

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

**CONVEYING PARTY DATA**

Name	Formerly	Execution Date	Entity Type
Seitel, Inc.		08/01/2003	Delaware:

**RECEIVING PARTY DATA**

Name:	Wells Fargo Foothill, Inc.
Street Address:	2450 Colorado Avenue
Internal Address:	Suite 3000
City:	W. Santa Monica
State/Country:	CALIFORNIA
Postal Code:	90404
Entity Type:	California:

**PROPERTY NUMBERS Total: 4**

Property Type	Number
Serial Number:	76330754
Serial Number:	78167209
Registration Number:	2676756
Registration Number:	2676757

**CORRESPONDENCE DATA**

Fax Number: (214)939-6100  
*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*

Phone: 214-939-5804  
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 Correspondent Name: Michele P. Schwartz  
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ATTORNEY DOCKET NUMBER:	9056.71
NAME OF SUBMITTER:	Kristy Neal

CH \$115.00 76330754

**Total Attachments: 8**

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## TRADEMARK SECURITY AGREEMENT

This **TRADEMARK SECURITY AGREEMENT** ("Agreement"), dated as of August \_\_\_\_, 2003, is entered into between **SEITEL, INC.**, a Delaware corporation, ("Pledgor"), and **WELLS FARGO FOOTHILL INC.**, a California corporation ("Lender"), in light of the following:

A. Pledgor, Matrix Geophysical, Inc., a Delaware corporation, Seitel Data, Ltd., a Texas limited partnership, Seitel Management, Inc., a Delaware corporation, and Seitel Solutions, Ltd., a Texas limited partnership (together, "Borrowers") and Lender have entered into that certain Loan and Security Agreement, dated as of June 24, 2003 (as the same may hereafter be amended, supplemented or restated from time-to-time in accordance with the terms thereof, the "Loan Agreement") and other instruments, documents and agreements contemplated thereby or related thereto (collectively, together with the Loan Agreement, the "Loan Documents"); and

B. Pledgor is the owner of certain intellectual property, identified below, in which Pledgor are granting a security interest to Lender.

NOW THEREFORE, in consideration of the mutual promises, covenants, conditions, representations, and warranties hereinafter set forth and for other good and valuable consideration, the parties hereto mutually agree as follows:

### 1. DEFINITIONS AND CONSTRUCTION.

1.1 **Definitions.** The following terms, as used in this Agreement, have the following meanings:

"Code" means the California Uniform Commercial Code, as amended and supplemented from time to time, and, any successor statute.

"Collateral" means:

(i) Each of the trademarks and rights and interest which are capable of being protected as trademarks (including trademarks, service marks, designs, logos, indicia, tradenames, corporate names, company names, business names, fictitious business names, trade styles, and other source or business identifiers, and applications pertaining thereto), which are presently, or in the future may be, owned, created, acquired, or used (whether pursuant to a license or otherwise, unless the license expressly prohibits Pledgor from granting security interests in such license) by Pledgor, in whole or in part, and all trademark rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), and rights to renew and extend such trademarks and trademark rights;

(ii) All of Pledgor's right to the trademarks and trademark registrations listed on Schedule A, attached hereto, as the same may be updated hereafter from time to time;

(iii) All of Pledgor's right, title and interest to register trademark claims under any state or federal trademark law or regulation of any foreign country and to apply for, renew, and extend the trademark registrations and trademark rights, the right (without obligation) to sue or bring opposition or cancellation proceedings in the name of Pledgor or in the name of Lender for past, present, and future infringements of the trademarks, registrations, or trademark rights and all rights (but not obligations) corresponding thereto in the United States and any foreign country, and the associated goodwill;

(iv) All general intangibles relating to the foregoing; and

(v) All proceeds of any and all of the foregoing (including, without limitation, license royalties and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance, or any indemnity, warranty, or guaranty payable by reason of loss or damage to or otherwise with respect to the Collateral.

"Obligations" means all obligations, liabilities, and indebtedness of Borrowers to Lender, whether direct, indirect, liquidated, or contingent arising under this Agreement, the Loan Agreement, or any other of the Loan Documents, including all costs and expenses described in Section 11.8 hereof.

**1.2 Construction.** Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, and the term "including" is not limiting. The words "hereof," "herein," "hereby," "hereunder," and other similar terms refer to this Agreement as a whole and not to any particular provision of this Agreement. Any initially capitalized terms used but not defined herein shall have the meaning set forth in the Loan Agreement unless otherwise specified. Any reference herein to any of the Loan Documents includes any and all alterations, amendments, extensions, modifications, renewals, or supplements thereto or thereof, as applicable. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against Lender or Pledgor, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by Pledgor, Lender, and their respective counsel, and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of Lender and Pledgor.

## **2. GRANT OF SECURITY INTEREST.**

Pledgor hereby grants to Lender a first-priority security interest in all of Pledgor's right, title, and interest in and to the Collateral to secure the Obligations.

## **3. REPRESENTATIONS, WARRANTIES AND COVENANTS.**

Pledgor hereby represents, warrants, and covenants that:

**3.1 Trademarks.** A true and complete schedule setting forth all federal and state trademark registrations owned or controlled by Pledgor or licensed to Pledgor on the date hereof, together with a summary description and full information in respect of the filing or issuance thereof and expiration dates, is set forth on Schedule A.

**3.2 Validity; Enforceability.** Each of the trademarks is valid and enforceable, and Pledgor are not presently aware of any past, present, or prospective claim by any third party that any of such trademarks are invalid or unenforceable, or that the use of any such trademarks violates the rights of any third person, or of any valid basis for any such claims.

**3.3 Title.** Pledgor is the sole and exclusive owners of the entire and unencumbered right, title, and interest in and to each of the trademarks listed on Schedule A, and trademark registrations, free and clear of any liens, charges, and encumbrances, including pledges, assignments, licenses, shop rights, and covenants by Pledgor not to sue third persons.

**3.4 Notice.** Pledgor has used and will continue to use proper statutory notice in connection with its use of each of its material trademarks.

**3.5 Quality.** Pledgor has used and will continue to use consistent standards of high quality (which may be consistent with Pledgor's past practices) in the manufacture, sale, and delivery of products and services sold or delivered under or in connection with the trademarks, including, to the extent applicable, in the operation and maintenance of its merchandising operations, and will continue to maintain the validity of the trademarks.

**3.6 Perfection of Security Interest.** Except for the filing of financing statements in the State of Delaware and filings with the United States Patent and Trademark Office necessary to perfect the security interests created hereunder, no authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either for the grant by Pledgor of the security interest hereunder or for the execution, delivery, or performance of this Agreement by Pledgor or for the perfection of or the exercise by Lender of its rights hereunder to the Collateral in the United States.

#### **4. AFTER-ACQUIRED TRADEMARK RIGHTS.**

If Pledgor shall obtain rights to any new trademarks, the provisions of this Agreement shall automatically apply thereto. Pledgor shall give prompt notice in writing to Lender with respect to any such new trademarks, or renewal or extension of any trademark registration, and Lender may, from time to time, amend Schedule A to this Agreement to reflect such a fter-acquired trademarks. P ledgor s hall bear any e xpenses i n c onnection w ith future trademark registrations.

#### **5. LITIGATION AND PROCEEDINGS.**

Pledgor shall commence and diligently prosecute in its own name, as the real party in interest, for its own benefit, and its own expense, such suits, administrative proceedings, or other action for infringement or other damages as are in its reasonable business judgment necessary to protect the Collateral. Pledgor shall provide to Lender any information with respect thereto requested by Lender in the exercise of Permitted Discretion. Lender shall provide at Pledgor's expense all necessary cooperation in connection with any such suits, proceedings, or action, including, without limitation, joining as a necessary party. Following Pledgor's becoming aware thereof, Pledgor shall notify Lender of the institution of, or any adverse determination in, any proceeding in the United States Patent and Trademark Office, or any United States, state, or foreign court regarding Pledgor's claim of ownership in any of the

trademarks, its right to apply for the same, or its right to keep and maintain such trademark rights.

#### **6. POWER OF ATTORNEY.**

Pledgor grants Lender power of attorney, having the full authority, and in the place of Pledgor and in the name of Pledgor, from time to time during the continuance of an Event of Default, in Lender's discretion, to take any action and to execute any instrument which Lender may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, as may be subject to the provisions of this Agreement: to endorse Pledgor's names on all applications, documents, papers, and instruments necessary for Lender to use or maintain the Collateral; to ask, demand, collect, sue for, recover, impound, receive, and give acquittance and receipts for money due or to become due under or in respect of any of the Collateral; to file any claims or take any action or institute any proceedings that Lender, in the exercise of Permitted Discretion, may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce Lender's rights with respect to any of the Collateral and to assign, pledge, convey, or otherwise transfer title in or dispose of the Collateral to any person.

#### **7. RIGHT TO INSPECT.**

Pledgor grant to Lender and its employees and agents the right to visit Pledgor's plants and facilities which manufacture, inspect, or store products sold under any of the trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours, subject to the limitations provided in Section 2.11(d) of the Loan Agreement with respect to chargeable expenses.

#### **8. EVENTS OF DEFAULT.**

Any of the following events shall be an Event of Default:

**8.1 Loan Agreement.** An Event of Default shall occur as defined in the Loan Agreement;

**8.2 Misrepresentation.** Any representation or warranty made herein by Pledgor or in any document furnished to Lender by Pledgor under this Agreement is incorrect in any material respect when made or when reaffirmed; and

**8.3 Breach.** Pledgor fails to observe or perform any covenant, condition, or agreement to be observed or performed pursuant to the terms hereof which materially and adversely affects Lender, and which remains uncured for 10 Business Days after written notice thereof to Pledgor.

#### **9. SPECIFIC REMEDIES.**

Upon the occurrence and during the continuance of any Event of Default, Lender shall have, in addition to, other rights given by law or in this Agreement the Loan Agreement, or in any other Loan Document, all of the rights and remedies with respect to the Collateral of a secured party under the Code, including the following:

**9.1 Notification.** Lender may notify licensees to make royalty payments on license agreements directly to Lender;

**9.2 Sale.** Lender may sell or assign the Collateral and associated goodwill at public or private sale for such amounts, and at such time or times as Lender deems advisable. Any requirement of reasonable notice of any disposition of the Collateral shall be satisfied if such notice is sent to Pledgor ten (10) days prior to such disposition. Pledgor shall be credited with the net proceeds of such sale only when they are actually received by Lender, and Pledgor shall continue to be liable for any deficiency remaining after the Collateral is sold or collected. If the sale is to be a public sale, Lender shall also give notice of the time and place by publishing a notice one time at least five (5) days and not more than thirty (30) days before the date of the sale in a newspaper of general circulation in the county in which the sale is to be held. To the maximum extent permitted by applicable law, Lender may be the purchaser of any or all of the Collateral and associated goodwill at any public sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any public sale, to use and apply all or any part of the Obligations as a credit on account of the purchase price of any collateral payable by Lender at such sale.

## **10. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER.**

THE VALIDITY OF THIS AGREEMENT, ITS CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT, AND THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT GIVING EFFECT TO ITS CONFLICT OF LAWS PRINCIPLES.

## **11. GENERAL PROVISIONS.**

**11.1 Effectiveness.** This Agreement shall be binding and deemed effective when executed by Pledgor and Lender.

**11.2 Successors and Assigns.** This Agreement shall bind and inure to the benefit of the respective successors and assigns) which, in the case of Lender, shall be Eligible Transferees) of each of the parties; provided, however, that Pledgor may not assign this Agreement or any rights or duties hereunder without Lender's prior written consent and any prohibited assignment shall be absolutely void. Lender may assign this Agreement and its rights and duties hereunder to an Eligible Transferee and no consent or approval by Pledgor is required in connection with any such assignment.

**11.3 Section Headings.** Section Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each section applies equally to this entire Agreement.

**11.4 Interpretation.** Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against Lender or Pledgor, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and

shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto.

**11.5 Severability of Provisions.** Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

**11.6 Amendments in Writing.** This Agreement can only be amended by a writing signed by both Lender and Pledgor.

**11.7 Counterparts; Telefacsimile Execution.** This 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 Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile shall be equally as effective as delivery of a manually executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile also shall deliver a manually executed counterpart of this Agreement but the failure to deliver a manually executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

**11.8 Fees and Expenses.** Pledgor shall pay to Lender on demand all costs and expenses (exclusive of Lender's normal overhead) that the Lender pays or incurs in connection with the negotiation, preparation, consummation, administration, enforcement, and termination of this Agreement, including: (a) reasonable attorneys' and paralegals' fees and disbursements of counsel to Lender; (b) costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) for any amendment, supplement, waiver, consent, or subsequent closing in connection with this Agreement and the transactions contemplated hereby; (c) costs and expenses of lien and title searches; (d) taxes, fees, and other charges for filing this Agreement at the United States Patent and Trademark Office, or for filing financing statements, and continuations, and other actions to perfect, protect, and continue the security interest created hereunder; (e) sums paid or incurred to pay any amount or take any action required of Pledgor under this Agreement that Pledgor fails to pay or take; (f) costs and expenses of preserving and protecting the Collateral; and (g) costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) paid or incurred to enforce the security interest created hereunder, sell or otherwise realize upon the Collateral, and otherwise enforce the provisions of this Agreement, or to defend any claims made or threatened against the Lender arising out of the transactions contemplated hereby (including preparations for the consultations concerning any such matters). The foregoing shall not be construed to limit any other provisions of this Agreement or the Loan Documents regarding costs and expenses to be paid by Pledgor. The parties agree that reasonable attorneys' and paralegals' fees and costs incurred in enforcing any judgment are recoverable as a separate item in addition to fees and costs incurred in obtaining the judgment and that the recovery of such attorneys' and paralegals' fees and costs is intended to survive any judgment, and is not to be deemed merged into any judgment.

**11.9 Notices.** Except as otherwise provided herein, all notices, demands, and requests that either party is required or elects to give to the other shall be in writing and shall be governed by the provisions of Section 12 of the Loan Agreement.



11.10 Termination By Lender. After termination of the Loan Agreement and when Lender has received payment in full of all Obligations, Lender shall execute and deliver to Pledgor a termination of all of the security interests granted by Pledgor hereunder.

11.11 Integration. This Agreement, together with the other Loan Documents, reflect the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

WELLS FARGO Foothill, INC.,  
a California corporation

By: [Signature]  
Name: XAVIER GONZALEZ  
Title: Vice President

SEITEL, INC.,  
a Delaware corporation

By: [Signature]  
Name: Larry E. Lenig, Jr.  
Title: Chief Executive Officer and President

SCHEDULE "A"

**REGISTERED TRADEMARKS**

<u>Trademark</u>	<u>Applicant</u>	<u>Registration Date</u>	<u>Registration No.</u>
SEITEL S	Seitel, Inc.	01/21/2003	2,676,756
S	Seitel, Inc.	01/21/2003	2,676,757

**PENDING TRADEMARK APPLICATIONS**

<u>Trademark</u>	<u>Applicant</u>	<u>Registration Date</u>	<u>Registration No.</u>
SEITEL	Seitel, Inc.		SN 76/330,754
DATADOORS	Seitel, Inc.		SN 78/167,209