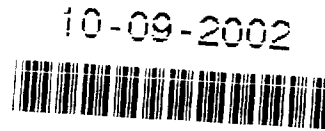


RECORDATION F



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U.S. Department of Commerce

Patent and Trademark Office

# PATENTS ONLY

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):  
BOREGYDE, INC.

10-4-02

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

2. Name and address of receiving party(ies):

Name: WILLIAM H. HARRISON

Internal Address: \_\_\_\_\_

Street Address: 7280 Hyannis Drive

City: West Hills State: CA Zip: 91307

3. Nature of conveyance:

☒ Assignment

☐ Merger

☐ Security Agreement

☐ Change of Name

☐ Other \_\_\_\_\_

Execution Date: December 31, 2001

Additional name(s) & address(es) attached? ☐ Yes ☒ No

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: \_\_\_\_\_

A. Patent Application No.(s)

09/679,180

B. Patent No.(s)

Additional numbers attached? ☐ Yes ☒ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Steven C. Patrick

Internal Address: Koppel, Jacobs, Patrick & Heybl

Street Address: 555 St. Charles Drive, Suite 107

City: Thousand Oaks State: CA Zip: 91360

6. Total number of applications and patents involved: 1

7. Total fee (37 CFR 3.41) ..... \$ 40.00

☒ Enclosed

☐ Authorized to be charged to deposit account.

8. Deposit account number: 11-1580

☒ The Commissioner is hereby authorized to charge any additional filing fees which may be required or credit any overpayment to Deposit Account No. 11-1580

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9. 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*

Steven C. Patrick

Name of Person Signing

Steven C. Patrick  
Signature

9-30-02  
Date

Total number of pages including cover sheet, attachments, and document: 3

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents & Trademarks, Box Assignments  
Washington, D.C. 20231

10/09/2002 TDI A21 00000042 09679180

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PATENT  
REEL: 013356 FRAME: 0007

## PATENT ASSIGNMENT AND LICENSE AGREEMENT

This agreement is effective December 31, 2001 between William H. Harrison, residing in West Hills, California (hereinafter HARRISON) and Boregyde, Inc. a California corporation having a place of business in Westlake Village, California (hereinafter BOREGYDE).

1. Background. HARRISON is retiring from employment with BOREGYDE effective December 31, 2001. This Agreement sets forth the relationship between the parties regarding intellectual property developed by HARRISON during his employment.

2. Subject Patent Applications. BOREGYDE is the owner, by assignment from HARRISON of non-provisional U.S. Patent Applications Serial No. 09/679,180, filed October 4, 2000, entitled "Directional Borehole Drilling System and Method". HARRISON is the inventor in the following two provisional U.S. patent applications for which no specific assignments to BOREGYDE were executed: Serial No. 60/269,950, filed February 20, 2001, "Steerable Bit System with Translating Cone"; Serial No. 60/306,684, filed July 20, 2001, "Steerable Bit System with Dynamically Alterable Bit Features".

3. Assignment. For valuable consideration, the receipt and legal sufficiency of which are acknowledged, BOREGYDE hereby assigns to HARRISON, his successors and assigns, any and all of its right, title and interest in and to the subject patent applications, any utility applications that may be filed claiming the benefit of the subject provisional applications, any divisional, continuing or continuation-in-part applications, and all letters patent which may be granted on any of the above applications, and on any foreign patent applications based upon any of the above applications, together with all priority rights.

4. License. BOREGYDE hereby grants HARRISON a royalty-free license in perpetuity to use all of BOREGYDE's intellectual property embodied in BOREGYDE's Steerable Bit Systems, including hardware and software designs, provided that such use does not violate any existing license agreements that may

presently exist between BOREGYDE and third parties. BOREGYDE shall promptly identify any such conflicting license agreements to HARRISON.

5. Confidentiality and Non-Disclosure. During the course of HARRISON's employment with BOREGYDE, each party has had access to valuable confidential information and trade secrets of the other, and the parties may continue to have such access in the course of consulting services which HARRISON may provide to BOREGYDE in the future. The parties agree that, except as reasonably necessary for HARRISON to utilize the license granted in paragraph 4 above, both parties will hold the confidential and trade secret information of the other in strictest confidence, and will not use it themselves or disclose it to others. These obligations of non-disclosure and non-use shall not apply to the following categories of information:

(a) Information that now is or that becomes generally disseminated as part of the public knowledge or literature, other than as a result of any action or inaction by the other party; and

(b) Information which is received by a party from an outside source which is not under any obligation of confidentiality to the other party.

6. Consulting Services. It is contemplated that HARRISON may in the future provide consulting services to BOREGYDE. The provision of any such services shall not in any way modify or negate any portion of this agreement.

7. Vacation Time. HARRISON hereby waives any right to vacation time from BOREGYDE which has accrued as of the effective date of this Agreement.

BOREGYDE, INC.

By: James D. Harrison  
James D. Harrison, President

Witness: [Signature]

By: Brent E. McCoy  
Brent E. McCoy

Witness: [Signature]

WILLIAM H. HARRISON

William H. Harrison

Witness: [Signature]