

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

09/23/2013



103662132

SUBMISSION TYPE: NEW ASSIGNMENT
 NATURE OF CONVEYANCE: SECURITY AGREEMENT

CONVEYING PARTY DATA

Name	Execution Date
Polyflow, LLC	08/29/2013
Polyflow Holdings, LLC	08/29/2013
Polyflow Sub - Holdings, LLC	08/29/2013

RECEIVING PARTY DATA

Name:	Wells Fargo Bank, National Association
Street Address:	ONE BOSTON PLACE
Internal Address:	18TH FLOOR
City:	Boston
State/Country:	MASSACHUSETTS
Postal Code:	02108

PROPERTY NUMBERS Total: 3

Property Type	Number
Patent Number:	6978843
Application Number:	12956231
Application Number:	30180886 13706788

CORRESPONDENCE DATA

Fax Number: 6173417701
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 6173417729
 Email: kschmidt@morganlewis.com
 Correspondent Name: Katarzyna Schmidt
 Address Line 1: 225 Franklin Street, 18th Floor
 Address Line 2: c/o Morgan Lewis & Bockius LLP
 Address Line 4: Boston, MASSACHUSETTS 02210

NAME OF SUBMITTER: Katarzyna Schmidt

08/29/13
 Re 50247785

OP \$120.00 6978843

PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT (this "Patent Agreement") is made this 29 day of August 2013, by and among Grantors listed on the signature pages hereof (collectively, jointly and severally, "Grantors" and each individually "Grantor"), and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, in its capacity as the administrative agent for the Lenders (as defined below) (in such capacity, together with its successors and assigns, the "Administrative Agent").

WITNESSETH:

WHEREAS, pursuant to that certain Credit Agreement dated as of August 29, 2013 (as amended, amended and restated, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement") by and among POLYFLOW, LLC, a Delaware limited liability company ("Borrower"), the lenders party thereto as "Lenders" (such Lenders, together with their respective successors and assigns in such capacity, each, individually, a "Lender" and, collectively, the "Lenders"), and the Administrative Agent, the Lenders have agreed to make certain financial accommodations available to Borrower from time to time pursuant to the terms and conditions thereof; and

WHEREAS, the Lenders are willing to make the financial accommodations to Borrower as provided for in the Credit Agreement, but only upon the condition, among others, that Grantors shall have executed and delivered to the Administrative Agent, for the benefit of the Lenders and the Administrative Agent, that certain Security Agreement, dated as of August __, 2013 (including all annexes, exhibits or schedules thereto, as from time to time amended, amended and restated, restated, supplemented or otherwise modified, the "Security Agreement"); and

WHEREAS, pursuant to the Security Agreement, Grantors are required to execute and deliver to the Administrative Agent, for the benefit of the Lenders and the Administrative Agent, this Patent Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor hereby agrees as follows:

1. **DEFINED TERMS**. All initially capitalized terms used but not otherwise defined herein have the meanings given to them in the Security Agreement or, if not defined therein, in the Credit Agreement. In addition, the following terms shall have the meanings set forth in this Section 1 or elsewhere in this Patent Agreement referred to below:

(a) **Patent Collateral**. All of each Grantor's right, title and interest in and to all of the Patents, the Patent License Rights, and all other Patent Rights, and all additions, improvements, and accessions to, all substitutions for and replacements of, and all products and Proceeds (including insurance proceeds) of any and all of the foregoing, and all books and records and technical information and data describing or used in connection with any and all such rights, interests, assets or property.

(b) Patent License Rights. Any and all past, present or future rights and interests of any Grantor pursuant to any and all past, present and future licensing agreements in favor of such Grantor, or to which such Grantor is a party, pertaining to any Patents, or Patent Rights, owned or used by third parties in the past, present or future, including the right in the name of such Grantor or the Administrative Agent to enforce, and sue and recover for, any past, present or future breach or violation of any such agreement.

(c) Patent Rights. Any and all past, present or future rights in, to and associated with the Patents throughout the world, whether arising under federal law, state law, common law, foreign law, or otherwise, including but not limited to the following: all such rights arising out of or associated with the Patents; the right (but not the obligation) to register claims under any federal, state or foreign patent law or regulation; the right (but not the obligation) to sue or bring opposition or bring cancellation proceedings in the name of any Grantor or the Administrative Agent for any and all past, present and future infringements of or any other damages or injury to the Patents or the Patent Rights, and the rights to damages or profits due or accrued arising out of or in connection with any such past, present or future infringement, damage or injury; and the Patent License Rights.

(d) Patents. All patents and patent applications, whether United States or foreign, that are owned by any Grantor or in which such Grantor has any right, title or interest, now or in the future, including but not limited to:

(i) the patents and patent applications listed on Schedule I hereto (as the same may be amended pursuant hereto from time to time);

(ii) all letters patent of the United States or any other country, and all applications for letters patent of the United States or any other country;

(iii) all re-issues, continuations, divisions, continuations-in-part, renewals or extensions thereof;

(iv) the inventions disclosed or claimed therein, including the right to make, use, practice and/or sell (or license or otherwise transfer or dispose of) the inventions disclosed or claimed therein; and

(v) the right (but not the obligation) to make and prosecute applications for such Patents.

(e) Proceeds. Any consideration received from the sale, exchange, license, lease or other disposition or transfer of any right, interest, asset or property which constitutes all or any part of the Patent Collateral, any value received as a consequence of the ownership, possession, use or practice of any Patent Collateral, and any payment received from any insurer or other person or entity as a result of the destruction or the loss, theft or other involuntary conversion of whatever nature of any right, interest, asset or property which constitutes all or any part of the Patent Collateral.

2. GRANT OF SECURITY INTEREST IN PATENT COLLATERAL. Each Grantor hereby grants, assigns, and pledges to the Administrative Agent, for the benefit of the

Lenders and the Administrative Agent, to secure the Obligations, a continuing security interest (referred to in this Patent Agreement as the "Security Interest") in and first priority lien on the Patent Collateral, and pledges and mortgages the Patent Collateral to the Administrative Agent for the benefit of the Lenders and the Administrative Agent

3. SECURITY FOR OBLIGATIONS. This Patent Agreement and the Security Interest created hereby secures the payment and performance of the Obligations. Without limiting the generality of the foregoing, this Patent Agreement secures the payment of all amounts which constitute part of the Obligations and would be owed by Grantors, or any of them, to the Administrative Agent, the Lenders or any of them, whether or not they are unenforceable or not allowable due to the existence of proceeding under any debtor relief laws involving any Grantor.

4. SECURITY AGREEMENT. The Security Interest granted pursuant to this Patent Agreement is granted in connection with the Security Agreement and is expressly subject to the terms and conditions thereof. Each Grantor hereby acknowledges and affirms that the rights and remedies of the Administrative Agent with respect to the Security Interest in the Patent Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. To the extent there is any inconsistency between this Patent Agreement and the Security Agreement, the Security Agreement shall control.

5. AUTHORIZATION TO SUPPLEMENT. If any Grantor shall obtain rights to any new patent application or issued patent or become entitled to the benefit of any patent application or patent for any divisional, continuation, continuation-in-part, reissue, or reexamination of any existing patent or patent application, the provisions of this Patent Agreement shall automatically apply thereto. Grantors shall give notice in writing to the Administrative Agent, pursuant to Section 9.1 of the Credit Agreement with respect to any such new patent rights. Without limiting Grantors' obligations under this Section, Grantors hereby authorize the Administrative Agent unilaterally to modify this Patent Agreement, with concurrent notice to the Grantors, by amending Schedule I to include any such new patent rights of each Grantor. Notwithstanding the foregoing, no failure to so modify this Patent Agreement or amend Schedule I shall in any way affect, invalidate or detract from Agent's continuing security interest in all Collateral, whether or not listed on Schedule I.

6. GOVERNING LAW; JURISDICTION; ETC.

(a) GOVERNING LAW. THIS PATENT AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF.

(b) SUBMISSION TO JURISDICTION. EACH GRANTOR IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF TEXAS SITTING IN HARRIS COUNTY AND OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF TEXAS (HOUSTON DIVISION), AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF

OR RELATING TO THIS PATENT AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH TEXAS STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS PATENT AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR THE ISSUING BANK MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS PATENT AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWER OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. EACH GRANTOR IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS PATENT AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN CLAUSE (B) ABOVE. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES (A) FOR THE BORROWER, IN SECTION 9.1 OF THE CREDIT AGREEMENT AND (B) FOR THE PARENT AND SUB-HOLDINGS, IN THE GUARANTY SIGNED BY THE PARENT AND SUB-HOLDINGS. NOTHING IN THIS PATENT AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

7. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS PATENT AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS PATENT AGREEMENT AND THE OTHER

LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

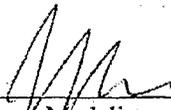
8. COUNTERPARTS. This Patent Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Patent Agreement. Delivery of an executed counterpart of this Patent Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Patent Agreement. Any party delivering an executed counterpart of this Patent Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Patent Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Patent Agreement.

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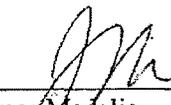
IN WITNESS WHEREOF, the parties hereto have caused this Patent Agreement to be executed and delivered as of the day and year first above written.

GRANTORS:

POLYFLOW, LLC,
a Delaware limited liability company

By: 
Name: James Medalie
Title: Chief Executive Officer

POLYFLOW HOLDINGS, LLC,
a Delaware limited liability company

By: 
Name: James Medalie
Title: Chief Executive Officer

POLYFLOW SUB-HOLDINGS, LLC,
a Delaware limited liability company

By: 
Name: James Medalie
Title: Chief Executive Officer

Accepted as of the date first written above:

ADMINISTRATIVE AGENT:

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**

By: 

Name: T. Alan Smith

Title: Managing Director

SCHEDULE I
to
PATENT AGREEMENT

Patents and Patent Applications

Grantor	Country	Type	Patent No./ Application No.	Title
Polyflow, LLC	United States	Patent	Patent No. 6,978,843	Well configuration method of increasing production from a hydrocarbon well
Polyflow, LLC	United States	Patent Application	Application No. 12956231 Publication No. 20110132059	Tube Splicing Machine
Polyflow, LLC	United States	Patent Application	Application No. 20130160886 Publication No. 2013706788	Pipe system with annulus utilization and monitoring

Patent Licenses

None.

PATENT SECURITY AGREEMENT

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WHEREAS, the Lenders are willing to make the financial accommodations to Borrower as provided for in the Credit Agreement, but only upon the condition, among others, that Grantors shall have executed and delivered to the Administrative Agent, for the benefit of the Lenders and the Administrative Agent, that certain Security Agreement, dated as of August __, 2013 (including all annexes, exhibits or schedules thereto, as from time to time amended, amended and restated, restated, supplemented or otherwise modified, the "Security Agreement"); and

WHEREAS, pursuant to the Security Agreement, Grantors are required to execute and deliver to the Administrative Agent, for the benefit of the Lenders and the Administrative Agent, this Patent Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor hereby agrees as follows:

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(b) Patent License Rights. Any and all past, present or future rights and interests of any Grantor pursuant to any and all past, present and future licensing agreements in favor of such Grantor, or to which such Grantor is a party, pertaining to any Patents, or Patent Rights, owned or used by third parties in the past, present or future, including the right in the name of such Grantor or the Administrative Agent to enforce, and sue and recover for, any past, present or future breach or violation of any such agreement.

(c) Patent Rights. Any and all past, present or future rights in, to and associated with the Patents throughout the world, whether arising under federal law, state law, common law, foreign law, or otherwise, including but not limited to the following: all such rights arising out of or associated with the Patents; the right (but not the obligation) to register claims under any federal, state or foreign patent law or regulation; the right (but not the obligation) to sue or bring opposition or bring cancellation proceedings in the name of any Grantor or the Administrative Agent for any and all past, present and future infringements of or any other damages or injury to the Patents or the Patent Rights, and the rights to damages or profits due or accrued arising out of or in connection with any such past, present or future infringement, damage or injury; and the Patent License Rights.

(d) Patents. All patents and patent applications, whether United States or foreign, that are owned by any Grantor or in which such Grantor has any right, title or interest, now or in the future, including but not limited to:

(i) the patents and patent applications listed on Schedule I hereto (as the same may be amended pursuant hereto from time to time);

(ii) all letters patent of the United States or any other country, and all applications for letters patent of the United States or any other country;

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OR RELATING TO THIS PATENT AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH TEXAS STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS PATENT AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR THE ISSUING BANK MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS PATENT AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWER OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

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LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

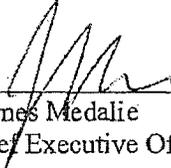
8. COUNTERPARTS. This Patent Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Patent Agreement. Delivery of an executed counterpart of this Patent Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Patent Agreement. Any party delivering an executed counterpart of this Patent Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Patent Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Patent Agreement.

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IN WITNESS WHEREOF, the parties hereto have caused this Patent Agreement to be executed and delivered as of the day and year first above written.

GRANTORS:

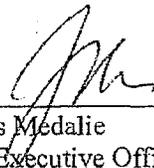
POLYFLOW, LLC,
a Delaware limited liability company

By: 
Name: James Medalie
Title: Chief Executive Officer

POLYFLOW HOLDINGS, LLC,
a Delaware limited liability company

By: 
Name: James Medalie
Title: Chief Executive Officer

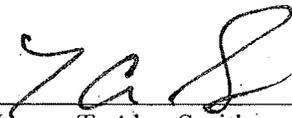
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By: 
Name: James Medalie
Title: Chief Executive Officer

Accepted as of the date first written above:

ADMINISTRATIVE AGENT:

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**

By: 
Name: T. Alan Smith
Title: Managing Director

SCHEDULE I
to
PATENT AGREEMENT

Patents and Patent Applications

Grantor	Country	Type	Patent No./ Application No.	Title
Polyflow, LLC	United States	Patent	Patent No. 6,978,843	Well configuration method of increasing production from a hydrocarbon well
Polyflow, LLC	United States	Patent Application	Application No. 12956231 Publication No. 20110132059	Tube Splicing Machine
Polyflow, LLC	United States	Patent Application	Application No. 13706788 Publication No. 20130160886	Pipe system with annulus utilization and monitoring

Patent Licenses

None.