "Subterranean Rotation-Inducing Device and Method" filed with the U.S. Patent and Trademark Office June 6, 1995, and any continuation, divisional, continuation-in-part, reissue, or reexamination application based thereon; and

WHEREAS, in consideration for the mutual covenants and agreements enumerated herein, the parties agree to the following definitions, terms and conditions:

Definitions

1. The term "Patent Application" as used herein means U.S. Patent Application No. 08/471,774, entitled "Subterranean Rotation-Inducing Device and Method", filed with the U.S. Patent and Trademark Office June 6, 1995.
2. The term "Related Intellectual Property" as used herein means any continuation, divisional, continuation-in-part, reissue, or reexamination application for a U.S. patent, or any foreign patent application or patent, based in whole or in part on the subject matter of the Patent Application.

Terms and Conditions

1. Royalty - Ponder shall pay to Swinford, within fifteen (15) days after the end of each three month interval period after the Effective Date of this Royalty Agreement, a royalty of four per centum (4%) on any and all rental revenues and gross sales derived from the rental or sale, by Ponder or any subsidiary or related company of Ponder, of: (i) any device covered by any pending, or issued and non-expired, claim of the Patent Application or of the Related Intellectual Property, and (ii) any proprietary tool designed by Swinford during the term of an Employment Agreement entered into by Swinford with Ponder on even date herewith, regardless of whether such tool is covered by any pending, or issued and non-expired claim of the Patent Application or of the Related Intellectual Property; so long as such revenues and gross sales are generated during the period while any claim of the Patent Application or of the Related Intellectual Property covering such device or tool is pending, or issued and non-expired.

2. Accounting - Each royalty payment under this Royalty Agreement shall be accompanied by a report documenting the revenues and gross sales received by Ponder each month during the applicable royalty interval period and the calculation of the applicable royalty.

3. Fees - Ponder shall pay all filing, maintenance and attorney fees for further prosecution of the Patent Application and of any Related Intellectual Property and for the maintenance of any patent issuing from the Patent Application or from the Related Intellectual Property.

4. Reversionary Rights - all right, title and interest in and to the Patent Application and any Related Intellectual Property shall revert to Swinford in the event of: (i) a material

breach of the terms of the Employment Agreement, or (ii) non-payment of royalties owed and payable to Swinford pursuant to this Royalty Agreement.

5. Third Parties Bound - This Royalty Agreement and the terms, covenants, conditions, provisions, obligations, rights and benefits set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, assigns, licensees or successors.

6. Entire Agreement - This Royalty Agreement, along with the Assignment Agreement, Purchase Agreement and Employment Agreement, contains the entire agreement of the parties hereto concerning the subject matter hereof and supersedes all prior agreements, understandings, discussions, and negotiations, whether written or oral, between the parties hereto.

7. Amendments - This Royalty Agreement may not be modified or amended except by written instrument executed by the parties hereto.

8. Headings - The headings in this Royalty Agreement are for convenience only and shall not be deemed to control or affect the meaning or construction of any provision of this Agreement.

9. Governing Law - This Royalty Agreement shall be governed by and construed in accordance with laws of the State of Texas.

PONDER INDUSTRIES, INC.

By: Eugene L. Butler

Date: _____

- Eugene L. Butler

Executive Vice President

By: Jerry Swinford

Date: 6-11-96

Jerry Swinford

ATTACHMENT C

EMPLOYMENT AGREEMENT

This Agreement is made by and between Ponder Industries, Inc. (the "Company"), located at 511 Commerce Road, Alice, Texas 78333 and Jerry Swinford ("Employee").

ARTICLE 1 COMPENSATION AND TERM

1.01 Basic Compensation. As compensation for the services to be rendered hereunder, the Company shall pay Employee a salary of \$5,000 per month, which shall be payable in at least monthly installments during the term of this Agreement. Employee shall also be entitled to receive cash bonuses that may from time to time be declared by the Board of Directors of the Company (the "Board").

1.02 Term. Subject to earlier termination pursuant to Article 4 hereof, this Agreement shall have a term of two (2) years commencing as of the execution date of this Agreement; provided, however, the term shall automatically renew for one additional one-year term unless either party provides written notice to the other party at least 90 days prior to its termination that this Agreement will not be renewed.

ARTICLE 2 DUTIES OF EMPLOYEE

2.01 Duties. The Company hereby employs Employee to perform such duties and responsibilities as may be prescribed from time to time by the President of the Company (the "President"). The Company acknowledges that Employee will continue to reside in Harris County during the term of this Agreement.

2.02 Other Activities. During the term of this Agreement Employee shall devote his full-time efforts to his duties hereunder.

ARTICLE 3 EMPLOYEE BENEFITS

3.01 Medical and Dental Benefits. The Company agrees to include Employee in any hospital, surgical, medical and dental benefit plan(s) that it may adopt for its respective employees.

3.02 Reimbursement of Expenses. The Company shall reimburse Employee for all expenses reasonably incurred by Employee in conjunction with the rendering of services at the Company's request, provided that such expenses are incurred in accordance with the prevailing practice and policy of the Company and are properly deductible by the Company for federal income tax purposes. As a condition to such reimbursement, Employee shall submit an

itemized accounting of such expenses in reasonable detail, including receipts where required under federal income tax laws.

3.03 Use of Company Vehicle. During the term of this Agreement, the Company shall provide Employee with the use of a company vehicle, in accordance with Company policies and practices, for the use of Employee in performing the duties and responsibilities of Employee as may be prescribed by the President from time to time.

3.04 Other Benefits. Employee shall be entitled to reasonable and customary holidays and other benefits that are available to all employees of the Company.

ARTICLE 4 TERMINATION OF EMPLOYMENT

4.01 Termination by the Company for Cause. The Company may at its option terminate this Agreement for cause by giving ten (10) days written notice of termination to Employee, without prejudice to any other remedy to which the Company may be entitled at law, in equity or under this Agreement; provided, however, that no such notice of termination shall be given until the Company shall have notified Employee of the cause of such termination and Employee shall have failed to fully remedy such cause in all respects within thirty (30) days thereafter.

4.02 Termination on Grounds Other Than for Cause. This Agreement shall terminate immediately on the occurrence of any one of the following events:

- (a) The occurrence of circumstances that make it impossible or impracticable for the business of the Company to be continued.
- (b) The death of Employee.
- (c) The loss of legal capacity by Employee.
- (d) Insolvency of the Company.
- (e) The continued incapacity on the part of Employee to perform his duties for a continuous period of 30 days, unless waived by the Company.

4.03 Option to Terminate if Employee Permanently Disabled. If Employee becomes permanently disabled because of sickness, physical or mental disability, or any other reason, so that it reasonably appears that Employee will be unable to perform the essential aspects of his duties under this Agreement, the Company shall have the option to terminate this Agreement immediately by giving written notice of termination to Employee.

4.04 Effect of Termination on Compensation. In the event of the termination of this Agreement prior to the completion of the term of employment specified in it, pursuant to Section 4.01, 4.02 or 4.03, Employee shall be entitled to the compensation earned by Employee to the date of termination as provided in the Agreement, computed pro rata up to and including that date. Except as provided in Section 4.05 and in any benefit plan then in effect, Employee shall be entitled to no further compensation after the date of such termination.

4.05 Severance Pay. On dismissal or termination of employment other than for the reasons set forth in Sections 4.01, 4.02(a) or 4.02(d), the Company shall make a cash severance payment to the Employee in the amount equal to one month salary.

ARTICLE 5 CONFIDENTIAL INFORMATION AND NON-COMPETITION

5.01 Nondisclosure. During the term of this Agreement and thereafter, Employee shall not, without the prior written consent of the Board disclose or use for any purpose (except in the course of his employment under this Agreement and in furtherance of the business of the Company) confidential information or proprietary data of the Company (or any of its subsidiaries), except as required by applicable law or legal process; provided, however, that confidential information shall not include any information known generally to the public or ascertainable from public or published information (other than as a result of unauthorized disclosure by Employee) or any information of a type not otherwise considered confidential by persons engaged in the same business or a business similar to that conducted by the Company (or any of its subsidiaries).

5.02 Non-competition. The Company and Employee agree that the services rendered by Employee hereunder are unique and irreplaceable. Employee hereby agrees that, during the term of this Agreement and for a period of one (1) year thereafter, he shall not (except in the course of his employment under this Agreement and in furtherance of the business of the Company (or any of its subsidiaries)) (a) engage in as principal, consultant or employee in any segment of a business of a company, partnership or firm that is directly competitive with the fishing rental tools business of the Company ("Business Segment") in the Gulf Coast region of Texas or (b) hold an interest (except as a holder of less than 5% interest in a publicly traded firm or mutual funds, or as a minority stockholder or unitholder in a form not publicly traded) in a company, partnership or firm with a Business Segment that is directly competitive, without the prior written consent of the Company.

5.03 Validity of Non-competition. The foregoing provisions of Section 5.02 shall not be held invalid because of the scope of the territory covered, the actions restricted thereby, or the period of time such covenant is operative. Any judgment of a court of competent jurisdiction may define the maximum territory, the actions subject to and restricted by Section 5.02 and the period of time during which such agreement is enforceable.

5.04 Non-competition Covenants Independent. The covenants of the Employee contained in Section 5.02 will be construed as independent of any other provision in this Agreement; and the existence of any claim or cause of action by the Employee against the Company will not constitute a defense to the enforcement by the Company of said covenants. The Employee understands that the covenants contained in Section 5.02 are essential elements of the transaction contemplated by this Agreement and, but for the agreement of the Employee to Section 5.02, the Company would not have agreed to enter into such transaction. The Employee has been advised to consult with counsel in order to be informed in all respects concerning the reasonableness and propriety of Section 5.02 and its provisions with specific regard to the nature of the business conducted by the Company and the Employee acknowledges that Section 5.02 and its provisions are reasonable in all respects.

5.05 Remedies. In the event of a breach or threatened breach by the Employee of Section 5.02 or its provisions, the Company shall be entitled to a temporary restraining order and an injunction restraining the Employee from the commission of such breach. Nothing herein shall be construed as prohibiting the Company from pursuing any other remedies available to it for such breach or threatened breach, including the recovery of money damages.

ARTICLE 6 PROPRIETARY PROPERTY

6.01 Proprietary Property Assignment. Subject to the terms and conditions the Royalty Agreement executed herewith, any inventions, improvements, designs, notes, reference materials, sketches, diagrams, reproductions, memoranda, documentation, and records incorporating or reflecting any of the information or proprietary property, or developed as a result of Employee's services to the Company (hereinafter collectively referred to as "Proprietary Property"), shall belong exclusively to the Company and shall be delivered to the Company upon termination of this Agreement for whatever reason said termination occurs. All Proprietary Property made or conceived by Employee relating to or used in connection with the scope of Employee's services to the Company shall be conclusively presumed to have been made or conceived in the course of the performance by Employee of services to the Company unless Employee, prior to performing said work, and before committing the Company to any expense on account of it, shall give notice in writing to the Company that it conflicts with other interests or work of said Employee, and receiving approval in writing from the President to proceed with said work. Subject to the terms and conditions of the Royalty Agreement executed herewith, work or ideas made or conceived by Employee in connection with and during the performance of the services provided hereunder and related to the business of the Company during the term of this agreement and for six months thereafter shall be the sole property of the Company and shall be promptly reported both orally and in writing to the Company.

6.02 Protection of Proprietary Property. Employee, without charge to the Company, shall execute, acknowledge and deliver to the Company all such further papers, including applications for said patents or copyrights, the expense of which is to be borne by the

Company, as may be necessary to enable the Company to protect said Proprietary Property, work and ideas by patent or otherwise in any and all countries, to vest title to said Proprietary Property, work, patents, copyrights and ideas in the Company or its nominees, their successors or assigns and to maintain and enforce such protection, and shall render all such assistance as the Company may require in any patent or copyright office, litigation or other proceeding involving said Proprietary Property, work, copyrights or ideas.

ARTICLE 7 GENERAL PROVISIONS

7.01 Notices. All notices or other communications required under this Agreement may be effected either by personal delivery in writing or by certified mail, return receipt requested. Notice shall be deemed to have been given when delivered or mailed to the parties at their respective addresses as set forth above or when mailed to the last address provided in writing to the other party by the addressee.

7.02 Entirety of Agreement. This Agreement along with the Royalty Agreement executed herewith supersedes all other agreements, either oral or in writing, between the parties to this Agreement, with respect to the employment of the Employee by the Company. This Agreement contains the entire understanding of the parties and all of the covenants and agreements between the parties with respect to such employment.

7.03 Governing Law. This Agreement shall be governed by the laws of the State of Texas and deemed performable in Harris County, Texas.

EXECUTED effective the 11th day of June, 1996.

PONDER INDUSTRIES, INC.

By: Eugene L. Butler
Eugene L. Butler,
Executive Vice President and Chief
Financial Officer

Jerry Swinford
Jerry Swinford