

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.		02/28/2011	LIMITED PARTNERSHIP: DELAWARE
RECEIVING PARTY DATA			
Name:	Drillbit WCF Limited		
Street Address:	c/o Paget-Brown Trust Company Ltd.		
Internal Address:	Boundary Hall, Cricket Square, P.O. Box 1111		
City:	Grand Cayman		
State/Country:	CAYMAN ISLANDS		
Postal Code:	KY1-1102		
Entity Type:	LIMITED LIABILITY COMPANY: CAYMAN ISLANDS		
PROPERTY NUMBERS Total: 12			
Property Type	Number	Word Mark	
Registration Number:	2716371	CHALLENGER	
Registration Number:	3247874	RIDGEBACK	
Registration Number:	3555681	V VAREL INTERNATIONAL	
Registration Number:	1511551	VAREL	
Registration Number:	3696231	DEDICATED TO DRILL BITS	
Registration Number:	1540144	WALKER MCDONALD WM BITS	
Registration Number:	3781470	A FORCE	
Serial Number:	76694421	TARGET	
Serial Number:	76695270	COMPASS	
Serial Number:	76700730	VULCAN	
Serial Number:	76700729	THOR	
Serial Number:	77649562	DIAMOND EDGE	

CH \$315.00 2716371

CORRESPONDENCE DATA

Fax Number: (212)556-2222
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 212-556-2100
Email: patentmailnyc@kslaw.com
Correspondent Name: King & Spalding LLP
Address Line 1: 1185 Avenue of the Americas
Address Line 4: New York, NEW YORK 10036

ATTORNEY DOCKET NUMBER:	05241-254084
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DOMESTIC REPRESENTATIVE

Name:
Address Line 1:
Address Line 2:
Address Line 3:
Address Line 4:

NAME OF SUBMITTER:	Susan Shen-Frattura
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Signature:	/Susan Shen-Frattura/
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Date:	03/01/2011
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Total Attachments: 12
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INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT (as amended, amended and restated, supplemented or otherwise modified from time to time, the “**IP Security Agreement**”) dated as of February 28, 2011, is made by Varel International Ind., L.P., a Delaware limited partnership (the “**Grantor**”) in favor of Drillbit WCF Limited, a Cayman Islands exempted company with limited liability (“**Funding Company**”).

WHEREAS, Grantor, Funding Company and other parties signatory thereto entered into that certain Commodity Purchase Facility Agreement, dated as of the date hereof (as amended, amended and restated, supplemented or otherwise modified from time to time, the “**Murabaha Agreement**”);

WHEREAS, as a condition to Funding Company entering into the Murabaha Agreement, the Grantor has executed and delivered that certain Second Lien Guarantee and Security Agreement dated as of the date hereof made by the Grantor and the other Obligors (as defined in the Security Agreement (defined below)) to Funding Company (as amended, amended and restated, supplemented or otherwise modified from time to time, the “**Security Agreement**”); and

WHEREAS, under the terms of the Security Agreement, the Grantor has granted a second lien security interest in, among other property, certain intellectual property of the Grantor to Funding Company, and has agreed to execute this IP Security Agreement covering such intellectual property for recording with the U.S. Patent and Trademark Office, the United States Copyright Office and other similar offices in any State of the United States or any political subdivision thereof;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor agrees as follows:

SECTION 1. Definitions. Terms defined in the Murabaha Agreement and not otherwise defined herein are used herein as defined in the Murabaha Agreement.

SECTION 2. Grant of Security. The Grantor hereby grants to Funding Company a second lien security interest in all of such Grantor’s right, title and interest in and to the following (the “**Collateral**”):

- the patents and patent applications set forth in Schedule A hereto (the “**Patents**”) and all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the foregoing;
- the trademark and service mark registrations and applications set forth in Schedule B hereto (provided that no security interest shall be granted in United States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark

applications under applicable federal law), together with the goodwill symbolized thereby (the “**Trademarks**”);

- all copyrights, whether registered or unregistered, now owned or hereafter acquired by such Grantor, including, without limitation, the copyright registrations and applications and exclusive copyright licenses set forth in Schedule C hereto (the “**Copyrights**”);
- any and all claims for damages and injunctive relief for past, present and future infringement, dilution, misappropriation, violation, misuse or breach with respect to any of the foregoing, with the right, but not the obligation, to sue for and collect, or otherwise recover, such damages; and
- any and all proceeds of, collateral for, income, royalties and other payments now or hereafter due and payable with respect to, and supporting obligations relating to, any and all of the Collateral of or arising from any of the foregoing.

SECTION 3. Security for Obligations. The grant of a security interest in the Collateral by the Grantor under this IP Security Agreement secures the payment or performance, as the case may be, in full of all Obligations of the Grantor now or hereafter existing under or in respect of the Commodity Purchase Documents, whether direct or indirect, absolute or contingent, and whether for principal, reimbursement obligations, financing expenses, premiums, penalties, fees, indemnifications, contract causes of action, out-of-pocket costs, expenses or otherwise.

SECTION 4. Recordation. The Grantor authorizes and requests that the Register of Copyrights, the Commissioner for Patents and the Commissioner for Trademarks and any other applicable government officer record this IP Security Agreement.

SECTION 5. Execution in Counterparts. This IP Security Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 6. Grants, Rights and Remedies. This IP Security Agreement has been entered into in conjunction with the provisions of the Security Agreement. The Grantor does hereby acknowledge and confirm that the grant of the security interest hereunder to, and the rights and remedies of, Funding Company with respect to the Collateral are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated herein by reference as if fully set forth herein.

SECTION 7. Governing Law. This IP Security Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

[signature pages follow]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

VAREL INTERNATIONAL IND., LP.

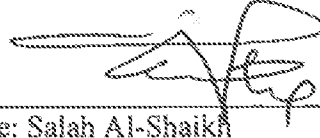
By: Varel GP Newco, LLC, its general partner

By: Varel Holdings, LLC, its sole member

By: _____
Name: _____
Title: _____

A handwritten signature in black ink is written over a horizontal dotted line. The signature is cursive and appears to be the initials 'JH' followed by a stylized flourish.

DRILLBIT WCF LIMITED



By _____

Name: Salah Al-Shaikh

Title: Director

{Signature Page to IP Security Agreement}

TRADEMARK
REEL: 004488 FRAME: 0091

Schedule A

LIST OF PATENTS AND PATENT APPLICATIONS

Country	Title	Application No. / Registration No.	Filing Date / Grant Date	Expiration Date	Entity Name
United States	Bearing seal	6837317	01/04/2005	02/27/2023	Varel International Ind., L.P.
United States	Bearing seal	7000712	02/21/2006	11/13/2022	Varel International Ind., L.P.
United States	Breakable washer earth boring bit	6892832	05/17/2005	11/13/2022	Varel International Ind., L.P.
United States	Drag-type casing mill/drill bit	6568492	05/27/2003	04/19/2021	Varel International Ind., L.P.
United States	Drill out bi-center bit and method for using same	6926099	08/09/2005	05/10/2023	Varel International Ind., L.P.
United States	High-energy cascading of abrasive wear components	7258833	08/21/2007	12/25/2024	Varel International Ind., L.P.
United States	Low-contact area cutting element	6904983	06/14/2005	02/23/2023	Varel International Ind., L.P.
United States	Rock bit with improved thrust face	5944125	08/31/1999	06/19/2017	Varel International Ind., L.P.
United States	Rotary cone bit for cutting removal	6450270	09/17/2002	09/25/2020	Varel International Ind., L.P.
Sweden	Improved rotary cone bit for cutting removal	3365.4	06/22/04	09/21/2020	Varel International, Inc.
United States	Spiral wave bladed drag bit	6834733	12/28/2004	10/08/2022	Varel International Ind., L.P.
United States	Superabrasive cutting element	6488106	12/03/2002	03/01/2021	Varel International Ind., L.P.
United States	Conical sealing surface	7721827	05/25/2010	6/27/2028	Varel International Ind., L.P.
United States	PDC cutter for high compressive strength and highly abrasive formations	11/643718	12/20/2006		Varel International Ind., L.P.
United States	Drill bit with multiple cutter geometries	7677333	03/16/2010	10/30/2026	Varel International Ind., L.P.
United States	Method of manufacturing earth boring tool	12/180276	07/25/2008		Varel International Ind., L.P.
United States	Process for the production of an element comprising at least one block of dense material constituted by hard particles dispersed in a binder phase: application to cutting or drilling tools	12/056595	03/27/2008		Varel International Ind., L.P.

Country	Title	Application No. / Registration No.	Filing Date / Grant Date	Expiration Date	Entity Name
United States	Auto adaptable cutting structure	12/171070	07/10/2008		Varel International Ind., L.P.
United States	Process for the production of a thermally stable polycrystalline diamond compact	12/252145	10/15/2008		Varel International Ind., L.P.
United States	Rock bit with a seal thermal insulating seal ring positioned in the seal gland	12/252252	10/15/2008		Varel International Ind., L.P.
United States	Impregnated rotary bit	12/326757	12/02/2008		Varel International Ind., L.P.
United States	Texturing of the seal surface for a roller cone rock bit	12/399171	03/06/2009		Varel International Ind., L.P.
United States	Texturing of the bearing surface for a roller cone rock bit	12/398730	03/05/2009		Varel International Ind., L.P.
United States	Casing bit and casing reamer designs	61/84635	06/05/2009		Varel International Ind., L.P.
United States	Multi set PDC drill bit and method	12/636506	12/17/2009		Varel International L.P.
United States	Drill bit with multiple cutter geometries	12/708003	02/18/2010		Varel International Ind., L.P.
United States	Polycrystalline diamond cutter with high thermal conductivity	12/716251	03/02/2010		Varel International Ind., L.P.
United States	Backfilled polycrystalline diamond cutter with high thermal conductivity	12/716208	03/02/2010		Varel International Ind., L.P.
United States	Rock bit having a seal gland with a conical sealing surface	12/757959	04/09/2010		Varel International Ind., L.P.
United States	Method To Determine Rock Properties From Drilling Logs	12/359,065	01/23/2009		Varel International Ind., L.P.
United States	Sectorial Force Balancing Of Drill Bits	12/399,478	03/06/2009		Varel International Ind., L.P.
United States	Self Positioning Cutter And Pocket	12/472,003	05/26/2009		Varel International Ind., L.P.

Country	Title	Application No. / Registration No.	Filing Date / Grant Date	Expiration Date	Entity Name
United States	High Energy Treatment Of Cutter Substrates Having A Wear Resistant Layer	12/555,947	09/09/2009		Varel International Ind., L.P.
United States	Force Balanced Asymmetric Drilling Reamer	12/541,591	08/14/2009		Varel International Ind., L.P.
United States	Valve Fitted Drill Bit For Use With Motors Or Turbines	61/247,433	09/30/2009		Varel International Ind., L.P.
United States	Auto Adaptable Cutting Structure	12/794,640	06/04/2010		Varel International Ind., L.P.
Australia	High-energy cascading of abrasive wear components	2004271209	09/09/2004		Varel International Ind., L.P.
Canada	High-energy cascading of abrasive wear components	2555589	09/09/2004		Varel International Ind., L.P.
Canada	Method To Determine Rock Properties From Drilling Logs	2,653,115	02/06/2009		Varel International L.P.
PCT	Texturing of the seal surface for a roller cone rock bit	PCT/US2009/037029	03/12/2009		Varel International Ind., L.P.
PCT	Texturing of the bearing surface for a roller cone rock bit	PCT/US2009/37006	03/12/2009		Varel International Ind., L.P.
PCT	Process for the production of a thermally stable polycrystal line diamond compact	PCT/US09/060547	10/13/2009		Varel International Ind., L.P.
PCT	Multiset PDC	PCT/US09/068573	12/17/2009		Varel International Ind., L.P.
PCT	Polycrystal line diamond cutter with high thermal conductivity	PCT/US10/028810	03/26/2010		Varel International Ind., L.P.
PCT	Backfilled polycrystal line diamond cutter with high thermal conductivity	PCT/US10/028807	03/26/2010		Varel International Ind., L.P.

Country	Title	Application No. / Registration No.	Filing Date / Grant Date	Expiration Date	Entity Name
PCT	Self Positioning Cutter and Pocket	PCT/US2010/0292 98	03/31/2010		Varel International Ind., L.P.
South Africa	High-energy cascading of abrasive wear components	200602914	09/09/2004	09/09/2024	Varel Acquisition, Ltd.*
European Community	High-energy cascading of abrasive wear components	1709211A1	09/09/2004		Varel International Ind., L.P.





* Entity name provided by Varel. Application has not been published to the public thus not able to verify.





* In process of being assigned to Varel International Ind., L.P.

Schedule B

LIST OF TRADE NAMES, TRADEMARKS, SERVICE MARKS, TRADEMARK AND SERVICE MARK REGISTRATIONS AND APPLICATIONS FOR TRADEMARK AND SERVICE MARK REGISTRATIONS

Country	Mark	Application No. / Registration No.	Filing Date / Grant Date	Renewal	Entity Name
United States	CHALLENGER	Reg. 2,716,371	(F) 05/29/2001 (G) 05/13/2003	05/13/2013	Varel International Ind., L.P.
United States	RIDGEBACK	Reg. 3,247,874	(F) 08/07/2001 (G) 05/29/2007	Sec. 8 & 15 due 05/29/2013 (R) 05/29/2017	Varel International Ind., L.P.
United States	VAREL INTERNATIONAL (& Design) 	Reg. 3555681	(F) 06/14/2007 (G) 01/06/2009	Sec. 8 & 15 due 01/06/2015 (R) 01/06/2019	Varel International Ind., L.P.
United States	VAREL	Reg. 1,511,551	(F) 04/27/1988 (G) 11/08/1988 (renewed on 11/08/2008)	11/08/2018	Varel International Ind., L.P.
United States	DEDICATED TO DRILL BITS	Reg. 3696231	(F) 08/07/2007 (G) 10/13/2009	Sec. 8 & 15 due 10/13/2015 (R) 10/13/2019	Varel International Ind., L.P.
United States	WALKER McDONALD (& DESIGN)	Reg. 1,540,144	(F) 09/15/1988 (G) 05/23/1989 (renewed on 05/23/2009)	05/23/2019	Varel International Ind., L.P.
United States	A FORCE	Reg. 3781470	(F) 11/24/2008 (G) 04/27/2010	04/27/2016	Varel International Ind., L.P.
United States	TARGET	Ser. 76/694421	(F) 11/24/2008	Pending	Varel International Ind., L.P.
United States	COMPASS	Ser. 76/695270	(F) 01/12/2009	Pending	Varel International Ind., L.P.
United States	VULCAN	Ser. 76/700730	(F) 12/08/2009	Pending	Varel International Ind., L.P.
United States	THOR	Ser. 76/700729	(F) 12/08/2009	Pending	Varel International Ind., L.P.

Country	Mark	Application No. / Registration No.	Filing Date / Grant Date	Renewal	Entity Name
United States	DIAMOND EDGE	Ser. 77/649562	(F) 11/10/2009	Pending	Varel International Ind., L.P.
France	VAREL	1480288	(F) 07/27/1988	07/27/2008	Varel International Ind., L.P.
Italy	VAREL	844259 RM/2008/4486	(F) 08/13/1998 (G) 04/24/2001 [(F) 07/22/2008]	08/16/2018	Varel International Ind., L.P.
Mexico	VAREL	364265	(F) 08/17/1988	08/17/2013	Varel International Ind., L.P.
Venezuela	VAREL	169729	(F) 03/25/1992	10/07/2014	Varel International Ind., L.P.
France	VAREL INTERNATIONAL (& Design)  VAREL INTERNATIONAL	07 3 519 749	(F) 08/14/2007 (G) 01/18/2008	06/30/2017	Varel International Ind., L.P.
Australia	VAREL INTERNATIONAL (& Design)  VAREL INTERNATIONAL	1191672	(F) 08/08/2007 (G) 01/29/2008	08/08/2017	Varel International Ind., L.P.
Saudi Arabia	VAREL INTERNATIONAL (& Design)  VAREL INTERNATIONAL	120472 1007/79 (Registration Number)	(F) 08/08/2007 (G) 08/29/2008	04/08/2017	Varel International Ind., L.P.
Canada	VAREL INTERNATIONAL (& Design)  VAREL INTERNATIONAL	TMA750359	(F) 09/13/2007 (G) 10/15/2009	10/15/2024	Varel International Ind., L.P.

Country	Mark	Application No. / Registration No.	Filing Date / Grant Date	Renewal	Entity Name
Mexico	VAREL INTERNATIONAL (& Design)  VAREL INTERNATIONAL	1028216	(F) 08/18/2007 (G) 02/29/2008	08/18/2017	Varel International Ind., L.P.
United Kingdom	VAREL INTERNATIONAL (& Design)  VAREL INTERNATIONAL	2463704	(F) 08/09/2007 (G) 02/29/2008	01/09/2018	Varel International Ind., L.P.
Chile	VAREL INTERNATIONAL (& Design)  VAREL INTERNATIONAL	814.904	(F) 10/11/2007 (G) 04/24/2008	04/24/2018	Varel International Ind., L.P.
Russian Federation	VAREL INTERNATIONAL (& Design)  VAREL INTERNATIONAL	362498	(F) 08/14/2007 (G) 10/20/2008	08/14/2017	Varel International Ind., L.P.
Australia	DEDICATED TO DRILL BITS	1200434	(F) 09/24/2007 (G) 03/17/2008	09/24/2017	Varel International Ind., L.P.
United Kingdom	VAREL DEDICATED TO DRILL BITS	2474412	(F) 12/07/2007 (G) 05/02/2008	01/07/2017	Varel International Ind., L.P.

Schedule C

NONE.