

09-13-2002



102220478

RECORDED
2002 SEP 12 11:53

RESUBMISSION FORM COVER SHEET
PATENTS ONLY FINANCE SECTION

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

Submission Type

☒ New *9.9.02*
☐ Resubmission (Non-Recordation)
Document ID#
☐ Correction of PTO Error
Reel # Frame #
☐ Corrective Document
Reel # Frame #

Conveyance Type

☐ Assignment ☒ Security Agreement
☐ License ☐ Change of Name
☐ Merger ☐ Other
U.S. Government
(For Use ONLY by U.S. Government Agencies)
☐ Departmental File ☐ Secret File

Conveying Party(ies)

☐ Mark if additional names of conveying parties attached
Name (line 1) **Key Energy Services, Inc.** Execution Date
Month Day Year
08 16 02

Name (line 2)

Second Party

Name (line 1)

Execution Date
Month Day Year

Name (line 2)

Receiving Party

☐ Mark if additional names of receiving parties attached

Name (line 1) **PNC Bank, National Association**

☐ If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)

Name (line 2)

Address (line 1) **249 Fifth Avenue**

Address (line 2)

Address (line 3) **Pittsburgh** **Pennsylvania** **15222**
City State/Country Zip Code

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)

09/12/2002 TDIAZ1 00000054 09839444

01 FC:561

880.00 OP

FOR OFFICE USE ONLY

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

PATENT
REEL: 013269 FRAME: 0063

Correspondent Name and Address

Area Code and Telephone Number

412-562-1639

Name Carla J. Vrsansky

Address (line 1) Buchanan Ingersoll, P.C.

Address (line 2) 301 Grant Street, 29th Floor

Address (line 3) Pittsburgh, PA 15219

Address (line 4)

Pages

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

21

Application Number(s) or Patent Number(s)

☒ 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 Application Number(s)

09/839,444

10/113,609

09/752,319

09/839,080

09/839,103

09/752,321

09/839,411

09/838,857

09/752,311

Patent Number(s)

5,711,382

6,377,189

6,241,020

5,988,299

6,212,763

6,209,639

6,079,490

6,276,449

6,213,207

If this document is being filed together with a new Patent Application, enter the date the patent application was signed by the first named executing inventor.

Month Day Year

Patent Cooperation Treaty (PCT)

Enter PCT application number

only if a U.S. Application Number has not been assigned.

PCT

PCT

PCT

PCT

PCT

PCT

Number of Properties

Enter the total number of properties involved.

22

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): \$ 880.00

Method of Payment:

Deposit Account

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 ☐

No ☐

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.

Carla J. Vrsansky

Name of Person Signing

[Signature]
Signature

9/5/02
Date

RECORDATION FORM COVER SHEET
CONTINUATION
PATENTS ONLY

U.S. Department of Commerce
Patent and Trademark Office
PATENT

Conveying Party(ies)

☐ Mark If additional names of conveying parties attached

Enter additional Conveying Parties

Name (line 1)

Execution Date
Month Day Year

Name (line 2)

Execution Date
Month Day Year

Name (line 1)

Name (line 2)

Execution Date
Month Day Year

Name (line 1)

Name (line 2)

Receiving Party(ies)

☐ Mark if additional names of receiving parties attached

Enter additional Receiving Party(ies)

Name (line 1)

Name (line 2)

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

☐ If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)

Name (line 1)

Name (line 2)

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

☐ If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)

Application Number(s) or Patent Number(s)

☐ 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 Application Number(s)

10/046,688

09/945,924

Patent Number(s)

6,253,849

6,374,706

**SECOND AMENDED AND RESTATED PATENT,
TRADEMARK AND COPYRIGHT SECURITY AGREEMENT**

This Second Amended and Restated Patent, Trademark and Copyright Security Agreement (the "Agreement"), dated as of August 16, 2002, is entered into by and among **KEY ENERGY SERVICES, INC.**, a Maryland corporation (the "Borrower"), each of the **GUARANTORS** party to the Credit Agreement listed on the signature pages attached hereto (each a "Debtor" and collectively the "Debtors") and **PNC BANK, NATIONAL ASSOCIATION**, as Administrative Agent (in such capacity, the "Administrative Agent") for the benefit of itself, the other Lenders under the Credit Agreement referred to below and Affiliates of Lenders party to any Lender-Provided Hedges, Lender-Provided Letter of Credit Facility or who provide loans under the Credit Agreement ("Accommodating Affiliates").

Reference is made to the Second Amended and Restated Credit Agreement, dated as of June 6, 1997, as amended and restated through September 14, 1998, among the Borrower as the borrower, the banks and other financial institutions as the lenders, the Administrative Agent as administrative agent, Wells Fargo Bank, N.A. (f/k/a Norwest Bank Texas, N.A.), as collateral agent (the "Collateral Agent") and PNC Capital Markets, Inc., as arranger (as amended, restated, modified, waived and supplemented through July 14, 2002, the "Existing Credit Agreement").

WITNESSETH THAT:

WHEREAS, the obligations and all indebtedness of the Debtors under the Existing Credit Agreement are secured pursuant to that certain Amended and Restated Master Guarantee and Collateral Agreement, dated as of June 6, 1997, as amended and restated through September 14, 1998, among the Debtors and the Collateral Agent and given in connection with the Existing Credit Agreement (the "Existing Collateral Agreement");

WHEREAS, as of July 15, 2002, the obligations, liabilities and indebtedness of the Debtors under the Existing Credit Agreement have been refinanced and shall be governed by the Third Amended and Restated Credit Agreement, dated as of June 6, 1997, as amended and restated through July 15, 2002, by and among the Borrower, the Lenders from time to time party thereto, and the Administrative Agent (as restated, amended, modified and supplemented from time to time, the "Credit Agreement") which has amended and restated the Existing Credit Agreement in its entirety;

WHEREAS, as of July 15, 2002, the Borrower, certain of its subsidiaries and the Administrative Agent entered into the Amended and Restated Patent, Trademark and Copyright Security Agreement (the "Prior Agreement");

WHEREAS, the parties desire that certain liens and security interests which secured indebtedness, obligations, and liabilities of the Debtors under the Existing Credit Agreement and the documents related thereto shall continue to secure the indebtedness, obligations, and liabilities of the Debtors under the Credit Agreement, the other Loan Documents (as defined therein) and the documents ("Hedge Documents") relating to the Lender-Provided Hedges and,

accordingly, this Agreement when coupled with the Amended and Restated Pledge Agreement, the Amended and Restated Security Agreement and the Guaranty Agreement renews, amends, and restates the Existing Collateral Agreement;

WHEREAS, pursuant to the Credit Agreement, the Collateral Agent has (i) assigned certain of the UCC financing statements which were filed pursuant to the Existing Collateral Agreement to the Administrative Agent and (ii) assigned all filings that it has made with the United States Patent Office and the United States Copyright Office with respect to the Patents, Trademarks and Copyrights;

WHEREAS, as of July 19, 2002, the Borrower acquired the stock of Q Services, Inc., a Texas corporation ("Q") and pursuant to Section 7.2.7 of the Credit Agreement Q and its subsidiaries have joined the Credit Agreement and other Loan Documents as Guarantors;

WHEREAS, as of the date hereof, the parties desire to amend and restate the Prior Agreement in its entirety to reflect the joinder of Q and its subsidiaries as Debtors hereunder; and

WHEREAS, pursuant to the Credit Agreement and the Hedge Documents, the Administrative Agent, the Lenders and their respective Accommodating Affiliates have agreed to continue to make certain loans and financial accommodations to or for the benefit of the Debtors and the Debtors have agreed, among other things, to grant a security interest to the Administrative Agent in certain patents, trademarks, copyrights and other property as security for such loans and other obligations as more fully described herein.

NOW, THEREFORE, intending to be legally bound hereby, the parties hereto agree as follows:

1. Each of the Existing Collateral Agreement and the Prior Agreement is hereby amended and restated in part as provided herein (the Existing Collateral Agreement is further amended and restated in part in (a) the Amended and Restated Pledge Agreement, (b) the Amended and Restated Security Agreement and (c) the Guaranty Agreement), and this Agreement is not intended to constitute, nor does it constitute, an interruption, suspension of continuity, satisfaction, discharge of prior duties as restated hereby, novation, or, except as provided hereby, termination of the liens, security interests, indebtedness, loans, liabilities, expenses, or obligations under the Existing Credit Agreement, the Existing Collateral Agreement or the Prior Agreement. Each Debtor and the Administrative Agent acknowledge and agree that the Existing Collateral Agreement has continued to secure the indebtedness, loans, liabilities, expenses, and obligations under the Existing Credit Agreement since the date of execution of the Existing Collateral Agreement; and that this Agreement is entitled to all rights and benefits originally pertaining to the Existing Collateral Agreement except as amended hereby.

2. (a) Except as otherwise expressly provided herein, capitalized terms used in this Agreement shall have the respective meanings given to them in the Credit Agreement. Where applicable and except as otherwise expressly provided herein, terms used herein (whether or not capitalized) shall have the respective meanings assigned to them in the Uniform Commercial Code as enacted in Pennsylvania as amended from time to time (the "Code").(b)

"Patents, Trademarks and Copyrights" shall mean and include all of each Debtor's present and future right, title and interest in and to the following: all trade names, patent applications, patents, trademark applications, trademarks and copyrights, whether now owned or hereafter acquired by such Debtor, including, without limitation, those listed on Schedule A hereto, including all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, and the goodwill of the business to which any of the patents, trademarks and copyrights relate. Notwithstanding the foregoing and anything to the contrary in this Agreement or in any other Loan Document, (a) the collateral under this Agreement shall not include any item of Debtor's property which is subject to a Permitted Lien to the extent that the loan documents governing such Permitted Lien prohibit the Debtors' from subjecting such property to a subordinated Lien and (b) unless an Event of Default exists and is continuing, the Administrative Agent shall not perfect its liens on the collateral covered by this Agreement which is located outside of the United States of America.

(c) "Debt" shall mean and include the following: (i) all now existing and hereafter arising Indebtedness and Obligations of each and every Debtor to the Administrative Agent, the Lenders, or any of their respective Accommodating Affiliates under the Credit Agreement or any of the other Loan Documents, including all obligations, liabilities, and indebtedness, whether for principal, interest, fees, expenses or otherwise, of each and every of the Debtors to the Administrative Agent, the Lenders, or any of their respective Accommodating Affiliates, now existing or hereafter incurred under the Credit Agreement or the Notes or the Guaranty Agreement or any of the other Loan Documents as any of the same or any one or more of them may from time to time be amended, restated, modified, or supplemented, together with any and all extensions, renewals, refinancings, and refundings thereof in whole or in part (and including obligations, liabilities, and indebtedness arising or accruing after the commencement of any bankruptcy, insolvency, reorganization, or similar proceeding with respect to the Borrower or which would have arisen or accrued but for the commencement of such proceeding, even if the claim for such obligation, liability or indebtedness is not enforceable or allowable in such proceeding, and including all obligations, liabilities and indebtedness arising from any extensions of credit under or in connection with the Loan Documents from time to time, regardless whether any such extensions of credit are in excess of the amount committed under or contemplated by the Loan Documents or are made in circumstances in which any condition to extension of credit is not satisfied); (ii) all reimbursement obligations of each and every Debtor with respect to any one or more Letters of Credit issued by Administrative Agent or any Lender; (iii) all reimbursement obligations of each and every Debtor arising out of any Lender-Provided Letter of Credit Facility provided by Administrative Agent or any Lender pursuant to the Credit Agreement; (iv) all indebtedness, loans, obligations, expenses and liabilities of each and every of the Debtors to the Administrative Agent or any of the Lenders, or any of their respective Accommodating Affiliates, arising out of any Lender-Provided Hedge provided by the Administrative Agent, such Lenders or such Accommodating Affiliates pursuant to the Credit Agreement; and (v) any sums advanced by the Administrative Agent or the Lenders or which may otherwise become due pursuant to the provisions of the Credit Agreement, the Notes, this Agreement, or any other Loan Documents or pursuant to any other document or instrument at any

time delivered to the Administrative Agent in connection therewith, including commitment, letter of credit, agent or other fees and charges, and indemnification obligations under any such document or instrument, together with all interest payable on any of the foregoing, whether such sums are advanced or otherwise become due before or after the entry of any judgment for foreclosure or any judgment on any Loan Document or with respect to any default under any of the Debt.

3. To secure the full payment and performance of all Debt, each Debtor hereby grants, and conveys a security interest to Administrative Agent for the benefit of each of the Lenders, their Accommodating Affiliates and Administrative Agent, in the entire right, title and interest of such Debtor in and to all of its Patents, Trademarks and Copyrights.

4. Each Debtor covenants and warrants that:

(a) the Patents, Trademarks and Copyrights are subsisting in all material respects and no material Patent, Trademark and Copyright has been adjudged invalid or unenforceable, in whole or in part;

(b) to the best of such Debtor's knowledge, each of the Patents, Trademarks and Copyrights is valid and enforceable in all material respects;

(c) except as described on Schedule B hereto, each Debtor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents, Trademarks and Copyrights, free and clear of any liens, charges and encumbrances other than Permitted Liens, including without limitation pledges, assignments, licenses, shop rights and covenants by such Debtor not to sue third persons;

(d) such Debtor has the corporate, partnership or limited liability company power, as the case may be, and authority to enter into this Agreement and perform its terms;

(e) to the knowledge of Debtor, no claim has been made to such Debtor or, to the knowledge of such Debtor, any other person that the use of any of the Patents, Trademarks and Copyrights does or would violate the rights of any third party in any material respect;

(f) such Debtor has used, and will continue to use for the duration of this Agreement, in all material respects, proper statutory notice in connection with its use of the Patents, Trademarks and Copyrights, except for those Patents, Trademarks and Copyrights that are hereafter allowed to lapse in accordance with Paragraph 11 hereof;

(g) such Debtor will not change its state of incorporation, formation or organization, as applicable, except in accordance with Section 7.2.14 of the Credit Agreement;

(h) such Debtor will not change its name except in accordance with Section 7.2.14 of the Credit Agreement; and

(i) except as permitted in Sections 7.2.7 and 7.2.8 of the Credit Agreement or as otherwise permitted by the Administrative Agent or the Required Lenders, such Debtor shall

preserve its corporate, partnership or limited liability company existence, as the case may be, and except as permitted by the Credit Agreement, shall not (i) in one, or a series of related transactions, merge into or consolidate with any other entity, the survivor of which is not such Debtor, or (ii) sell all or substantially all of its assets.

5. Each Debtor agrees that, until all of the Debt shall have been satisfied in full, such Debtor will not enter into any agreement (for example, a license agreement) which is inconsistent with such Debtor's obligations under the Credit Agreement, without Administrative Agent's prior written consent which shall not be unreasonably withheld or delayed except such Debtor may license technology in the ordinary course of business without the Administrative Agent's consent to suppliers and customers to facilitate the manufacture and use of such Debtor's products.

6. If, before the Debt shall have been indefeasibly satisfied in full and the Commitments have terminated, any Debtor shall own any new trademarks or any new copyrightable or patentable inventions, or any patent application or patent for any reissue, division, continuation, renewal, extension, or continuation in part of any Patent, Trademark or Copyright or any improvement on any Patent, Trademark or Copyright, the provisions of this Agreement shall automatically apply thereto and such Debtor shall give to Administrative Agent prompt notice thereof in writing. Each Debtor and Administrative Agent agree to modify this Agreement by amending Schedule A to include any future patents, patent applications, trademark applications, trademarks, copyrights or copyright applications and the provisions of this Agreement shall apply thereto.

7. Administrative Agent shall have, in addition to all other rights and remedies given it by this Agreement and those rights and remedies set forth in the Credit Agreement, those allowed by Law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents, Trademarks and Copyrights may be located and, without limiting the generality of the foregoing, if an Event of Default has occurred and is continuing, Administrative Agent may immediately, without demand of performance and without other notice (except as set forth below) or demand whatsoever to any Debtor, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, in a city that the Administrative Agent shall designate by notice to each Debtor, in Pittsburgh, Pennsylvania or elsewhere, the whole or from time to time any part of the Patents, Trademarks and Copyrights, or any interest which Debtors may have therein and, after deducting from the proceeds of sale or other disposition of the Patents, Trademarks and Copyrights all expenses (including fees and expenses for brokers and attorneys), shall apply the remainder of such proceeds toward the payment of the Debt as the Administrative Agent, in its sole discretion, shall determine. Any remainder of the proceeds after payment in full of the Debt shall be paid over to such Debtor. Written notice of any sale or other disposition of the Patents, Trademarks and Copyrights shall be given to such Debtor at least ten (10) days before the time of any intended public or private sale or other disposition of the Patents, Trademarks and Copyrights is to be made, which notice each such Debtor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, Administrative Agent may, to the extent permissible under applicable Law, purchase the whole or any part of the Patents, Trademarks and Copyrights sold, free from any right of redemption on the part of each Debtor, which right is hereby waived and released.

8. If any Event of Default shall have occurred and be continuing, each Debtor hereby authorizes and empowers Administrative Agent to make, constitute and appoint any officer or agent of Administrative Agent, as Administrative Agent may select in its exclusive discretion, as such Debtor's true and lawful attorney-in-fact, with the power to endorse such Debtor's name on all applications, documents, papers and instruments necessary for Administrative Agent to use the Patents, Trademarks and Copyrights, or to grant or issue, on commercially reasonable terms, any exclusive or nonexclusive license under the Patents, Trademarks and Copyrights to any third person, or necessary for Administrative Agent to assign, pledge, convey or otherwise transfer title in or dispose, on commercially reasonable terms, of the Patents, Trademarks and Copyrights to any third Person. Each Debtor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable for the life of this Agreement. Each Debtor acknowledges and agrees that (i) the power of attorney herein granted shall in no way be construed as to benefit such Debtor; (ii) the Administrative Agent herein granted this power of attorney shall have NO duty to exercise any powers granted hereunder for the benefit of such Debtor; and (iii) the Administrative Agent herein granted this power of attorney shall, to the extent exercisable, exercise any and all powers granted hereunder for the benefit of the Administrative Agent, the Lenders and their respective Affiliates. The Administrative Agent hereby accepts this power of attorney and all powers granted hereunder for the benefit of the Administrative Agent, the Lenders and their respective Affiliates. Each of the Debtors, the Administrative Agent and the Lenders (for themselves and on behalf of their respective Accommodating Affiliates) acknowledge, agree and consent that, in accordance with the legislative intent and as allowed by 20 Pa.C.S. § 5601(a), the provisions of 20 Pa.C.S. § 5601 shall NOT apply to this power of attorney or any of the powers granted herein.

9. (a) Upon indefeasible payment in full of the Debt, the expiration of all Commitments, Letters of Credit and Lender-Provided Hedges, and termination of the Credit Agreement, this Agreement shall terminate and be of no further force and effect, and the Administrative Agent shall thereupon promptly execute and deliver appropriate lien release documents requested by the Debtors and return to the Debtors such other documents delivered by the Debtors hereunder as may then be in the Administrative Agent's possession. Until such time, however, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(b) If any of the Patents, Trademarks and Copyrights shall be sold, transferred or otherwise disposed of by any Debtor in a transaction permitted by Section 7.2.8 of the Credit Agreement, then the Administrative Agent, at the request and sole expense of such Debtor, shall execute and deliver to such Debtor all releases or other documents as may be required for the release of the Liens created hereby on such Patents, Trademarks and Copyrights.

10. Any and all fees, costs and expenses, of whatever kind or nature, including reasonable attorney's fees and expenses incurred by Administrative Agent in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances, the protection, maintenance or preservation of the Patents, Trademarks and Copyrights, or the defense or prosecution of any actions or proceedings arising out of or related

to the Patents, Trademarks and Copyrights, shall be borne and paid by Debtors, jointly and severally, within fifteen (15) days of demand by Administrative Agent, and if not paid within such time, shall be added to the principal amount of the Debt and shall bear interest at the default rate prescribed in the Credit Agreement.

11. Except to the extent such Debtor, in the exercise of its reasonable business judgment, may elect not to do so and where its failure to do so will not result in a Material Adverse Change, each Debtor shall have the duty to prosecute diligently any patent applications of the Patents, Trademarks and Copyrights pending as of the date of this Agreement or thereafter until the Debt shall have been indefeasibly paid in full and the Commitments shall have terminated, to make application on unpatented but patentable inventions and to preserve and maintain all material rights in patent applications and patents of the Patents, including without limitation the payment of all maintenance fees. Any expenses incurred in connection with such an application shall be borne by such Debtor. No Debtor shall abandon any material Patent, Trademark or Copyright without the consent of Administrative Agent, which shall not be unreasonably withheld or delayed.

12. Each Debtor shall have the right, with the consent of Administrative Agent, which shall not be unreasonably withheld, to bring suit, action or other proceeding in its own name, and to join Administrative Agent, if necessary, as a party to such suit so long as Administrative Agent is satisfied that such joinder will not subject it to any risk of liability, to enforce the Patents, Trademarks and Copyrights and any licenses thereunder. Each Debtor shall promptly, upon demand, reimburse and indemnify Administrative Agent for all damages, costs and expenses, including reasonable legal fees, incurred by Administrative Agent as a result of such suit or joinder by such Debtor.

13. No course of dealing between any Debtor and Administrative Agent, nor any failure to exercise nor any delay in exercising, on the part of Administrative Agent, any right, power or privilege hereunder or under the Credit Agreement or other Loan Documents shall operate as a waiver of such right, power or privilege, nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

14. All of Administrative Agent's rights and remedies with respect to the Patents, Trademarks and Copyrights, whether established hereby or by the Credit Agreement or by any other agreements or by Law, shall be cumulative and may be exercised singularly or concurrently.

15. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any clause or provision of this Agreement in any jurisdiction.

16. This Agreement is subject to modification only by a writing signed by the parties, except as provided in Paragraph 6.

17. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties, provided, however, no Debtor may assign or transfer any of its rights or obligations hereunder or any interest herein and any such purported assignment or transfer shall be null and void.

18. This Agreement shall be governed by and construed in accordance with the internal Laws of the Commonwealth of Pennsylvania without regard to its conflicts of law principles.

19. Each Debtor hereby irrevocably submits to the nonexclusive jurisdiction of any Pennsylvania State or Federal Court sitting in Pittsburgh, Pennsylvania, in any action or proceeding arising out of or relating to this Agreement, and Debtors hereby irrevocably agree that all claims in respect of such action or proceeding may be heard and determined in such Pennsylvania State or Federal court. Each Debtor hereby waives to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of any such action or proceeding.

20. This Agreement may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same instrument. Each Debtor acknowledges and agrees that a telecopy transmission to the Administrative Agent or any Lender of the signature pages hereof purporting to be signed on behalf of any Debtor shall constitute effective and binding execution and delivery hereof by such Debtor.

21. EXCEPT AS PROHIBITED BY LAW, EACH DEBTOR HEREBY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY A JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER DOCUMENTS OR TRANSACTIONS RELATING THERETO.

22. All notices, requests, demands, directions and other communications (collectively, "notices") given to or made upon any party hereto under the provisions of this Agreement shall be as set forth in Section 10.6 [Notices] of the Credit Agreement.

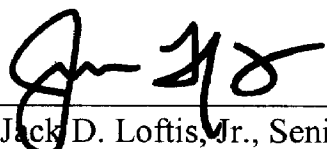
23. Each Debtor acknowledges and agrees that, in addition to the other rights of the Administrative Agent hereunder and under the other Loan Documents, because the Administrative Agent's remedies at law for failure of such Debtor to comply with the provisions hereof relating to the Administrative Agent's rights (i) to inspect the books and records related to the Pledged Collateral, (ii) to receive the various notifications such Debtor is required to deliver hereunder, (iii) to obtain copies of agreements and documents as provided herein with respect to the Pledged Collateral, and (iv) to enforce the provisions hereof pursuant to which the such Debtor has appointed the Administrative Agent its attorney-in-fact, would be inadequate and that any such failure would not be adequately compensable in damages, such Debtor agrees that each such provision hereof may be specifically enforced.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

**[SIGNATURE PAGE 1 OF 6 TO SECOND AMENDED AND RESTATED PATENT,
TRADEMARK AND COPYRIGHT SECURITY AGREEMENT]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers or agents thereunto duly authorized, as of the date first above written with the intention that this Agreement constitute a sealed instrument.

KEY ENERGY SERVICES, INC.

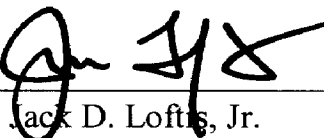
By: 

Jack D. Loftis, Jr., Senior Vice President

**[SIGNATURE PAGE 2 OF 6 TO SECOND AMENDED AND RESTATED PATENT,
TRADEMARK AND COPYRIGHT SECURITY AGREEMENT]**

**BROOKS WELL SERVICING, INC.
DAWSON PRODUCTION ACQUISITION
CORP.*
DAWSON PRODUCTION MANAGEMENT,
INC.
DAWSON PRODUCTION TAYLOR, INC.*
KALKASKA OILFIELD SERVICES, INC.
KEY ENERGY DRILLING, INC.
KEY ENERGY SERVICES-CALIFORNIA,
INC.
KEY ENERGY SERVICES-SOUTH TEXAS,
INC.
KEY FOUR CORNERS, INC.
KEY ROCKY MOUNTAIN, INC.
MISR KEY ENERGY SERVICES, LLC
Q SERVICES, INC.
Q.V. SERVICES, INC.
UNITRAK SERVICES HOLDING, INC.
WATSON OILFIELD SERVICE & SUPPLY,
INC.
WELL-CO OIL SERVICE, INC.
WELLTECH EASTERN, INC.
WELLTECH MID-CONTINENT, INC.
YALE E. KEY, INC.**

By: _____



Jack D. Loftis, Jr.

Vice President and Secretary of each
corporation listed above unless otherwise
noted below

* Vice President and Assistant Secretary

**[SIGNATURE PAGE 3 OF 6 TO SECOND AMENDED AND RESTATED PATENT,
TRADEMARK AND COPYRIGHT SECURITY AGREEMENT]**

**BROOKS WELL SERVICING BENEFICIAL,
L.P.**

by the sole general partner, Brooks Well
Servicing, Inc.

DAWSON PRODUCTION PARTNERS, L.P.

by the sole general partner, Dawson
Production Management, Inc.

KEY ENERGY DRILLING BENEFICIAL, L.P.

by the sole general partner, Key Energy
Drilling, Inc.

UNITRAK SERVICES, L.P.

by the sole general partner, Unitrak Services
Holding, Inc.

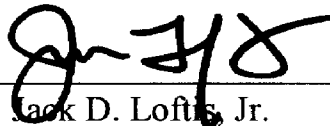
**WELLTECH MID-CONTINENT
BENEFICIAL, L.P.**

by the sole general partner, WellTech Mid-
Continent, Inc.

YALE E. KEY BENEFICIAL, L.P.

by the sole general partner, Yale E. Key, Inc.

By: _____



Jack D. Loftis, Jr.

Vice President and Secretary of each
corporate general partner listed above

**[SIGNATURE PAGE 4 OF 6 TO SECOND AMENDED AND RESTATED PATENT,
TRADEMARK AND COPYRIGHT SECURITY AGREEMENT]**

AES ACQUISITION, L.P.

by the sole general partner, Q Oil & Gas
Services, LLC

Q PRODUCTION SERVICES, L.P.

by the sole general partner, Q Oil & Gas
Services, LLC

QUALITY OIL FIELD SERVICES, L.P.

by the sole general partner, Q Oil & Gas
Services, LLC

QUALITY TUBULAR SERVICES, L.P.

by the sole general partner, Q Oil & Gas
Services, LLC

Q.V. SERVICES OF TEXAS, L.P.

by the sole general partner, Q Oil & Gas
Services, LLC

By: _____

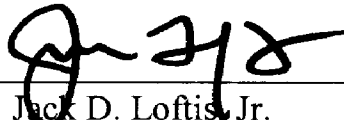


Jack D. Loftis, Jr.

Vice President and Secretary of
Q Services, Inc., the sole member of
Q Oil & Gas Services, LLC, the sole
general partner of each of the above listed
entities

**[SIGNATURE PAGE 5 OF 6 TO SECOND AMENDED AND RESTATED PATENT,
TRADEMARK AND COPYRIGHT SECURITY AGREEMENT]**

**BROOKS WELL SERVICING, LLC
KEY ENERGY DRILLING, LLC
Q ENERGY SERVICES, L.L.C.
Q OIL & GAS SERVICES, LLC
UNITRAK SERVICES, LLC
YALE E. KEY, LLC
WELLTECH MID-CONTINENT, LLC**

By: 

Jack D. Loftis, Jr.
Manager of each limited liability company
listed above

**[SIGNATURE PAGE 6 OF 6 TO SECOND AMENDED AND RESTATED PATENT,
TRADEMARK AND COPYRIGHT SECURITY AGREEMENT]**

**PNC BANK, NATIONAL ASSOCIATION,
as Administrative Agent**

By: Richard C. Munsick
Name: RICHARD C. MUNSICK
Title: MANAGING DIRECTOR

**SCHEDULE A
TO
AMENDED AND RESTATED
PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT**

**LIST OF REGISTERED PATENTS, TRADEMARKS,
TRADE NAMES AND COPYRIGHTS**

The Borrower owns various d/b/a's, tradenames, trademarks, service marks, software licenses, operating licenses and permits that it uses in the ordinary course of its business. In addition, the Borrower is currently developing various software programs for utilization in its data capture technology and other technology initiatives.

Patents

AUTOMATED OIL RIG SERVICING SYSTEM (Patent No. 5,711,382 and 5,988,299)

ORIGINAL UNITRAK APPLICATION

- Issued 6/27/00; Patent No. 6,079,490; S/N 09/058,477; Cdn SN 2,238,998 Pending
- Harter filed 4 Divisional applications (see IR-012, 013, 014, and 015)

WELL SITE IDENTIFIER

- Filed 3/31/99; Patent No. 6,377,189; S/N 09/281,864; Cdn SN 2,382,231 Pending
- Allowed
- Paid issue fee on 12/28/01

TORQUE-TURNS TONG APPLICATION

- Issued 4/10/01; Patent No. 6,212,763; S/N 09/342,564; Cdn 2,360,238 Pending
- Patent Office split it 4 ways – elected claims 1-14 on 2/11/00
- Harter filed on claims 15-20, 21-22 and 23-25 (see IR 032, 033 and 034)

ENGINE SPEED CONTROL FOR HOIST AND TONGS

- Issued 8/21/01; Patent No. 6,276,449; S/N 09/533,511; Cdn SN 2,360,235 Pending

UNITRAK DETECTS GANTRY TILTING

- Issued 6/5/01; Patent No. 6,241,020; S/N 09/535,555; claims to be added to Cdn SN 2,238,998
- Division of IR-003
- Filed 3/27/00; Docket 003B

UNITRAK DETECTS PUMP IS PROPERLY SET

- Issued 4/3/01; Patent No. 6,209,639; S/N 09/534,601; claims to be added to Cdn SN 2,238,998
- Division of IR-003
- Filed 3/27/00; Docket 003C

UNITRAK DISTINGUISHES BETWEEN STEEL/FIBERGLASS RODS

- Issued 4/10/01; Patent No. 6,213,207; S/N 09/535,239; claims to be added to Cdn SN 2,238,998
- Division of IR-003
- Filed 3/27/00; Docket 003D

UNITRAK DISTINGUISHES BETWEEN RAISING/LOWERING RODS

- Issued 7/3/2001; Patent No. 6,253,849; S/N 09/534,599; claims to be added to Cdn SN 2,238,998

TONG SWITCH SENSING TORQUE AT BACKUP WRENCH

- Filed 1/25/01; S/N 09/768,551 Patent # 6,374,706; Cdn SN 2,381,549 pending

Patent Applications

INVENTORY MONITOR AT WELL

- Filed 4/23/01; S/N 09/839,444; Cdn SN 2,382,494 Pending
- \$1,250 due if application is allowed
- See also Docket 020

WORK ORDER MANAGEMENT SYSTEM AT WELL SITE

- Filed 4/23/01; S/N 09/839,080; Cdn SN 2,382,490 Pending
- \$1,250 due if application is allowed

WORKER MANAGEMENT SYSTEM AT WELL SITE

- Filed 4/23/01; S/N 09/839,411; Cdn SN 2,382,485 Pending
- \$1,250 due if application is allowed

GPS ON A SERVICE RIG INSTEAD OF DOG TAG (see IR-005)

BULK CHEMICAL MANAGEMENT

- Combined 021 with 043
- Filed on 4/1/02; S/N 10,113,609; Cdn SN not filed yet (due April 1, 2003)
- \$1,821.50 due if application is allowed

VENDORS INVOICE WELL OWNERS' BOOKS DIRECTLY VIA PASSWORD

- Filed 4/23/01; S/N 09/839,103; Cdn SN 2,382,486 Pending
- \$1,250 due if application is allowed

ONSITE COHESIVE REPORTING OF SEPARATE SERVICE UNITS

- Filed 4/23/01; S/N 09/838,857; Cdn SN 2,382,492 Pending
- \$1,250 due if application is allowed

SUCKER ROD TOOL SYSTEM

- Serial No. 09/752,319
- Claims directed to tightness vs. well depth (Docket 006A)
- Effective filing date of June 29, 1999
- Harter received \$1,000 payment 1 of 2
- Harter submitted response to rejection on 7/24/01
- Abandoned October 19, 2001

TOOL SYSTEM FOR DISASSEMBLING SUCKER RODS

- S/N: 09/752,321
- Claims directed to breakaway vs. well depth (Docket 006B)
- Effective filing date of June 29, 1999
- Harter received \$1,000 payment 1 of 2
- Harter submitted response to rejection on 7/25/01
- Abandoned October 19, 2001

SUCKER ROD MARKING SYSTEM

- Serial No. 09/752,311
- Claims directed to marking defective joints (Docket 006C)
- Effective filing date of June 29, 1999
- Harter received \$1,000 payment 1 of 2
- Awaiting first Office Action
- Abandoned October 19, 2001

RED/GREEN TORQUE MONITOR WITH SET BUTTON

- Fred prepared provisional patent application
- Harter submitted non-provisional patent application on October 19, 2001
- Harter responded to lost drawing on 4/1/02
- Anticipated filing date 1/16/02; S/N 10/046,688, Cdn SN not filed yet (due October 2002)
- \$1,250 due if application is allowed

UNITRAK FOR HOT OIL AND PUMPING TRUCKS

- Filed 9/5/01, S/N: 09/945,924; Cdn SN 2,382,630 Pending
- \$1,250 due if application is allowed

**SCHEDULE B
TO
AMENDED AND RESTATED
PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT**

**LIST OF LIENS, CHARGES AND ENCUMBRANCES
OTHER THAN PERMITTED LIENS**

None.