

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Patent and Trademark Security Agreement
CONVEYING PARTY DATA	
Name	Execution Date
Axon Pressure Products, Inc. (f/k/a Drilling Controls Holdings, Inc.)	04/08/2010
RECEIVING PARTY DATA	
Name:	Amegy Bank National Association
Street Address:	Five Post Oak Park
Internal Address:	4400 Post Oak Parkway, Suite 400
City:	Houston
State/Country:	TEXAS
Postal Code:	77027
PROPERTY NUMBERS Total: 3	
Property Type	Number
Patent Number:	5409040
Patent Number:	6328070
Patent Number:	6938695
CORRESPONDENCE DATA	
Fax Number:	(713)221-1212
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	713.223.2300
Email:	grace.wise@bgllp.com
Correspondent Name:	Bracewell & Giuliani LLP
Address Line 1:	711 Louisiana Street
Address Line 2:	Suite 2300
Address Line 4:	Houston, TEXAS 77002-2781
ATTORNEY DOCKET NUMBER:	078486.000013
NAME OF SUBMITTER:	Constance G. Rhebergen

OP \$120.00 5409040

Total Attachments: 9

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PATENT AND TRADEMARK SECURITY AGREEMENT

This Patent and Trademark Security Agreement dated as of April 8, 2010 (this "Agreement") is by and among Drilling Controls, Inc., a Delaware corporation (the "Grantor") and Amegy Bank National Association, as administrative agent (in such capacity, the "Administrative Agent") for the Secured Parties (as defined in the Credit Agreement referred to below).

Recitals

Axon Pressure Products, Inc. (f/k/a Drilling Controls Holdings, Inc.), a Delaware corporation, (the "Borrower"), the Grantor and certain other subsidiaries of the Borrower, as guarantors, the lenders named therein (the "Lenders") and the Administrative Agent are parties to that certain Credit Agreement dated as of March 9, 2010 (as amended, modified, increased or restated from time to time, the "Credit Agreement") setting forth the terms on which the Lenders may now or hereafter extend credit to or for the account of the Borrower.

It is a requirement under the Credit Agreement that the Grantor execute and deliver this Agreement.

ACCORDINGLY, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. Definitions. All terms defined in the Recitals hereto or in the Credit Agreement that are not otherwise defined herein shall have the meanings given to them therein. In addition, the following terms have the meanings set forth below:

"Patents" means all of the Grantor's right, title and interest in and to patents or applications for patents, fees or royalties with respect to each, and including without limitation the right to sue for past infringement and damages therefor, and licenses thereunder, all as presently existing or hereafter arising or acquired, including without limitation the patents listed on Exhibit A.

"Security Interest" has the meaning given in Section 2.

"Trademarks" means all of the Grantor's right, title and interest in and to: (i) trademarks, service marks, collective membership marks, registrations and applications for registration for each, and the respective goodwill associated with each, (ii) licenses, fees or royalties with respect to each, (iii) the right to sue for past, present and future infringement, dilution and damages therefor, (iv) and licenses thereunder, all as presently existing or hereafter arising or acquired, including, without limitation, the marks listed on Exhibit B.

2. Security Interest. The Grantor hereby irrevocably pledges and assigns to, and grants the Administrative Agent for the benefit of the Secured Parties a security interest (the "Security Interest"), with power of sale to the extent permitted by law, in the Patents and in the

Trademarks to secure payment of the Obligations. As set forth in the Credit Agreement, the Security Interest is coupled with a security interest in substantially all of the personal property of the Grantor.

3. Representations, Warranties and Agreements. The Grantor represents, warrants and agrees as follows:

(a) **Existence; Authority.** The Grantor is a corporation, validly existing and in good standing under the laws of its state of organization, and this Agreement has been duly and validly authorized by all necessary action on the part of the Grantor.

(b) **Patents.** Exhibit A accurately lists all Patents owned or controlled by the Grantor as of the date hereof, or to which the Grantor has a right as of the date hereof to have assigned to it, and accurately reflects the existence and status of applications and letters pertaining to the Patents as of the date hereof. If, after the date hereof, the Grantor owns, controls or has a right to have assigned to it any Patents not listed on Exhibit A, or if Exhibit A ceases to accurately reflect the existence and status of applications and letters pertaining to the Patents, then the Grantor shall, within forty-five (45) days, provide written notice to the Administrative Agent with a replacement Exhibit A, which upon acceptance by the Administrative Agent shall become part of this Agreement.

(c) **Trademarks.** Exhibit B accurately lists all Trademarks owned or controlled by the Grantor as of the date hereof and accurately reflects the existence and status of Trademarks and all applications and registrations pertaining thereto as of the date hereof; provided, however, that Exhibit B need not list common law marks (i.e., Trademarks for which there are no applications or registrations) which are not material to the Grantor's business(es). If, after the date hereof, the Grantor owns or controls any Trademarks not listed on Exhibit B (other than common law marks which are not material to the Grantor's business(es)), or if Exhibit B ceases to accurately reflect the existence and status of applications and registrations pertaining to the Trademarks, then the Grantor shall, within forty-five (45) days, provide written notice to the Administrative Agent with a replacement Exhibit B, which upon acceptance by the Administrative Agent shall become part of this Agreement.

(d) **Title.** The Grantor has absolute title to each Patent and each Trademark listed on Exhibits A and B, free and clear of all Liens except Permitted Liens, and free and clear of Licenses, registered user agreements and covenants not to sue third Persons. The Grantor (i) will have, at the time the Grantor acquires any rights in Patents or Trademarks hereafter arising, absolute title to each such Patent or Trademark free and clear of all Liens except Permitted Liens, and (ii) will keep all Patents and Trademarks free and clear of all Liens except Permitted Liens.

(e) **No Sale.** Except as permitted in the Credit Agreement, the Grantor will not assign, transfer, encumber or otherwise dispose of the Patents or Trademarks, or any interest therein.

(f) **Defense.** The Grantor will at its own expense and using commercially reasonable efforts, protect and defend the Patents and Trademarks against all claims or demands of all Persons other than those holding Permitted Liens.

(g) **Maintenance.** The Grantor will at its own expense maintain the Patents and the Trademarks to the extent reasonably advisable in its business including, but not limited to, filing all applications to obtain letters patent or trademark registrations and all affidavits, maintenance fees, annuities, and renewals possible with respect to letters patent, trademark registrations and applications therefor. The Grantor covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Patent or Trademark, nor fail to file any required affidavit or renewal in support thereof, without first providing the Administrative Agent: (i) sufficient written notice, of at least thirty (30) days, to allow the Administrative Agent to timely pay any such maintenance fees or annuities which may become due on any Patents or Trademarks, or to file any affidavit or renewal with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit or renewal, should such be necessary or desirable.

(h) **Administrative Agent's Right to Take Action.** If the Grantor fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) calendar days after the Administrative Agent gives the Grantor written notice thereof (or, in the case of the agreements contained in subsection (g), immediately upon the occurrence of such failure, without notice or lapse of time), or if the Grantor notifies the Administrative Agent that it intends to abandon a Patent or Trademark, the Administrative Agent may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of the Grantor (or, at the Administrative Agent's option, in the Administrative Agent's own name) and may (but need not) take any and all other actions which the Administrative Agent may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.

(i) **Power of Attorney.** To facilitate the Administrative Agent's taking action under subsection (h) and exercising its rights under Section 6, the Grantor hereby irrevocably appoints the Administrative Agent and any officer or agent thereof, as the attorney-in-fact, with full power of substitution, of the Grantor and, without limiting the generality of the foregoing, hereby gives the Administrative Agent the right (but not the duty) from time to time: (i) to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of the Grantor, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by the Grantor under this Section 3, or, necessary for the Administrative Agent, after an Event of Default, (ii) to enforce or use the Patents or Trademarks or to grant or issue any exclusive or non-exclusive license under the Patents or Trademarks to any third party, or (iii) to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents or Trademarks to any third party. The Grantor hereby ratifies all that such attorney shall lawfully do or cause to

be done by virtue hereof. The power of attorney herein conferred is granted for valuable consideration, is coupled with an interest, and is irrevocable.

4. Grantor's Use of the Patents and Trademarks. The Grantor shall be permitted to control and manage the Patents and Trademarks, including the right to exclude others from making, using or selling items covered by the Patents and Trademarks and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured.

5. Events of Default. The occurrence of an Event of Default (as defined in the Credit Agreement) shall constitute an event of default under this Agreement (herein called "Event of Default").

6. Remedies. Upon the occurrence of an Event of Default and at any time thereafter, the Administrative Agent may, at its option, take any or all of the following actions:

(a) The Administrative Agent may exercise any or all remedies available under the Credit Agreement and the other Loan Documents.

(b) The Administrative Agent may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents and Trademarks.

(c) The Administrative Agent may enforce the Patents and Trademarks and any licenses thereunder, and if the Administrative Agent shall commence any suit for such enforcement, the Grantor shall, at the request of the Administrative Agent, do any and all lawful acts and execute any and all proper documents required by the Administrative Agent in aid of such enforcement.

7. Miscellaneous. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by the Administrative Agent. A waiver signed by the Administrative Agent or the Secured Parties shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Administrative Agent's rights or remedies. All rights and remedies of the Administrative Agent shall be cumulative and may be exercised singularly or concurrently, at the Administrative Agent's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to Grantor under this Agreement shall be given in the manner and with the effect provided in the Credit Agreement. The Administrative Agent shall not be obligated to preserve any rights the Grantor may have against prior parties, to realize on the Patents and Trademarks at all or in any particular manner or order, or to apply any cash proceeds of Patents and Trademarks in any particular order of application. This Agreement shall be binding upon and inure to the benefit of the Grantor, the Administrative Agent, the Secured Parties and their respective participants, successors and assigns and shall take effect when signed by the Grantor and delivered to the Administrative Agent, and the Grantor waives notice of the Administrative Agent's acceptance hereof. The Administrative Agent may execute this Agreement if appropriate for the purpose of

filing, but the failure of the Administrative Agent to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement signed by the Grantor shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal laws of the State of Texas, without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations.

THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.

THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT 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.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have executed this Patent and Trademark Security Agreement as of the date written above.

GRANTOR:

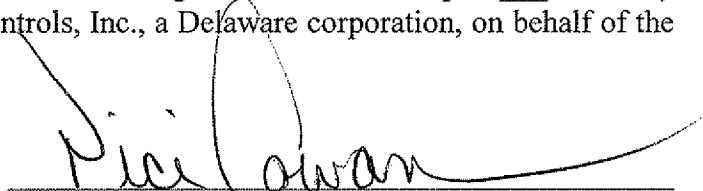
DRILLING CONTROLS, INC.

Drilling Controls, Inc.
8909 Jackrabbit Road
Houston, Texas 77098
ATTENTION: Jordan Strouse
Fax: 281-855-0973

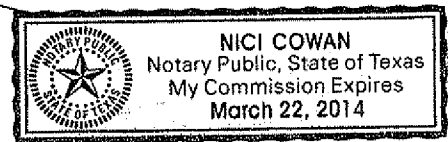
By: 
Name: Jordan Strouse
Title: Secretary

STATE OF TEXAS)
)
COUNTY OF HARRIS)

The foregoing instrument was acknowledged before me on April 8, 2010 by Jordan Strouse, the Secretary of Drilling Controls, Inc., a Delaware corporation, on behalf of the company.



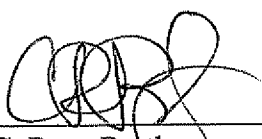
Notary Public



ADMINISTRATIVE AGENT:

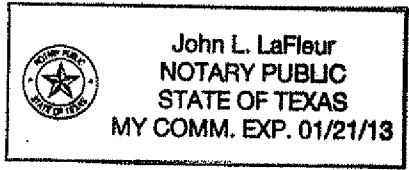
**AMEGY BANK NATIONAL ASSOCIATION,
as Administrative Agent**

Amegy Bank National Association,
as Administrative Agent
Five Post Oak Park
4400 Post Oak Parkway, Suite 400
Houston, Texas 77027
ATTENTION: C. Ross Bartley
Fax: 713-561-0324

By: 
Name: C. Ross Bartley
Title: Senior Vice President

STATE OF TEXAS)
)
COUNTY OF HARRIS)

The foregoing instrument was acknowledged before me on April 8th, 2010 by C. Ross Bartley, the Senior Vice President of Amegy Bank National Association, a national banking association, on behalf of such association.





Notary Public

EXHIBIT A

UNITED STATES ISSUED PATENTS

<u>Country</u>	<u>Title</u>	<u>Inventor(s)</u>	<u>Application Date</u>	<u>Patent No.</u>	<u>Patent Grant Date</u>
USA	A springless pilot operated sequence valve	Tomlin	August 9, 1993	5409040	August 25, 1995
USA	Valve arrangement for controlling hydraulic flow	Williams/ Clayton	March 1, 1999	6328070	December 11, 2001
USA	Fully recoverable drilling control pod	Williams/ Clayton	February 12, 2003	6938695	September 6, 2005

FOREIGN ISSUED PATENTS

None

EXHIBIT B

**UNITED STATES ISSUED TRADEMARKS, SERVICE MARKS
AND COLLECTIVE MEMBERSHIP MARKS**

REGISTRATIONS

<u>Name</u>	<u>Country</u>	<u>Registration No.</u>	<u>Registration Date</u>
J-Line	USA	1907095	July 25, 1995
Super-T	USA	1911217	August 15, 1995
TR	USA	1907059	July 25, 1997
Type-80	USA	2028350	January 7, 1995

APPLICATIONS

None

COLLECTIVE MEMBERSHIP MARKS

None

UNREGISTERED MARKS

None