

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
Sun Drilling Products Corporation	10/14/2005

RECEIVING PARTY DATA	
Name:	Comerica Bank
Street Address:	P.O. Box 650282
Internal Address:	Commerical Lending Services, M/C 6514
City:	Dallas
State/Country:	TEXAS
Postal Code:	75265-0282

PROPERTY NUMBERS Total: 29

Property Type	Number
Patent Number:	6451953
Patent Number:	6248838
Patent Number:	5843872
Patent Number:	6138834
Patent Number:	RE38367
Patent Number:	5891832
Patent Number:	5942467
Patent Number:	6322693
Patent Number:	4876017
Patent Number:	5045219
Patent Number:	6395686
Patent Number:	5114598
Patent Number:	5114597
Application Number:	09138839

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Application Number:	09925432
Patent Number:	6348629
Patent Number:	6541579
Application Number:	60385228
Application Number:	10452416
Application Number:	11183480
Application Number:	60391334
Application Number:	60401538
Application Number:	60450967
Application Number:	60451871
Application Number:	60475734
Application Number:	60613904
Application Number:	60640965
Application Number:	09352524
Application Number:	60689899

CORRESPONDENCE DATA

Fax Number: (214)745-5390
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 5123702851
Email: docket@winstead.com
Correspondent Name: Winstead Sechrest & Minick P.C.
Address Line 1: P.O. Box 50784
Address Line 2: Ross Spencer Garsson
Address Line 4: Dallas, TEXAS 75104

ATTORNEY DOCKET NUMBER:	471-3134-1209
NAME OF SUBMITTER:	Ross Spencer Garsson

Total Attachments: 27

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Security Agreement
(Intellectual Property)

As of October 14, 2005, for value received, the undersigned ("Debtor") pledges, assigns and grants to Comerica Bank ("Bank"), whose address is P. O. Box 650282, Dallas, Texas 75265-0282, Attention: Commercial Lending Services, Mail Code 6514, a continuing security interest and lien (any pledge, assignment, security interest or other lien arising hereunder is sometimes referred to herein as a "security interest") in the Collateral (as defined below) to secure payment when due, whether by stated maturity, demand, acceleration or otherwise, of all existing and future indebtedness ("Indebtedness") to the Bank of Debtor. Indebtedness includes without limit any and all obligations or liabilities of Debtor to the Bank, whether absolute or contingent, direct or indirect, voluntary or involuntary, liquidated or unliquidated, joint or several, known or unknown, originally payable to the Bank or to a third party and subsequently acquired by the Bank including, without limitation, any late charges, loan fees or charges, and overdraft indebtedness, any and all obligations or liabilities for which Debtor would otherwise be liable to the Bank were it not for the invalidity or unenforceability of them by reason of any bankruptcy, insolvency or other law, or for any other reason; any and all amendments, modifications, renewals and/or extensions of any of the above; all costs incurred by Bank in establishing, determining, continuing, or defending the validity or priority of any security interest, or in pursuing its rights and remedies under this Agreement or under any other agreement between Bank and Debtor or in connection with any proceeding involving Bank as a result of any financial accommodation to Debtor; and all other costs of collecting Indebtedness, including without limit attorneys' fees. Debtor agrees to pay Bank all such costs incurred by the Bank, immediately upon demand, and until paid all costs shall bear interest at the highest per annum rate applicable to any of the Indebtedness, but not in excess of the maximum rate permitted by law. Any reference in this Agreement to attorneys' fees shall be deemed a reference to reasonable fees, costs, and expenses of counsel and paralegals, whether inside or outside counsel is used, whether or not a suit or action is instituted, and to court costs if a suit or action is instituted, and whether attorneys' fees or court costs are incurred at the trial court level, on appeal, in a bankruptcy, administrative or probate proceeding or otherwise. Reference is made to the Credit Agreement, of even date, between Debtor and Bank (as amended, modified, supplemented, restated, amended and restated or otherwise changed from time to time, the "Credit Agreement").

1. **Collateral** shall mean all of the following property Debtor now or later owns, acquires or has an interest in, wherever located:
 - (a) Any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret, now or hereafter existing, created, acquired or held, including without limitation those set forth on Exhibit A attached hereto (collectively, the "Copyrights");
 - (b) Any and all trade secrets, and any and all intellectual property rights in computer software and computer software products nor or hereafter existing, created, acquired or held;
 - (c) Any and all design rights which may be available to Debtor now or hereafter existing, created, acquired or held;
 - (d) All patents, patent applications and like protections including, without limitation, improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same, including without limitation the patents and patent applications set forth on Exhibit B attached hereto (collectively, the "Patents")
 - (e) Any trademark or servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Debtor connected with and symbolized by such trademarks, including without limitation those set forth on Exhibit C attached hereto (collectively, the "Trademarks");
 - (f) Any and all claims for damages by way of past, present and future infringement of any of the rights included above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above;
 - (g) All licenses or other rights to use any of the Copyrights, Patents or Trademarks, and all license fees and royalties arising from such use to the extent permitted by such license or rights;

- (h) All amendments, extensions, renewals and extensions of any of the Copyrights, Trademarks or Patents;
- (i) All proceeds and products of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing; and
- (j) all proceeds of or pertaining to the above including, without limit, cash or other property which were proceeds and are recovered by a bankruptcy trustee or otherwise as a preferential transfer by Debtor.

2. Warranties, Covenants and Agreements. Debtor warrants, covenants and agrees as follows:

- 2.1 Debtor shall furnish to Bank, in form and at intervals as Bank may request, any information Bank may reasonably request and allow Bank during normal business hours of Debtor (subject to reasonable notice if prior to default) to examine, inspect, and copy any of Debtor's books and records and allow Bank to visit and inspect any of Debtor's plants or facilities that manufacture, install or store products (or that have done so during the prior 6 month period) that are sold utilizing any of the Collateral and to inspect the products and quality control records relating thereto. Debtor shall, at the request of Bank, mark its records and the Collateral to clearly indicate the security interest of Bank under this Agreement.
- 2.2 At the time any Collateral becomes, or is represented to be, subject to a security interest in favor of Bank, Debtor shall be deemed to have warranted that (a) Debtor is the lawful owner of the Collateral and has the right and authority to subject it to a security interest granted to Bank; (b) none of the Collateral is subject to any security interest other than that in favor of Bank and Permitted Encumbrances (as defined in the Credit Agreement) and there are no financing statements or other instruments on file, other than in favor of Bank; and (c) Debtor acquired its rights in the Collateral in the ordinary course of its business; provided, however, that with respect to any Patents on Exhibit B that are identified as being jointly owned by Debtor and a third-party, Debtor warrants each of the matters set forth above only with respect to Debtor's joint interest in such Patents.
- 2.3 Debtor will keep the Collateral free at all times from all claims, liens, security interests and encumbrances other than those in favor of Bank and Permitted Encumbrances (as defined in the Credit Agreement). Debtor will not, without the prior written consent of Bank, sell, transfer or lease, or permit to be sold, transferred or leased, any or all of the Collateral, except for non-exclusive licenses granted by Debtor in the ordinary course of business or in settlement of the patent infringement dispute identified in Exhibit D. Bank or its representatives may at all reasonable times inspect the Collateral and may enter upon all premises where the Collateral is kept or might be located (subject to reasonable notice if prior to default).
- 2.4 Debtor will do all acts and will execute or cause to be executed all writings requested by Bank to establish, maintain and continue an exclusive perfected and first security interest of Bank in the Collateral. Debtor agrees that Bank has no obligation to acquire or perfect any lien on or security interest in any asset(s), whether realty or personalty, to secure payment of the Indebtedness.
- 2.5 Debtor will pay within the time that they can be paid without interest or penalty all taxes, assessments and similar charges which at any time are or may become a lien, charge, or encumbrance upon any Collateral, except to the extent contested in good faith and bonded in a manner satisfactory to Bank. If Debtor fails to pay any of these taxes, assessments, or other charges in the time provided above, Bank has the option (but not the obligation) to do so, and Debtor agrees to repay all amounts so expended by Bank immediately upon demand, together with interest at the highest lawful default rate which could be charged by Bank on any Indebtedness.
- 2.6 Debtor will keep the Collateral in good condition and will protect it from loss, damage, or deterioration from any cause. Debtor has and will maintain at all times (a) with respect to the Collateral, insurance under an "all risk" policy against fire and other risks customarily insured against, and (b) public liability insurance and other insurance as may be required by law or reasonably required by Bank, all of which insurance shall be in amount, form and content, and written by companies as may be satisfactory to Bank, containing a lender's loss payable endorsement acceptable to Bank. Debtor will deliver to Bank immediately upon demand evidence satisfactory to Bank that the required insurance has been procured. If Debtor fails to maintain satisfactory insurance, Bank has the option (but not the obligation) to do so and Debtor agrees to repay all

amounts so expended by Bank immediately upon demand, together with interest at the highest lawful default rate which could be charged by Bank on any Indebtedness.

- 2.7 **[Reserved]**
- 2.8 If Bank, acting in its sole discretion while an Event of Default exists, redelivers Collateral to Debtor or Debtor's designee for the purpose of (a) the ultimate sale or exchange thereof; or (b) presentation, collection, renewal, or registration of transfer thereof; or (c) loading, unloading, storing, shipping, transshipping, manufacturing, processing or otherwise dealing with it preliminary to sale or exchange; such redelivery shall be in trust for the benefit of Bank while an Event of Default exists and shall not constitute a release of Bank's security interest in it or in the proceeds or products of it unless Bank specifically so agrees in writing. If Debtor requests any such redelivery, Debtor will deliver with such request a duly executed financing statement in form and substance satisfactory to Bank. Any proceeds of Collateral coming into Debtor's possession as a result of any such redelivery shall be held in trust for Bank and immediately delivered to Bank for application on the Indebtedness. Bank may (in its sole discretion) deliver any or all of the Collateral to Debtor, and such delivery by Bank shall discharge Bank from all liability or responsibility for such Collateral. Bank, at its option, may require delivery of any Collateral to Bank at any time with such endorsements or assignments of the Collateral as Bank may request.
- 2.9 At any time after the occurrence and during the continuance of an Event of Default, without notice, Bank may (a) cause any or all of the Collateral to be transferred to its name or to the name of its nominees; (b) receive or collect by legal proceedings or otherwise all dividends, interest, principal payments and other sums and all other distributions at any time payable or receivable on account of the Collateral, and hold the same as Collateral, or apply the same to the Indebtedness, the manner and distribution of the application to be in the sole discretion of Bank; (c) enter into any extension, subordination, reorganization, deposit, merger or consolidation agreement or any other agreement relating to or affecting the Collateral, and deposit or surrender control of the Collateral, and accept other property in exchange for the Collateral and hold or apply the property or money so received pursuant to this Agreement.
- 2.10 Subject to the terms of the Credit Agreement, Bank may assign any of the Indebtedness and deliver any or all of the Collateral to its assignee, who then shall have with respect to Collateral so delivered all the rights and powers of Bank under this Agreement, and after that Bank shall be fully discharged from all liability and responsibility with respect to Collateral so delivered.
- 2.11 **[Reserved]**
- 2.12 Debtor shall defend, indemnify and hold harmless Bank, its employees, agents, shareholders, affiliates, officers, and directors from and against any and all claims, damages, fines, expenses, liabilities or causes of action of whatever kind, including without limit consultant fees, legal expenses, and attorneys' fees, suffered by any of them as a direct or indirect result of any actual or asserted violation of any law, including, without limit, Environmental Laws, or of any remediation relating to any property required by any law, including without limit Environmental Laws, **INCLUDING ANY CLAIMS, DAMAGES, FINES, EXPENSES, LIABILITIES OR CAUSES OF ACTION OF WHATEVER KIND RESULTING FROM BANK'S OWN NEGLIGENCE**, except and to the extent (but only to the extent) caused by Bank's gross negligence or willful misconduct.
- 2.13 Except for any Patents on Exhibit B that are identified as being jointly owned by Debtor and a third-party, Debtor is now the sole owner of the Collateral, except for any non-exclusive licenses granted by Debtor to its customers in the ordinary course of business.
- 2.14 Performance of this Security Agreement does not conflict with or result in a breach of any agreement to which Debtor is party or by which Debtor is bound, except to the extent that certain intellectual property agreements prohibit the assignment of the rights thereunder to a third party without the licensor's or other party's consent and this Security Agreement constitutes an assignment.
- 2.15 Each of the Patents is valid and enforceable, and no part of the Collateral has been judged invalid or unenforceable, in whole or in part, and no claim has been made that any part of the Collateral violates the rights of any third party.

- 2.16 Debtor shall deliver to Bank within thirty (30) days of the last day of each fiscal quarter, a report signed by Debtor, in form acceptable to Bank, listing any applications or registrations that Debtor has made or filed in respect of any patents, copyrights or trademarks and the status of any outstanding applications or registrations. Debtor shall promptly advise Bank of any material change in the composition of the Collateral, including but not limited to any subsequent ownership right of the Debtor in or to any Trademark, Patent or Copyright not specified in this Security Agreement.
- 2.17 Debtor shall (i) protect, defend and maintain the validity and enforceability of the Trademarks, Patents and Copyrights, (ii) promptly advise Bank in writing of material infringements of the Trademarks, Patents and Copyrights detected by Debtor and (iii) not allow any Trademarks, Patents or Copyrights to be abandoned, forfeited or dedicated to the public without the written consent of Bank, which shall not be unreasonably withheld, unless Debtor determines that reasonable business practices suggest that abandonment is appropriate.
- 2.18 Debtor shall register or cause to be registered (to the extent not already registered) with the United States Patent and Trademark Office or the United States Copyright Office, as applicable, those intellectual property rights listed on Exhibits A, B and C hereto within thirty (30) days of the date of this Security Agreement. Debtor shall register or cause to be registered with the United States Patent and Trademark Office or the United States Copyright Office, as applicable, those additional intellectual property rights developed or acquired by Debtor from time to time in connection with any product prior to the sale or licensing of such product to any third party (including without limitation revisions or additions to the intellectual property rights listed on such Exhibits A, B and C), unless Debtor determines that reasonable business practices suggest that such registration is not appropriate. Debtor shall, from time to time, execute and file such other instruments, and take such further actions as Bank may reasonably request from time to time to perfect or continue the perfection of Bank's interest in the Collateral.
- 2.19 This Security Agreement creates, and in the case of after-acquired Collateral, this Security Agreement will create at the time Debtor first has rights in such after-acquired Collateral, in favor of Bank a valid and perfected first priority security interest in the Collateral in the United States securing the payment and performance of the Indebtedness upon making the filings referred to below.
- 2.20 Except for, and upon, the filing with the United States Patent and Trademark office with respect to the Patents and Trademarks and the Register of Copyrights with respect to the Copyrights necessary to perfect the security interests created hereunder, and except as has been already made or obtained, no authorization, approval or other action by, and no notice to or filing with, any U.S. governmental authority or U.S. regulatory body is required either (a) for the grant by Debtor of the security interest granted hereby or for the execution, delivery or performance of this Security Agreement by Debtor in the U.S. or (b) for the perfection in the United States or the exercise by Bank of its rights and remedies hereunder;
- 2.21 All information heretofore, herein or hereafter supplied to Bank by or on behalf of Debtor with respect to the Collateral is accurate and complete in all material respects;
- 2.22 Debtor shall not enter into any agreement that would materially impair or conflict with Debtor's obligations hereunder without Bank's prior written consent. Debtor shall not permit the inclusion in any material contract to which it becomes a party of any provisions that could or might in any way prevent the creation of a security interest in Debtor's rights and interests in any property included within the definition of the Collateral acquired under such contracts, except that certain contracts may contain anti-assignment provisions that could in effect prohibit the creation of a security interest in such contracts if Debtor is required, in its commercially reasonable judgment to accept such provisions; and
- 2.23 Upon any executive officer of Debtor obtaining knowledge thereof, Debtor will promptly notify Bank in writing of any event that materially adversely affects the value of any of the Collateral, the ability of Debtor to dispose of any Collateral or the rights and remedies of Bank in relation thereto, including the levy of any legal process against any of the Collateral.

3. Collection of Proceeds.

- 3.1 Debtor agrees to collect and enforce payment of all Collateral until Bank shall direct Debtor to the contrary while an Event of Default exists. Immediately upon notice to Debtor by Bank and at all times after that, Debtor agrees to fully and promptly cooperate and assist Bank in the collection and enforcement of all Collateral and to hold in trust for Bank all payments received in connection with Collateral and from the sale, lease or other disposition of any Collateral, all rights by way of suretyship or guaranty and all rights in the nature of a lien or security interest which Debtor now or later has regarding Collateral. Immediately upon and after such notice, Debtor agrees to (a) endorse to Bank and immediately deliver to Bank all payments received on Collateral or from the sale, lease or other disposition of any Collateral or arising from any other rights or interests of Debtor in the Collateral, in the form received by Debtor without commingling with any other funds, and (b) immediately deliver to Bank all property in Debtor's possession or later coming into Debtor's possession through enforcement of Debtor's rights or interests in the Collateral. While an Event of Default exists, Debtor irrevocably authorizes Bank or any Bank employee or agent to endorse the name of Debtor upon any checks or other items which are received in payment for any Collateral, and to do any and all things necessary in order to reduce these items to money. Bank shall have no duty as to the collection or protection of Collateral or the proceeds of it, or as to the preservation of any related rights, beyond the use of reasonable care in the custody and preservation of Collateral in the possession of Bank. Debtor agrees to take all steps necessary to preserve rights against prior parties with respect to the Collateral. Nothing in this Section 3.1 shall be deemed a consent by Bank to any sale, lease or other disposition of any Collateral.

4. Defaults, Enforcement and Application of Proceeds.

- 4.1 Upon the occurrence and during the continuance of an Event of Default (herein so called) under the Credit Agreement, Debtor shall be in default under this Agreement.
- 4.2 Upon the occurrence of any Event of Default, Bank may at its discretion and without prior notice to Debtor declare any or all of the Indebtedness to be immediately due and payable, and shall have and may exercise any right or remedy available to it including, without limitation, any one or more of the following rights and remedies:
- (a) Exercise all the rights and remedies upon default, in foreclosure and otherwise, available to secured parties under the provisions of the Uniform Commercial Code and other applicable law;
 - (b) Institute legal proceedings to foreclose upon the lien and security interest granted by this Agreement, to recover judgment for all amounts then due and owing as Indebtedness, and to collect the same out of any Collateral or the proceeds of any sale of it;
 - (c) Institute legal proceedings for the sale, under the judgment or decree of any court of competent jurisdiction, of any or all Collateral; and/or
 - (d) Personally or by agents, attorneys, or appointment of a receiver, enter upon any premises where Collateral may then be located, and take possession of all or any of it and/or render it unusable; and without being responsible for loss or damage to such Collateral, hold, operate, sell, lease, or dispose of all or any Collateral at one or more public or private sales, leaseings or other dispositions, at places and times and on terms and conditions as Bank may deem fit, without any previous demand or advertisement; and except as provided in this Agreement, all notice of sale, lease or other disposition, and advertisement, and other notice or demand, any right or equity of redemption, and any obligation of a prospective purchaser or lessee to inquire as to the power and authority of Bank to sell, lease, or otherwise dispose of the Collateral or as to the application by Bank of the proceeds of sale or otherwise, which would otherwise be required by, or available to Debtor under, applicable law are expressly waived by Debtor to the fullest extent permitted.
 - (e) Use and enjoy a non-exclusive, royalty-free license to use the Copyrights, Patents and Trademarks.

At any sale pursuant to this Section 4.2, whether under the power of sale, by virtue of judicial proceedings or otherwise, it shall not be necessary for Bank or a public officer under order of a court to have present physical

or constructive possession of Collateral to be sold. The recitals contained in any conveyances and receipts made and given by Bank or the public officer to any purchaser at any sale made pursuant to this Agreement shall, to the extent permitted by applicable law, conclusively establish the truth and accuracy of the matters stated (including, without limit, as to the amounts of the principal of and interest on the Indebtedness, the accrual and nonpayment of it and advertisement and conduct of the sale); and all prerequisites to the sale shall be presumed to have been satisfied and performed. Upon any sale of any Collateral, the receipt of the officer making the sale under judicial proceedings or of Bank shall be sufficient discharge to the purchaser for the purchase money, and the purchaser shall not be obligated to see to the application of the money. Any sale of any Collateral under this Agreement shall be a perpetual bar against Debtor with respect to that Collateral.

- 4.3 Debtor shall at the request of Bank, notify the account debtors or obligors of Bank's security interest in the Collateral and direct payment of it to Bank. Bank may, itself, upon the occurrence of any Event of Default so notify and direct any account debtor or obligor.
- 4.4 The proceeds of any sale or other disposition of Collateral authorized by this Agreement shall be applied by Bank in such order as Bank, in its discretion, deems appropriate including, without limitation, the following order: first upon all expenses authorized by the Uniform Commercial Code and all reasonable attorneys' fees and legal expenses incurred by Bank; the balance of the proceeds of the sale or other disposition shall be applied in the payment of the Indebtedness, first to interest, then to principal, then to remaining Indebtedness and the surplus, if any, shall be paid over to Debtor or to such other person(s) as may be entitled to it under applicable law. Debtor shall remain liable for any deficiency, which it shall pay to Bank immediately upon demand. If Secured Party agrees in its sole discretion to accept noncash proceeds (unless the failure to do so would be commercially unreasonable), Secured Party may ascribe any commercially reasonable value to such proceeds. Without limiting the foregoing, Secured Party may apply any discount factor in determining the present value of proceeds to be received in the future or may elect to apply proceeds to be received in the future only as and when such proceeds are actually received in cash by Secured Party.
- 4.5 Nothing in this Agreement is intended, nor shall it be construed, to preclude Bank from pursuing any other remedy provided by law or in equity for the collection of the Indebtedness or for the recovery of any other sum to which Bank may be entitled for the breach of this Agreement by Debtor. Nothing in this Agreement shall reduce or release in any way any rights or security interests of Bank contained in any existing agreement between Borrower, Debtor, or any Guarantor and Bank.
- 4.6 No waiver of default or consent to any act by Debtor shall be effective unless in writing and signed by an authorized officer of Bank. No waiver of any default or forbearance on the part of Bank in enforcing any of its rights under this Agreement shall operate as a waiver of any other default or of the same default on a future occasion or of any rights.
- 4.7 Debtor irrevocably appoints Bank or any agent of Bank (which appointment is coupled with an interest) the true and lawful attorney of Debtor (with full power of substitution) in the name, place and stead of, and at the expense of, Debtor:
- (a) to demand, receive, sue for, and give receipts or acquittances for any moneys due or to become due on any Collateral and to endorse any item representing any payment on or proceeds of the Collateral, provided, however, that Bank shall have no authority to make a demand against, or sue, any third-party for infringement of the Collateral in the absence of an Event of Default;
 - (b) to execute and file in the name of and on behalf of Debtor all financing statements or other filings deemed necessary or desirable by Bank to evidence, perfect, or continue the security interests granted in this Agreement, and Debtor further authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks record this Security Agreement; and
 - (c) to do and perform any act on behalf of Debtor permitted or required under this Agreement.
 - (d) to modify, in its sole discretion, this Security Agreement without first obtaining Debtor's approval of or signature to such modification by amending Exhibit A, Exhibit B and Exhibit C hereof, as appropriate, to

include reference to any right, title or interest in any Copyrights, Patents or Trademarks acquired by Debtor after the execution hereof or to delete any reference to any right, title or interest in any Copyrights, Patents or Trademarks in which Debtor no longer has or claims any right, title or interest.

- 4.8 Upon the occurrence of an Event of Default, Debtor also agrees, upon request of Bank, to assemble the Collateral and make it available to Bank at any place designated by Bank which is reasonably convenient to Bank and Debtor.
- 4.9 The following shall be the basis for any finder of fact's determination of the value of any Collateral which is the subject matter of a disposition giving rise to a calculation of any surplus or deficiency under Section 9.615(f) of the Uniform Commercial Code (as in effect on or after July 1, 2001): (a) the Collateral which is the subject matter of the disposition shall be valued in an "as is" condition as of the date of the disposition, without any assumption or expectation that such Collateral will be repaired or improved in any manner; (b) the valuation shall be based upon an assumption that the transferee of such Collateral desires a resale of the Collateral for cash promptly (but no later than 30 days) following the disposition; (c) all reasonable closing costs customarily borne by the seller in commercial sales transactions relating to property similar to such Collateral shall be deducted including, without limitation, brokerage commissions, tax prorations, outside attorneys' fees, and marketing costs; (d) the value of the Collateral which is the subject matter of the disposition shall be further discounted to account for any estimated holding costs associated with maintaining such Collateral pending sale (to the extent not accounted for in (c) above), and other maintenance, operational and ownership expenses; and (e) any expert opinion testimony given or considered in connection with a determination of the value of such Collateral must be given by persons having at least 5 years experience in appraising property similar to the Collateral and who have conducted and prepared a complete written appraisal of such Collateral taking into consideration the factors set forth above. The "value" of any such Collateral shall be a factor in determining the amount of proceeds which would have been realized in a disposition to a transferee other than a secured party, a person related to a secured party or a secondary obligor under Section 9.615(f) of the Uniform Commercial Code.

5. Miscellaneous.

- 5.1 Until Bank is advised in writing by Debtor to the contrary, all notices, requests and demands required under this Agreement or by law shall be given to, or made upon, Debtor at the address provided for in the Credit Agreement.
- 5.2 Debtor will give Bank not less than 30 days prior written notice of all contemplated changes in Debtor's name, location, chief executive office, principal place of business, and/or location of any Collateral.
- 5.3 Bank assumes no duty of performance or other responsibility under any contracts contained within the Collateral.
- 5.4 Subject to the terms of the Credit Agreement, Bank has the right to sell, assign, transfer, negotiate or grant participations or any interest in, any or all of the Indebtedness and any related obligations, including without limit this Agreement. In connection with the above, but without limiting its ability to make other disclosures to the full extent allowable, Bank may disclose all documents and information which Bank now or later has relating to Debtor, the Indebtedness or this Agreement, however obtained. Subject to the terms of the Credit Agreement, Debtor further agrees that Bank may provide information relating to this Agreement or relating to Debtor or the Indebtedness to the Bank's parent, affiliates, subsidiaries, and service providers.
- 5.5 In addition to Bank's other rights, while an Event of Default exists, any indebtedness owing from Bank to Debtor can be set off and applied by Bank on any Indebtedness at any time(s) either before or after maturity or demand without notice to anyone. Any such action shall not constitute acceptance of collateral in discharge of any portion of the Indebtedness.
- 5.6 Debtor, to the extent not expressly prohibited by law, waives any right to require the Bank to: (a) proceed against any person or property; (b) give notice of the terms, time and place of any public or private sale of personal property security held from Borrower or Debtor or any other person, or otherwise comply with the provisions of Section 9.611 or 9.621 of the Uniform Commercial Code; or (c) pursue any other remedy in the

Bank's power. Debtor waives notice of acceptance of this Agreement and presentment, demand, protest, notice of protest, dishonor, notice of dishonor, notice of default, notice of intent to accelerate or demand payment or notice of acceleration of any Indebtedness, any and all other notices to which the undersigned might otherwise be entitled, and diligence in collecting any Indebtedness. Debtor unconditionally and irrevocably waives each and every defense and setoff of any nature which, under principles of guaranty or otherwise, would operate to impair or diminish in any way the obligation of Debtor under this Agreement, and acknowledges that such waiver is by this reference incorporated into each security agreement, collateral assignment, pledge and/or other document from Debtor now or later securing the Indebtedness, and acknowledges that as of the date of this Agreement no such defense or setoff exists.

5.7 **[Reserved]**

5.8 In the event that applicable law shall obligate Bank to give prior notice to Debtor of any action to be taken under this Agreement, Debtor agrees that a written notice given to Debtor at least five days before the date of the act shall be reasonable notice of the act and, specifically, reasonable notification of the time and place of any public sale or of the time after which any private sale, lease, or other disposition is to be made, unless a shorter notice period is reasonable under the circumstances. A notice shall be deemed to be given under this Agreement when delivered to Debtor or when placed in an envelope addressed to Debtor and deposited, with postage prepaid, in a post office or official depository under the exclusive care and custody of the United States Postal Service or delivered to an overnight courier. The mailing shall be by overnight courier, certified, or first class mail.

5.9 Notwithstanding any prior revocation, termination, surrender, or discharge of this Agreement in whole or in part, the effectiveness of this Agreement shall automatically continue or be reinstated in the event that any payment received or credit given by Bank in respect of the Indebtedness is returned, disgorged, or rescinded under any applicable law, including, without limitation, bankruptcy or insolvency laws, in which case this Agreement, shall be enforceable against Debtor as if the returned, disgorged, or rescinded payment or credit had not been received or given by Bank, and whether or not Bank relied upon this payment or credit or changed its position as a consequence of it. In the event of continuation or reinstatement of this Agreement, Debtor agrees upon demand by Bank to execute and deliver to Bank those documents which Bank determines are appropriate to further evidence (in the public records or otherwise) this continuation or reinstatement, although the failure of Debtor to do so shall not affect in any way the reinstatement or continuation.

5.10 This Agreement and all the rights and remedies of Bank under this Agreement shall inure to the benefit of Bank's successors and assigns and to any other holder who derives from Bank title to or an interest in the Indebtedness or any portion of it, and shall bind Debtor and the heirs, legal representatives, successors, and assigns of Debtor. Nothing in this Section 5.10 is deemed a consent by Bank to any assignment by Debtor.

5.11 If there is more than one Debtor, all undertakings, warranties and covenants made by Debtor and all rights, powers and authorities given to or conferred upon Bank are made or given jointly and severally.

5.12 Except as otherwise provided in this Agreement, all terms in this Agreement have the meanings assigned to them in Article 9 (or, absent definition in Article 9, in any other Article) of the Uniform Commercial Code as those meanings may be amended, revised or replaced from time to time. "Uniform Commercial Code" means the Texas Business and Commerce Code as amended, revised or replaced from time to time. Notwithstanding the foregoing, the parties intend that the terms used herein which are defined in the Uniform Commercial Code have, at all times, the broadest and most inclusive meanings possible. Accordingly, if the Uniform Commercial Code shall in the future be amended or held by a court to define any term used herein more broadly or inclusively than the Uniform Commercial Code in effect on the date of this Agreement, then such term, as used herein, shall be given such broadened meaning. If the Uniform Commercial Code shall in the future be amended or held by a court to define any term used herein more narrowly, or less inclusively, than the Uniform Commercial Code in effect on the date of this Agreement, such amendment or holding shall be disregarded in defining terms used in this Agreement.

5.13 No single or partial exercise, or delay in the exercise, of any right or power under this Agreement, shall preclude other or further exercise of the rights and powers under this Agreement. The unenforceability of any

provision of this Agreement shall not affect the enforceability of the remainder of this Agreement. This Agreement constitutes the entire agreement of Debtor and Bank with respect to the subject matter of this Agreement. No amendment or modification of this Agreement shall be effective unless the same shall be in writing and signed by Debtor and an authorized officer of Bank. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

- 5.14 To the extent that any of the Indebtedness is payable upon demand, nothing contained in this Agreement shall modify the terms and conditions of that Indebtedness nor shall anything contained in this Agreement prevent Bank from making demand, without notice and with or without reason, for immediate payment of any or all of that Indebtedness at any time(s), whether or not an Event of Default has occurred.
 - 5.15 Debtor's chief executive office and its principal place of business is located and shall be maintained at the location set forth below its signature hereon. All Collateral is located at the address referred-to above.
 - 5.16 A carbon, photographic or other reproduction of this Agreement shall be sufficient as a financing statement under the Uniform Commercial Code and may be filed by Bank in any filing office.
 - 5.17 This Agreement shall be terminated only by the filing of a termination statement in accordance with the applicable provisions of the Uniform Commercial Code, but the obligations contained in Section 2.12 of this Agreement shall survive termination.
 - 5.18 Debtor agrees to reimburse the Bank upon demand for any and all costs and expenses (including, without limit, court costs, legal expenses and reasonable attorneys' fees, whether inside or outside counsel is used, whether or not suit is instituted and, if suit is instituted, whether at the trial court level, appellate level, in a bankruptcy, probate or administrative proceeding or otherwise) incurred in enforcing or attempting to enforce this Security Agreement or in exercising or attempting to exercise any right or remedy under this Agreement or incurred in any other matter or proceeding relating to this Security Agreement.
3. **DEBTOR AND BANK ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS AGREEMENT OR THE INDEBTEDNESS.**
7. **THIS WRITTEN LOAN AGREEMENT (AS DEFINED BY SECTION 26.02 OF THE TEXAS BUSINESS AND COMMERCE CODE) REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.**

Debtor:

SUN DRILLING PRODUCTS CORPORATION

By: Michael P. Cook
Michael P. Cook
Chief Financial Officer and Treasurer

Address:

4400 Post Oak Parkway, St 2100
HOUSTON, TEXAS 77027

Bank:

COMERICA BANK

By: _____
Mona M. Foch
Senior Vice President – Texas Division

Bank:

COMERICA BANK

By: Mona M. Foch
Mona M. Foch
Senior Vice President – Texas Division

Exhibit A

Copyrights

None

Exhibit B

Patents

**SUN DRILLING PRODUCTS CORP.
PATENT STATUS GRID AS OF October 13, 2005**

DOCKET NO.	TITLE	INVENTORS	PATENT/ SERIAL NO.	ISSUE/ FILING DATE	ANTICIPATED EXPIRATION	STATUS
97-40237-US	Chain Entanglement Crosslinked Polymers	Robert L. Albright	6,451,953	09/17/2002	12/18/2017	Issued
97-40237-US-CIP	Chain Entanglement Crosslinked Proppants and Related Uses	Robert L. Albright	6,248,838	06/18/2001	12/18/2017	Issued; 3.5 yr. Maintenance Fee paid.
97-40279-US	Drilling Fluid System And Related Methods	Jerry J. Rayborn, Sr. John J. Rayborn	5,843,872	12/01/1998	11/19/2017	Issued; 3.5 yr. Maintenance Fee paid.
97-40319-US	Recovery Apparatus For Drilling And Excavating Applications And Related Methods	Ricky Southall	6,138,834	10/31/2000	01/08/2019	Issued
97-40319-US-RE	Recovery Apparatus For Drilling And Excavating Applications And Related Methods	Ricky Southall	10/062,061 RE38,367E	01/31/2002 12/30/2003		Issued
97-40319-BR	Recovery Apparatus for Drilling and Excavation Application and Related Methods	Ricky Southall	P10007432-2	01/07/2000		Pending
97-40319-CA	Recovery Apparatus for Drilling and Excavation Application and Related Methods	Ricky Southall	2,266,309	12/11/2001	03/11/2019	Reissue application pending.
97-40319-CN	Recovery Apparatus for Drilling and Excavation Application and Related Methods	Ricky Southall	00804408.2	01/07/2000		Pending.

97-40319-EA	Recovery Apparatus for Drilling and Excavation Application and Related Methods	Ricky Southall	03226	02/27/2003		Issued.
97-40319-MX	Recovery Apparatus for Drilling and Excavation Application and Related Methods	Ricky Southall	PA/a/2001/006880	01/07/2000		Granted.
97-40319-OA	Recovery Apparatus for Drilling and Excavation Application and Related Methods	Ricky Southall	11748	07/06/2001	01/07/2020	Granted.
97-40319-TT	Recovery Apparatus for Drilling and Excavation Application and Related Methods	Ricky Southall	TT/A/2001/00148	01/07/2001		Pending.
97-40341-US	Drilling Fluid Addition Containing A Fish Oil/Glycol Mixture And Related Methods	Jerry J. Rayborn, Sr. John J. Rayborn	5,891,832	04/06/1999	12/08/2017	Issued; 3.5 yr. Maintenance Fee paid.
97-40342-US	Drilling Fluid System Containing A Combination Of Hydrophilic Carbon Black Asphaltite And A Refined Fish Oil/Glycol Mixture And Related Methods	Jerry J. Rayborn, Sr. John J. Rayborn	5,942,467	08/24/1999	12/08/2017	Issued; 3.5 yr. Maintenance Fee paid.
97-40335-US	Disposal System and Related Methods	Ricky Southall	6,322,693	11/27/2001	02/18/2019	Issued; 3.5 yr. Maintenance Fee paid.
53467-5009	The Use Polyalphaolephin in Downhole Drilling	David O. Trahan Michael B. Faulk	4,876,017	10/24/1989	01/19/2008	Issued; 11.5 yr. Maintenance Fee paid.

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REEL: 016883 FRAME: 0018

P88399US	The Use Polyalphaolephin in Downhole Drilling	David O. Trahan Michael B. Faulk	5,045,219	09/03/1991	09/03/2008	Issued; 7.5 yr. Maintenance Fee paid.
14940/2 AR	The Use Polyalphaolephin in Downhole Drilling	David O. Trahan Michael B. Faulk	250,883	07/31/1997	07/31/2012	Issued
14940/2 AU	The Use Polyalphaolephin in Downhole Drilling	David O. Trahan Michael B. Faulk	619,253	01/23/92	01/10/2005	Issued
14940/2 BR	The Use Polyalphaolephin in Downhole Drilling	David O. Trahan Michael B. Faulk	PI890.4793.1	01/10/1989	01/10/2009	Issued
14940/2 CA	The Use Polyalphaolephin in Downhole Drilling	David O. Trahan Michael B. Faulk	1318494	06/01/1993	06/01/2010	Issued
14940/2 MX	The Use Polyalphaolephin in Downhole Drilling	David O. Trahan Michael B. Faulk	164,294	07/30/1992	01/17/2009	Issued
14940/2 OA	The Use Polyalphaolephin in Downhole Drilling	David O. Trahan Michael B. Faulk	10040		01/03/2010	Issued
14940/2 TW	The Use Polyalphaolephin in Downhole Drilling	David O. Trahan Michael B. Faulk	NI-39337	06/01/1990	01/18/2009	Issued
14940/2 VE	The Use Polyalphaolephin in Downhole Drilling	David O. Trahan Michael B. Faulk	66/89	01/19/1989	01/19/2009	Issued
14985 EP	The Use Polyalphaolephin in Downhole Drilling	David O. Trahan Michael B. Faulk	0325466	01/19/1989	01/19/2009	Issued
5085.005 US	High Pressure, High Temperature(HPHT) Fluid Loss Control Aid For Drilling Fluids	Donald Crawford	6,395,686	05/28/2002	10/29/2019	Issued
SUN-051-US	Method of Making Drilling Fluid Containing Asphaltite in a Dispersed State	J. Rayborne J. Dickerson	5,114,598	05/19/1992	05/19/2009	Issued. 11.5 yr. Maintenance Fee paid.

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REEL: 016883 FRAME: 0019

SUN-051-VE	Method of Making Drilling Fluid Containing Asphaltite in a Dispersed State	J. Rayborne J. Dickerson	1397.92	07/30/1992		07/30/1992		Issued.
SUN-052-US	Method of Making Drilling Fluid Containing Carbon Black in a Dispersed State	J. Rayborne J. Dickerson	5,114,597	05/19/1992		05/19/1992	05/19/2009	Issued. 11.5 yr. Maintenance Fee paid.
SUN-052-VE	Method of Making Drilling Fluid Containing Carbon Black in a Dispersed State	J. Rayborne J. Dickerson	1396.92	07/30/1992		07/30/1992		Issued.
98-40038-US	Free Radical Inhibitors for Quenching Aqueous Phase Polymer Growth and Related Methods	Robert L. Albright	09/138,839	08/24/98		08/24/98	N/A	Abandoned in favor of 09/925,432.
98-40038-US-C1	Free Radical Inhibitors for Quenching Aqueous Phase Polymer Growth and Related Methods	Robert L. Albright	6,348,629	02/19/2002		02/19/2002	08/24/2018	Issued; 3.5 yr Maintenance Fee paid.
98-40038-US-C2	Free Radical Inhibitors for Quenching Aqueous Phase Polymer Growth and Related Methods	Robert L. Albright	6,541,579	04/01/2003		04/01/2003	08/24/2018	Issued.
053467-5015-PR **	Low Density Polymeric Beads	Robert L. Albright	60/385,228	05/31/2002		05/31/2002		Converted.
053467-5015 **	Low Density Polymeric Beads	Robert L. Albright	10/452,416	05/30/2003		05/30/2003		Issued.
0534675015WO **	Low Density Polymer Beads	Robert L. Albright	PCT/US03/17551	05/30/2003		05/30/2003		Converted.
053467-5015EP **	Low Density Polymer Beads	Robert L. Albright	03739035.8	05/30/2003		05/30/2003		Pending.
053467-5015-01 **	Low Density Polymer Beads	Robert L. Albright	11/183,480	07/18/2005		07/18/2005		Pending.

PATENT

REEL: 016883 FRAME: 0020

053467-5016-PR	Low Density Polymeric Beads for Application in Concrete in General Construction	Robert L. Albright	60/391,334	06/25/2002		Converted into 0534675015WO.
053467-5017-PR	Use of Low Density Beads to Reduce Hydrostatic Pressure of Fluid Column	Robert L. Albright Richard Mapp	60/401,538	08/07/2002		Converted into 0534675015WO.
053467-5018-01PR	Film Forming And Suspended Particulate Mechanical Lubricant Combination	Richard Mapp	60/450,967	02/28/2003		Abandoned. See 5018-P1
053467-5018-01P1	Film Forming And Suspended Particulate Mechanical Lubricant Combination	Richard Mapp	60/451,871	03/04/2003		Allowed to lapse.
053467-5019PR	Lost Circulation Material Blend Offering High Fluid Loss With Minimum Solids	Mano Shaarpour	60/475,734	06/04/2003		Converted and foreign filed.
53467-5019WO	Lost Circulation Material Blend Offering High Fluid Loss With Minimum Solids	Mano Shaarpour	Not yet known	06/04/2004		Allowed to lapse.
053467-5019	Lost Circulation Material Blend Offering High Fluid Loss With Minimum Solids	Mano Shaarpour	60/475,734	06/04/2004		Allowed to lapse.
053467-5020PR	Drilling Fluid for Drilling Gombo/Shale Formations	Richard Mapp	60/613,904	09/28/2004		Allowed to lapse.

053467-5021PR**	Chain Entangled Crosslinked Polymeric Material	Robert L. Albright	60/640,965	12/30/2004		Pending
053467-5022	Chain Entangled Crosslinked Polymer	Robert L. Albright	09/352,524	07/13/1999		Abandoned.
053467-5023PR	Maximally Crosslinked Polymer Particles, Processes for Their Manufacture, and Their Applications in the Oil and Gas Industry	Josef Bicerano	60/689,899	06/13/2005		Pending

** Indicates that property is co-owned by Sun Drilling and Robert Albright

Exhibit C
Trademarks

SUN DRILLING PRODUCTS CORPORATION
ACTIVE U.S. AND FOREIGN TRADEMARK APPLICATIONS AND REGISTRATIONS
 As Of October 13, 2005

Country	Our Ref.	Trademark Name	Status	App. Number / Date	Reg. Number / Date	Goods / Services	Comments
Argentina	53467-0004	COASTALUBE	Registered	2143445 4/3/1998	1758859/ 10/27/99	Oilfield drilling downhole spotting fluid and oilfield drilling downhole lubricant, in Class 04	The registration is due for renewal on 10/27/2009.
Argentina	53467-0071	COASTAL SPOT	Registered	2,390,0071 9/13/02	1972101 2/27/2004	Oilfield drilling spotting fluid, in Class 04	The registration is due for renewal on 2/27/2014.
Australia	53467-0005	COASTALUBE	Registered	759054 4/3/1998	759054 11/16/1998	Industrial oils and greases; lubricants; oilfield drilling downhole spotting fluid, in Class 04	The registration is due for renewal on 4/3/2008.
Australia	53467-0016	COASTAL SPOT	Registered	759053 4/3/1998	759053 8/31/1998	Industrial oils and greases; lubricants; oilfield drilling downhole spotting fluid, in Class 04	The registration is due for renewal on 4/3/2008.
Benelux	53467-0055	R.O.P.E.	Registered	911269 3/2/1998	0633479 3/2/1998	Lubricants and solid friction reducing particulates used to enhance penetration rates for drilling oils and gas, in Class 04	The registration is due for renewal on 3/2/08.
Canada	53467-0028	EK-2000 DEGREASER	Registered	872607 3/18/1998	TMA507894 2/11/1999	Industrial soap, in Class 03	The registration is due for renewal on 2/11/2014.
Canada	53467-0007	COASTALUBE	Registered	874282 4/3/98	TMA585315 07/16/2002	Chemicals, namely, oilfield drilling downhole spotting fluid.	The registration is due for renewal on 7/16/2018.
Canada	53467-0018	COASTAL SPOT	Registered	874281 4/3/98	TMA585403 07/16/2003	Chemicals, namely, oilfield drilling downhole spotting fluid.	The registration is due for renewal on 7/16/2018.
Canada	53467-0081	LIQUI-BEADS	Registered	1200394 12/24/2003	TMA635191 03/14/2005	Liquid and solid mechanical lubricant for use in oil well drilling, workover, completions and coil tubing applications.	The registration is due for renewal on 3/14/2020.
Canada	53467-0080	SMART-PLUG	Registered	1200393 12/24/2003	TMA635272 03/15/2005	Lost circulation material for use in oil well drilling, completion and workover operations.	The registration is due for renewal on 3/15/2020.
European Community	53467-0008	COASTALUBE	Registered	790337 4/3/1998	790337 4/10/1999	Oilfield drilling downhole spotting fluid and oilfield drilling downhole lubricant, in Class 04	The registration is due for renewal on 4/3/08.

PATENT

SUN DRILLING PRODUCTS CORPORATION
ACTIVE U.S. AND FOREIGN TRADEMARK APPLICATIONS AND REGISTRATIONS
 As Of October 13, 2005

Country	Our Ref.	Trademark Name	Status	App. Number / Date	Reg. Number / Date	Goods / Services	Comments
European Community	53467-0019	COASTAL SPOT	Registered	790378 4/3/1998	790378 8/16/1999	Oilfield drilling downhole spotting fluid, in Class 04	The registration is due for renewal on 10/3/07.
Indonesia	53467-0009	COASTALUBE	Registered	D9805836 4/6/1998	437952 2/4/2000	Oilfield drilling downhole spotting fluid and oilfield drilling downhole lubricant, in Class 04	The registration is due for renewal on 7/7/08.
Indonesia	53467-0020	COASTAL SPOT	Registered	D9806069 4/8/1998	438475 2/10/2000	Oilfield drilling downhole spotting fluid, in Class 04	The registration is due for renewal on 7/7/08.
Norway	53467-0011	COASTALUBE	Registered	199803058 4/3/1998	195172 1/7/1999	Industrial oils and greases; lubricants; oilfield drilling downhole spotting fluid and oilfield drilling downhole lubricant, in Class 04	The registration is due for renewal on 1/7/09.
Norway	53467-0022	COASTAL SPOT	Registered	199803059 4/6/1998	195173 1/7/1999	Industrial oils and greases; lubricants; oilfield drilling downhole spotting fluid and oilfield drilling downhole lubricant, in Class 04	The registration is due for renewal on 1/7/09.
Norway	53467-0057	R.O.P.E.	Registered	199801926 3/2/1998	196988 4/15/1999	Lubricants and solid friction reducing particulates used to enhance penetration rates while drilling for oil and gas, in Class 01	The registration is due for renewal on 4/15/08.
Norway	53467-0066	LUBRA-GLIDE	Registered	790110 1/16/1979	104907 4/24/1980		The registration is due for renewal on 4/24/2010.
Oman	53467-0012	COASTALUBE	Registered	17746 4/25/2008	17746 2/26/2003	Oilfield drilling downhole spotting fluid and oilfield drilling downhole lubricant, in Class 04	The registration is due for renewal on 4/25/08.
Oman	53467-0023	COASTAL SPOT	Registered	17747 4/25/1998	17747 2/26/2003	Oilfield drilling downhole spotting fluid, in Class 04	The registration is due for renewal on 4/25/08.
United Kingdom	53467-0056	R.O.P.E.	Registered	159680 3/2/1998	2159680 3/2/1999	Compounds comprised of lubricants and solid friction reducing particulates used to enhance penetration rates while drilling for oil and gas, in Class 04	The registration is due for renewal on 3/2/08.
United States	53467-0001	BLACKNITE	Registered	74/080,893 7/23/1990	1647820 6/18/1991	Oil and gas drilling fluid additives, in Class 01	The registration is due for renewal on 6/18/11.

PATENT

SUN DRILLING PRODUCTS CORPORATION
ACTIVE U.S. AND FOREIGN TRADEMARK APPLICATIONS AND REGISTRATIONS
 As Of October 13, 2005

Country	Our Ref.	Trademark Name	Status	App. Number / Date	Reg. Number / Date	Goods / Services	Comments
United States	53467-0002	C-MUL	Registered	74/600,190 11/17/1994	1933127 11/7/1995	Chemical additives used in oilwell drilling muds to reduce the torque and drag on drill pipe, in Class 01	The registration is due for renewal on 11/7/05. Sun Drilling would like to maintain this registration and we are awaiting receipt of an appropriate specimen.
United States	53467-0003	COASTALUBE	Registered	75/370,168 10/6/1997	2256574 6/29/1999	Oilfield drilling downhole lubricant, in Class 04	A Declaration of Use/Affidavit of Incontestability was filed on 6/29/2005. Because a security interest was incorrectly entered as an assignment, an Office Action was issued. We will prepare and file a response.
United States	53467-0014	COASTAL SPOT	Registered	75/370,169 10/8/1997	2299254 12/14/1999	Chemicals, namely, oilfield drilling downhole spotting fluid, in Class 01	Declaration of Continued Use due 12/14/05. Sun Drilling would like to maintain this registration and we are awaiting receipt of an appropriate specimen.
United States	53467-0025	DRILBEADS	Registered	73/523,027 2/20/1985	1358792 9/10/1985	Lubricants for use in oil and gas well drilling, in Class 04	The registration was not renewed.
United States	53467-0084	DRILCON-D	Registered	78/331706 11/21/2003	2959526 06/07/2005	Oilfield drilling downhole lubricant, in Class 4	Declaration of Continued Use due 6/7/2010.
United States	53467-0026	EK-76	Registered	73/551,274 8/1/1985	1384912 3/4/1986	Detergents, degreasing agents, and dispersants for use in oil and gas well drilling, in Class 03	The registration is due for renewal on 3/4/06.
United States	53467-0027	EK-2000 DEGREASER	Registered	75/453,493 3/17/1998	2228762 3/2/1999	Industrial soap for general purpose cleaning, in Class 03	The registration is due for renewal on 3/17/2008
United States	53467-0029	ENVIRO-DEFOAM	Registered	73/640,490 1/20/1987	1451627 8/11/1987	Chemical additives for oil and gas well drilling, namely foam reducing agents, in Class 01	The registration is due for renewal on 8/11/07.
United States	53467-0030	ENVIRO-DRIL	Registered	73/640,489 1/20/1987	1452736 8/18/1987	Chemical additives for oil and gas well drilling, namely shale encapsulators and borehole stabilizers, in Class 01	The registration is due for renewal on 8/18/07.

PATENT

SUN DRILLING PRODUCTS CORPORATION
ACTIVE U.S. AND FOREIGN TRADEMARK APPLICATIONS AND REGISTRATIONS
As Of October 13, 2005

Country	Our Ref.	Trademark Name	Status	App. Number / Date	Reg. Number / Date	Goods / Services	Comments
United States	53467-0031	ENVIRO-DRIL	Registered	74/477,367 1/7/1994	1870973 1/3/1995	Lubricants used in oil and gas well drilling, in Class 04	The registration was not renewed.
United States	53467-0032	ENVIRO-KLEAN 76	Registered	73/523,024 2/20/1985	1360018 9/17/1985	Detergents, degreasing agents, and dispersants for use in oil and gas well drilling, in Class 03	The registration was not renewed.
United States	53467-0034	ENVIRO-KLEAN CL	Registered	73/523,042 2/20/1985	1361273 9/24/1985	Detergent added to drilling fluid to wash oil from drill bits and to improve fluidity of drilling fluid, in Class 01	The registration was not renewed.
United States	53467-0035	ENVIRO-LUBE	Registered	73/508,067 11/9/1984	1336236 5/21/1985	Lubricants used in oil well drilling, in Class 04	The registration was not renewed.
United States	53467-0036	ENVIRO-MUD	Registered	73/510,515 11/26/1984	1409897 9/16/1986	Providing consultation and advice to oil well drillers concerning the selection and use of drilling fluids and chemical additives for drilling fluids, in Class 42	This registration is due for renewal on 9/16/06. Opening of the period to Renew the mark began 9/16/05.
United States	53467-0039	ENVIRO-TECH	Registered	73/779,408 2/8/1989	1558687 10/3/1989	Chemical additives for oil and gas well drilling; namely to stabilize shale formation, impart lubricity to the borehole, and control filtration, in Class 01	This registration is due for renewal on 10/3/09.
United States	53467-0040	EV-LUBE	Registered	73/551,269 8/1/1985	1384918 3/4/1986	Lubricants used in oil and gas well drilling, in Class 04	This registration is due for renewal on 3/4/06. Opening of the period to renew the mark began 3/4/05.
United States	53467-0041	EV-TECH	Registered	73/779,410 2/8/1989	1558688 10/3/1989	Chemical additives for oil and gas well drilling, namely to stabilize shale formation, impart lubricity to the borehole, and control filtration, in Class 01	This registration is due for renewal on 10/3/09.
United States	53467-0078	EZE-SLIDE	Pending	78/331708 11/21/2003		Oilfield drilling downhole lubricant, in Class 4	Notice of Allowance issued. Second request for extension of time to file Statement of Use due 11/23/2005.

PATENT

SUN DRILLING PRODUCTS CORPORATION
ACTIVE U.S. AND FOREIGN TRADEMARK APPLICATIONS AND REGISTRATIONS
 As Of October 13, 2005

Country	Our Ref.	Trademark Name	Status	App. Number / Date	Reg. Number / Date	Goods / Services	Comments
United States	53467-0079	EZE-SLIDE D	Registered	78/331704 11/21/2003	2954879 05/24/2005	Oilfield drilling downhole lubricant, in Class 4	Declaration of Continued Use due 5/24/2010.
United States	53467-0083	EZE-SLIDE OS	Registered	78/331696 11/21/2003	2954877 5/24/2005	Oilfield drilling downhole lubricant, in Class 4	Declaration of Continued Use due 5/24/2010.
United States	53467-0082	EZE-SLIDE XLT	Pending	78/331698 11/21/2004	2954878 5/24/2005	Oilfield drilling downhole lubricant, in Class 4	Declaration of Continued Use due 5/24/2010.
United States	53467-0042	FOAM-BUSTER	Registered	75/336588 8/6/1997	2197863 10/20/1998	Chemical defoamer for use in oil and gas well drilling, in Class 01	This registration is due for renewal on 10/20/2008.
United States	53467-0044	GUMBO SHIELD	Registered	73/629,545 11/10/1986	1451605 8/11/1987	Chemical additives for oil and gas well drilling, namely shale formation inhibitors, in Class 01	This registration is due for renewal on 8/11/07.
United States	53467-0045	HIGH TEMP PLUS	Registered	73/523,028 2/20/1985	1361272 9/24/1985	Chemical additives for oil and gas well drilling, namely fluid loss inhibitors for drilling fluids, in Class 01	This registration is now in the grace period for renewal. The grace period closes on March 24, 2006. We are awaiting final instructions on whether the registration will be maintained.
United States	53467-0046	LSC-2000	Registered	73/523,033 2/20/1985	1368481 11/5/1985	Chemical additives for use in oil and gas well drilling, namely surface active agents and thinners for drilling fluids, in Class 01	This registration is due for renewal on 11/5/05. We are awaiting final instructions on whether the registration will be maintained.
United States	53467-0076	LIQUI-BEADS	Registered	76/533586 07/18/2003	2857708 06/29/2004	Liquid and solid mechanical lubricant for use in oil well drilling, workover, completions and coil tubing applications, in Class 04	Declaration of Continued Use due 6/29/2009. Opening of the period to file a Declaration of Continued Use begins on 6/29/2010.
United States	53467-0047	LUBRA-GLIDE	Registered	73/113,943 1/28/1977	1093489 6/20/1978	Plurality of beads useable in drilling fluids for reducing friction in a well bore during drilling operations, in Class 01	This registration is due for renewal on 6/20/08. Opening of the period to Renew the mark begins on 6/20/07.
United States	53467-0072	LUBRALITE	Pending	76/459,949 10/16/02		Oilfield Drilling Downhole lubricant, in Class 4	This application was allowed to lapse.

PATENT

SUN DRILLING PRODUCTS CORPORATION
ACTIVE U.S. AND FOREIGN TRADEMARK APPLICATIONS AND REGISTRATIONS
 As Of October 13, 2005

Country	Our Ref.	Trademark Name	Status	App. Number / Date	Reg. Number / Date	Goods / Services	Comments
United States	53467-0049	MULSPERSE	Registered	74/599,813 11/17/1994	1952757 1/30/1996	Chemical additives for use in oil well drilling muds and water-wet solids, in Class 01	This registration is due for renewal on 1/30/06. Opening of the renewal period began 1/30/05.
United States	53467-0053	RIG-KLEAN	Registered	73/523,053 2/20/1985	1361274 9/24/1985	Dispersants for use in oil and gas well drilling, in Class 01	This registration was not renewed.
United States	53467-0054	R.O.P.E.	Registered	75/350,870 9/3/1997	2190981 9/22/1998	Lubricants and solid friction reducing particulates used to enhance penetration rates while drilling for oil and gas, in Class 04	This registration is due for renewal on 9/22/2008.
United States	53467-0077	SMART PLUG	Registered	76/534352 08/01/2003	2864639 07/20/2004	Lost circulation material for use in oil well drilling, competition and workover operations, in Class 01	Declaration of Continued Use due 7/20/2010.
United States	53467-0060	STYLIZED SHRIMP LOGO	Registered	75/370,170 10/8/1997	2256575 6/29/1999	Chemicals, namely, oilfield drilling downhole spotting fluid, in Class 01 Oilfield drilling downhole lubricant, in Class 04	A Declaration of Use/Affidavit of Incontestability was filed on 6/29/2005. Because a security interest was incorrectly entered as an assignment, an Office Action was issued. We will prepare and file a response.
Venezuela	53467-0024	COASTAL SPOT	Registered	596398 4/6/1998	213481 8/6/1999	Oilfield drilling downhole spotting fluid, in Class 04	The mark is registered but a Certificate of Registration has not yet issued.

PATENT

REEL: 016883 FRAME: 0029

Exhibit D

Patent Infringement Dispute With M-I SWACO

By letter dated August 2, 2005, Sun Drilling Products Corporation ("Sun Drilling") notified M-I SWACO (M-I) that Sun Drilling's U.S. Patent No. RE38,367 entitled "Recovery Apparatus for Drilling and Excavation Application and Related Methods" as well as foreign counterparts to this patent around the world (the "Sun Drilling Bead Recovery Unit Patent Portfolio") appeared relevant to M-I's existing bead recovery unit operations. In that letter, Sun Drilling invited M-I to take a license under the Sun Drilling Bead Recovery Unit Patent Portfolio. Sun Drilling has requested a meeting with M-I in order to negotiate a license under the Sun Drilling Bead Recovery Unit Patent Portfolio. As a result of the recent hurricane, M-I is still in the process of completing its investigation of this matter, and no meeting with M-I has yet been scheduled.