

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Varel International Ind., L.P.		10/10/2006	LIMITED PARTNERSHIP: DELAWARE
RECEIVING PARTY DATA			
Name:	Apollo Investment Corporation, as Administration Agent		
Street Address:	9 West 57th Street		
City:	New York		
State/Country:	NEW YORK		
Postal Code:	10019		
Entity Type:	CORPORATION:		
PROPERTY NUMBERS Total: 4			
Property Type	Number	Word Mark	
Registration Number:	1540144	WALKER MCDONALD WM BITS	
Registration Number:	1511551	VAREL	
Registration Number:	2716371	CHALLENGER	
Serial Number:	76297328	RIDGEBACK	
CORRESPONDENCE DATA			
Fax Number:	(617)526-9899		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	6175269628		
Email:	cslattery@proskauer.com		
Correspondent Name:	Christine Slattery		
Address Line 1:	One International Place		
Address Line 2:	Proskauer Rose LLP		
Address Line 4:	Boston, MASSACHUSETTS 02110		
ATTORNEY DOCKET NUMBER:	14966/011		

CH \$115.00 1540144

NAME OF SUBMITTER:	Christine Slattery
Signature:	/Christine Slattery/
Date:	11/16/2006
Total Attachments: 5 source=Varel Trademark Security Agreement#page1.tif source=Varel Trademark Security Agreement#page2.tif source=Varel Trademark Security Agreement#page3.tif source=Varel Trademark Security Agreement#page4.tif source=Varel Trademark Security Agreement#page5.tif	

TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of October 10, 2006 is entered into by Varel International Ind., L.P., a Delaware limited partnership (the "Grantor") and Apollo Investment Corporation, as Administrative Agent.

Capitalized terms not otherwise defined herein have the meanings set forth in the Pledge and Security Agreement dated as of the date hereof among the Grantor, certain of its affiliates and the Administrative Agent (the "Security Agreement").

WHEREAS, pursuant to the Security Agreement, Grantor has granted a security interest to the Administrative Agent in certain Trademarks whether now owned or existing or hereafter acquired or arising and wherever located, including the Trademarks listed on Schedule A ("Secured Trademarks").

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor and the Administrative Agent hereby agree as follows:

(i) Grant of Security Interest

(a) Grantor hereby grants to the Administrative Agent, a security interest in and continuing lien on all of such Grantor's right, title and interest in, to and under all the Secured Trademarks, subject to the terms and conditions of the Security Agreement.

(b) The security interests granted hereby are granted in conjunction with the security interest granted to the Administrative Agent under the Security Agreement. The rights and remedies of the Administrative Agent with respect to the security interest granted hereby are in addition to those set forth in the Security Agreement. In the event of any conflict between the terms of this Agreement and the terms of the Security Agreement, the terms of the Security Agreement shall control.

(ii) Modification of Agreement

This Agreement or any provision hereof may not be changed, waived, or terminated except in accordance with the amendment provisions of the Security Agreement pursuant to which the Administrative Agent may modify this Agreement, after obtaining Grantor's approval of or signature to such modification, by amending Schedule A to include reference to any right, title or interest in any existing Trademarks or any Trademarks acquired or developed by Grantor after the execution hereof or to delete any reference to any right, title or interest in any Trademarks in which Grantor no longer has or claims any right, title or interest.

(iii) Governing Law

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, INCLUDING, WITHOUT LIMITATION, SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW AND RULE 327(b) OF THE NEW YORK CIVIL PRACTICE LAW AND RULES.

(iv) Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the Administrative Agent and Grantor and their respective successors and assigns. Grantor shall not, without the prior written consent of the Administrative Agent given in accordance with the Note Purchase Agreement, assign any right, duty or obligation hereunder.

(v) Counterparts

This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract.

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IN WITNESS WHEREOF, the Grantor and the Administrative Agent have caused this Agreement to be duly executed and delivered as of the date first above written.

VAREL INTERNATIONAL IND., L.P.

By: Varel GP Newco, LLC, its general partner

By: Varel Holdings, Inc., its sole member

By: 

Name: James U. Nixon


Title: Chief Executive Officer

[Signature Page to Trademark Security Agreement]

TRADEMARK
REEL: 003429 FRAME: 0220

APOLLO INVESTMENT CORPORATION,
as the Administrative Agent

By: Apollo Investment Management, L.P., as Advisor
By: ACC Management, LLC, as its General Partner

By: 
Name: Ed Tam
Title: Partner

[Signature Page to Trademark Security Agreement]

TRADEMARK
REEL: 003429 FRAME: 0221

Schedule A

SECURED TRADEMARKS

1. Registered Trademarks

Mark	Country	Owner	Application No./ Registration No.	Status
WALKER MCDONALD WM BITS (& Design)	US	Varel International Ind., L.P.	1,540,144	Registered 05/23/1989
VAREL	US	Varel International Ind., L.P.	1,511,551	Registered 11/08/1988
CHALLENGER	US	Varel International Ind., L.P.	2,716,371	Registered 05/13/2003
VARELINTL.COM	US	Varel International Ind., L.P.	N/A	Registered 08/05/1998
VAREL	France	Varel International Ind., L.P.	1480288	Registered 07/27/1988
VAREL	Italy	Varel International Ind., L.P.	844259	Registered 4/24/2001
VAREL	Mexico	Varel International Ind., L.P.	364265	Registered 7/07/1993
VAREL	Venezuela	Varel International Ind., L.P.	F169729	Registered 10/07/1994

2. Trademark Applications

Mark	Country	Owner	Application No./ Registration No.	Status
RIDGEBACK	US	Varel International Ind., L.P.	76/297,328	Pending ¹

¹ This trademark was allowed on June 9, 2004, but was amended on March 14, 2005. On June 8, 2006, the trademark was assigned to an examiner.