**TO:** The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

**Submission Type**
- New (XX)
- Resubmission (Non-Recordation) [ ]

**Conveyance Type**
- Assignment [ ]
- License [ ]
- Security Agreement (XX)
- Change of Name [ ]
- Merger [ ]
- Other [ ]

**U.S. Government**
(For Use ONLY by U.S. Government Agencies)

**Conveying Party(ies)**
- Name (line 1) Carl W. Landers
- Name (line 2)

**Second Party**
- Name (line 1)
- Name (line 2)

**Receiving Party**
- Name (line 1) West Kentucky Bank
- Name (line 2)

**Address**
- Address (line 1) 1760 N. Main Street
- Address (line 2)
- Address (line 3) Madisonville, Kentucky 42431

**Domestic Representative Name and Address**
- Enter for the first Receiving Party only.
- Name
- Address (line 1)
- Address (line 2)
- Address (line 3)
- Address (line 4)

**FOR OFFICE USE ONLY**
- 10/29/1999
- DWGUYEN 00000155 09098623
- 01 FC:581 160.00 DP

**PUBLIC BURDEN REPORTING FOR THIS COLLECTION OF INFORMATION IS ESTIMATED TO AVERAGE APPROXIMATELY 30 MINUTES PER COVER SHEET TO BE RECORDED, INCLUDING TIME FOR REVIEWING THE DOCUMENT AND GATHERING THE DATA NEEDED TO COMPLETE THE COVER SHEET. SEND COMMENTS REGARDING THIS BURDEN ESTIMATE TO THE U.S. PATENT AND TRADEMARK OFFICE, CHIEF INFORMATION OFFICER, WASHINGTON, D.C. 20231 AND TO THE OFFICE OF INFORMATION AND REGULATORY AFFAIRS, OFFICE OF MANAGEMENT AND BUDGET, PAPERWORK REDUCTION PROJECT (0651-0027), WASHINGTON, D.C. 20503. SEE OMB INFORMATION COLLECTION BUDGET PACKAGE 0651-0027, PATENT AND TRADEMARK ASSIGNMENT PRACTICE. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.**

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231
**Correspondent Name and Address**

<table>
<thead>
<tr>
<th>Name</th>
<th>Jeffrey A. Haeberlin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address (line 1)</td>
<td>Middleton &amp; Rautlinger</td>
</tr>
<tr>
<td>Address (line 2)</td>
<td>401 S. Forth Street</td>
</tr>
<tr>
<td>Address (line 3)</td>
<td>2500 Brown &amp; Williamson Tower</td>
</tr>
<tr>
<td>Address (line 4)</td>
<td>Louisville, Kentucky 40202</td>
</tr>
</tbody>
</table>

**Pages**

Enter the total number of pages of the attached conveyance document including any attachments.

- 2 pages

**Application Number(s) or Patent Number(s)**

- 09096623
- 09282781
- 5413184
- 5853056

Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

**Patent Cooperation Treaty (PCT)**

Enter PCT application number only if a U.S. Application Number has not been assigned.

**Number of Properties**

Enter the total number of properties involved.

- 4 properties

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41): $160.00

Method of Payment: Enclosed

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

- Deposit Account Number:
  - 

Authorization to charge additional fees: Yes

**Statement and Signature**

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

- Jeffrey A. Haeberlin
- Signature
- 10-19-99
SECURITY AGREEMENT

AGREEMENT effective August 25, 1999, by and between West Kentucky Bank, a Kentucky banking institution having its principal place of business in Clay, Kentucky (hereinafter referred to as Secured Party) and Carl W. Landers, an individual resident of Madisonville, Kentucky (hereinafter referred to as Grantor).

WHEREAS, the Grantor is a guarantor of a line of credit which Landers Horizontal Drill, Inc. (hereinafter referred to as Borrower) has established with the Secured Party, Grantor having executed a Limited Continuing Guaranty in favor of Secured Party dated August 25, 1999 (hereinafter referred to as the Guaranty).

AND WHEREAS, Grantor has agreed to grant to Secured Party a security interest in certain collateral described herein in consideration of Secured Party's extension of a line of credit to Borrower.

IT IS THEREFORE, AGREED:

1. The Grantor hereby grants to the Secured Party a security interest in the collateral described in Paragraph 2 hereof in consideration of Secured Party's extension of a line of credit to Borrower, as indicated above and as more specifically described in Paragraph 3 hereof.

2. The property which is subject to the security interest created by this Agreement consists of:

- U.S. Patent No. 5,413,184 issued October 1, 1993 to Carl Landers and entitled Method and Apparatus for Horizontal Well Drilling;
- U.S. Patent No. 5,853,056 issued December 29, 1998 to Carl Landers and entitled Method and Apparatus for Horizontal Well Drilling;
- U.S. Patent Application No. 09/098,623 filed June 17, 1998 by Carl Landers for invention entitled Method and Apparatus for Horizontal Well Drilling; and
- U.S. Patent Application No. 09/282,781 filed March 31, 1999 by Carl Landers for invention entitled Method and Apparatus for Horizontal Well Drilling.

4. In the event that Grantor defaults in its obligations then the Secured Party shall be entitled to any and all remedies available under the laws of the Commonwealth of Kentucky.

SECURED PARTY:
WEST KENTUCKY BANK

By: ____________________________

Title: ____________________________

Date Executed: ____________________

GRANTOR:
CARL W. LANDERS, AN INDIVIDUAL

Carl W. Landers

Date Executed: 10-13-99

Drafted by:
JEFFREY A. EAEBERLIN
MIDDLETON & REUTLINGER
2500 Brown & Williamson Tower
Louisville, Kentucky 40202
(502)584-1135

I:\DATA\WPDOCS\JEAEBERLIN\LANDERS\SECAGMT WPD

RECORDED: 10/27/1999

PATENT
REEL: 010340 FRAME: 0110