

09-08-1998

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To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):
 Heller Financial, Inc.

Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State (TX)
 Other _____

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)

Name: Drilltec Patents & Technologies Company, Inc.
Drilltec Technologies, Inc.,
Drilltec Indonesia, Inc., Drilltec International Limited

Internal Address: _____

Street Address : 10875 Kempwood, Suite 2

City: Houston State: TX Zip: 77043

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation State Delaware
 Other _____

If assignee is not domiciled in the United States, a domestrepresentative designation is attached: Yes No
 (Designations must be a separate document from assignment)
 Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

Assignment Merger
 Security Agreement Change of Name
 Other Release of Security Interest

Execution Date: August 19, 1998

4. Application number(s) or trademark

A. Trademark Application No.(s)

MRD 9-3-98

B. Trademark Registration
 1,433,532, 1,461,655

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Federal Research Corp

Internal Address: _____

Street Address: 400 Seventh St NW
Suite 101

City: Washington State DC ZIP: 20004

6. Total number of applications and registrations involved: 2

7. Total fee (37 CFR 3.41) \$ 65.00 E

Enclosed
 Authorized to be charged to deposit

8. Deposit account number: _____

(Attach duplicate copy of this page if paying by deposit account)

09/03/1998 SSMITH 00000117 1433532

DO NOT USE THIS SPACE

01 FC:481 40.00 DP
 02 FC:482 25.00 DP

9. Statement and signature.
 To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true of the original document.

Nancy A. Butler Nancy Butler 8/26/98
 Name of Person Signature Date

Total number of pages including cover sheet, attachments, and document: 37

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT dated as of July 31, 1997, is by and between DRILLTEC PATENTS & TECHNOLOGIES COMPANY, INC., a Texas corporation ("Drilltec"), DRILLTEC TECHNOLOGIES, INC., a Delaware corporation ("Drilltec Technologies"), DRILLTEC INDONESIA, INC., a Texas corporation ("Drilltec Indonesia"), DRILLTEC INTERNATIONAL LIMITED, a company organized under the laws of England and Wales ("Drilltec International", together with Drilltec, Drilltec Indonesia and Drilltec Technologies, the "Debtors") and HELLER FINANCIAL CORPORATION, a Delaware corporation (the "Secured Party").

RECITALS:

A. Debtors and Secured Party have entered into that certain Loan and Security Agreement of even date herewith (such Loan Agreement, as the same may be amended, supplemented or modified from time to time, being hereinafter referred to as the "Loan Agreement").

B. The Secured Party has conditioned its obligations under the Loan Agreement upon the execution and delivery of this Agreement by the Debtors.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

I.

Definitions

1.1 Definitions. As used in this Agreement, the following terms have the following meanings:

"Borrowers" collectively means the Debtors, and individually "Borrower" means any one of the Borrowers.

"Collateral" has the meaning specified in Section 2.1 of this Agreement.

"Copyrights" has the meaning ascribed to it in Section 6.1 hereof.

"Other Intellectual Properties" means, trade names, trade secrets, intellectual property, registrations and licenses, including, without limitation, those described on Schedule 3.4 hereto.

"Marks" has the meaning ascribed to it in Section 5.1, including, without limitation, service marks, trademarks.

"Patents" means all patents, patent applications, and patent rights now or hereafter owned by the Debtor, and all reissues, renewals, modifications, divisions, continuations, extensions and continuations-in-part thereof, including, without limitation, those described on Schedule 6.1 hereto.

"Obligations" means all present and future indebtedness, liabilities and obligations of any Debtor and/or any other obligated party to any of the Secured Party arising under or pursuant to the Loan Agreement and/or the Loan Documents (as defined in the Loan Agreement) and all extensions, renewals and modifications of any of the foregoing.

"Permitted Liens" has the meaning ascribed to it in the Loan Agreement.

"Proceeds" means any "proceeds", as such term is defined in Section 9.306 of the UCC and, in any event, shall include, but not be limited to, (1) any and all proceeds of any insurance, indemnity, warranty, or guaranty payable to the Debtor from time to time with respect to any of the Collateral, (2) any and all payments (in any form whatsoever) made or due and payable to the Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure, or forfeiture of all or any part of the Collateral by any Governmental Authority (or any person acting under color of Governmental Authority), and (3) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"UCC" means the Uniform Commercial Code as in effect in the State of Texas or, if so required with respect to any particular Collateral by mandatory provisions of applicable law, as in effect in the jurisdiction in which such Collateral is located.

1.2 Terms Defined in Loan Agreement. All capitalized terms used and not otherwise defined herein shall have their respective meanings as specified in the Loan Agreement.

II.

Security Interest

2.1 Security Interest. As collateral security for the prompt payment and performance in full when due of the Obligations (whether at stated maturity, by acceleration, or otherwise), each Debtor hereby grants to the Secured Party a Lien on and security interest in all of such Debtor's right, title, and interest in and to the following, whether now owned or hereafter arising or acquired and wherever located (collectively, the "Collateral"):

- (a) all Patents;

- (b) all Copyrights;
- (c) all Marks;
- (d) all Other Intellectual Properties; and
- (e) all Proceeds and products of any or all of the foregoing.

2.2 Debtors Remains Liable. Notwithstanding anything to the contrary contained herein, (1) the Debtors shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (2) the exercise by the Secured Party of any of its rights hereunder shall not release the Debtors from any of its duties or obligations under the contracts and agreements included in the Collateral, and (3) the Secured Party shall not have any obligation or liability under any of the contracts and agreements included in the Collateral by reason of this Agreement, nor shall the Secured Party be obligated to perform any of the obligations or duties of the Debtors thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

III.

Representations and Warranties

To induce the Secured Party to enter into this Agreement and the Loan Agreement, each Debtor represents and warrants to the Secured Party that:

3.1 Title. The Debtors are, and with respect to Collateral acquired after the date hereof the Debtors will be, the owner of the Collateral free and clear of any Lien.

3.2 Financing Statements. No financing statement covering all or any part of the Collateral is on file in any public office, except as may have been filed in favor of the Secured Party pursuant to this Agreement or with respect to any other Permitted Liens and other financing statements which have been disclosed in writing to Secured Party prior to the date hereof. Except as reflected in the closing documents delivered to Secured Party on or before the date hereof, the Debtor has not within the past five years done business under any name or trade name other than its legal name set forth at the beginning of this Agreement.

3.3 Principal Place of Business. The principal place of business and chief executive office of the Debtors are located at the addresses of the Debtors shown at the signature pages of the Loan Agreement.

3.4 Intellectual Property. The conduct of Debtors' business as presently conducted does not to the knowledge of Debtors infringe on any rights of third parties in any patents, trademarks, copyrights, rights of use or other intellectual property.

IV.

Covenants

Each Debtor covenants and agrees with the Secured Party that until the Obligations are paid and performed in full and all commitments of the Secured Party to the Debtors have terminated that it will comply with the provisions of the Loan Agreement applicable to it and in addition:

4.1 Further Assurances. At any time and from time to time, upon the request of the Secured Party, and at the sole expense of the Debtors, the Debtors shall promptly execute and deliver all such further instruments, agreements, and documents and take such further action as the Secured Party may deem necessary or desirable to preserve and perfect its security interest in the Collateral and carry out the provisions and purposes of this Agreement. Without limiting the generality of the foregoing, the Debtors shall (a) execute and deliver to the Secured Party such financing statements as the Secured Party may from time to time require; and (b) execute and deliver to the Secured Party such other documents, instruments, and agreements as the Secured Party may reasonably require to perfect and maintain the validity, effectiveness, and priority of the Loan Documents and the Liens intended to be created thereby. The Debtors authorizes the Secured Party to file one or more financing or continuation statements, and amendments thereto, relating to all or any part of the Collateral without the signature of the Debtors where permitted by law. A carbon, photographic, or other reproduction of this Agreement or of any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement and may be filed as a financing statement.

4.2 Risk of Loss. The Debtors shall be responsible for any loss or damage to the Collateral.

V.

Special Provisions Concerning Marks

5.1 Additional Representations and Warranties. Each Debtor represents and warrants that it is the true and lawful exclusive owner of the respective trademarks, tradenames, tradestyles, service marks and trade dress (collectively "Marks") listed on Schedule 3.4 hereto (which indicates the owner thereof). Each Debtor represents and warrants that it owns or is licensed to use or is not prohibited from using all Marks that it uses. Each Debtor further warrants that it is aware of no third party claim that any aspect of any Debtor's present or contemplated business operations infringes or will infringe any Mark in any material respect. Each Debtor represents and warrants that it is the owner of record of all United States and United Kingdom registrations and applications listed in Schedule 3.4 hereto and that such registrations are valid, subsisting, have not been cancelled and that such Debtor is not aware of any third-party claim that any such registration is invalid or unenforceable. Each Debtor hereby grants to Secured Party an absolute power of attorney to sign any document which may be required by the United States Patent and Trademark Office or other domestic or foreign governmental agency or

filing office in order to effect an absolute assignment of all right, title and interest in each Mark and associated goodwill, and record the same.

5.2 Licenses and Assignments. Other than the license agreements listed on Schedule 3.4 hereto and any extensions or renewals thereof and as otherwise permitted by the Loan Agreement, each Debtor hereby agrees not to divest itself of any right under any Mark.

5.3 Infringements. Each Debtor agrees, promptly upon learning thereof, to notify Secured Party in writing of the name and address of, and to furnish such pertinent information that may be available with respect to, any party who may be infringing or otherwise violating any of Debtor's rights in and to any Mark, or with respect to any party claiming that Debtor's use of any Mark violates any property right of that party, in each case to the extent that Debtor reasonably believes that such infringement or violation is material to its business. Each Debtor further agrees diligently to prosecute any Person infringing any Mark to the extent that such Debtor reasonably believes that such infringement is material to its business.

5.4 Preservation of Marks. To the extent consistent with good business practice, each Debtor agrees to use its Marks in interstate commerce during the time in which this Agreement is in effect, sufficiently to preserve such Marks as trademarks or service marks registered under the laws of the United States and/or the United Kingdom.

5.5 Maintenance of Registration. Each Debtor shall, at its own expense, diligently process all documents required by the Trademark Act of 1946, 15 U.S.C. §§ 1051 *et seq.* to maintain trademark registration, including but not limited to affidavits of use and applications for renewals of registration in the United States Patent and Trademark Office for all of its Marks pursuant to 15 U.S.C. §§ 1058(a), 1059 and 1065, and shall pay all fees and disbursements in connection therewith and shall not abandon any such filing of affidavit of use or any such application of renewal prior to the exhaustion of all reasonable administrative and judicial remedies to the extent consistent with good business practice.

5.6 Future Marks. If any Mark registration issues hereafter to any Debtor as a result of any application now or hereafter pending before the United States Patent and Trademark Office, within 30 days of receipt of such certificate such Debtor shall deliver a copy of such certificate, and, at the request of Secured Party, a grant of security in such Mark to Secured Party, confirming the grant thereof hereunder, the form of such confirmatory grant to be satisfactory to Secured Party. Each Debtor shall, from time to time as necessary, deliver to Secured Party an updated Schedule 3.4 to this Agreement, together with a certificate of an authorized officer of such Debtor certifying that the information set forth on such schedule is true, correct and complete as of such date, which schedule may be used to prepare additional assignments of Marks for filing in the United States Patent and Trademark Office or other applicable domestic or foreign governmental agencies or filing offices, if necessary.

5.7 Mark Remedies. If an Event of Default shall occur and be continuing, Secured Party may take any or all of the following actions: (i) declare the entire right, title and interest of any Debtor in and to each of the Marks and the goodwill of the business associated therewith, together with all trademark rights and rights of protection to the same, vested, in which event

such rights, title and interest shall immediately vest, in Secured Party, in which case Secured Party shall be entitled to exercise the power of attorney referred to in Section 5.1 to execute, cause to be acknowledged and notarized and record said absolute assignment with the applicable agency; (ii) take and use or sell the Marks and the goodwill of any Debtor's business symbolized by the Marks and the right to carry on the business and use the assets of such Debtor in connection with which the Marks have been used; and (iii) direct any Debtor to refrain, in which event Debtor shall refrain, from using the Marks in any manner whatsoever, directly or indirectly, and execute such other and further documents that Secured Party may request to further confirm this and to transfer ownership of the Marks and registrations and any pending trademark application in the United States Patent and Trademark Office or any equivalent government agency or office in any foreign jurisdiction to Secured Party or its designee or transferee.

VI.

Special Provisions Concerning Patents, Copyrights and Other Intellectual Properties

6.1 Additional Representations and Warranties.

(a) Each Debtor represents and warrants that it is the true and lawful exclusive owner of all rights in the respective Patents listed in Schedule 3.4 hereto (which indicates the owner thereof), that, as of the date hereof, said Patents include all the Patents that each Debtor now owns. Each Debtor represents and warrants that it owns or is licensed to practice under all Patents and Copyrights that it now uses or practices under. Each Debtor further warrants that it is aware of no third party claim that any aspect of any Debtor's present or contemplated business operations infringes or will infringe any Patent or any copyright or copyright application (collectively, "Copyright"). Each Debtor hereby grants to Secured Party an absolute power of attorney to sign any document which may be required by the United States Patent and Trademark Office or the United States Copyright Office or other domestic or foreign governmental agency or filing office in order to effect an absolute assignment of all right, title and interest in each Patent and Copyright, and record the same. None of the Patents are subject to a terminal disclaimer.

(b) Each Debtor represents and warrants that it is the true and lawful exclusive owner of all rights in the respective Other Intellectual Properties listed in Schedule 3.4 hereto (which indicates the owner thereof). Each Debtor represents and warrants that it owns or is licensed to practice under all Other Intellectual Properties that it now uses or practices under. Each Debtor further warrants that it is aware of no third party claim that any aspect of any Debtor's present or contemplated business operations infringes or will infringe any Other Intellectual Properties.

6.2 Licenses and Assignments. Other than the license agreements listed on Schedule 3.4 hereto and any extensions or renewals thereof and as otherwise permitted by the Loan Agreement, each Debtor hereby agrees not to divest itself of any right under any Patent or Copyright or Other Intellectual Properties.

6.3 Infringements. Each Debtor agrees, promptly upon learning thereof, to furnish Secured Party in writing with all pertinent information available to such Debtor with respect to any infringement or other violation of such Debtor's rights in any Patent or Copyright or Other Intellectual Properties, or with respect to any claim that practice of any Patent or Copyright or Other Intellectual Properties violates any property rights of that party, in each case to the extent that such Debtor reasonably believes that such infringement or violation is material to its business. Each Debtor further agrees diligently to prosecute any Person infringing any Patent or Copyright or Other Intellectual Properties to the extent that such Debtor reasonably believes that such infringement is material to its business.

6.4 Maintenance of Patents, Etc. At its own expense, each Debtor shall make timely payment of all post-issuance fees required pursuant to 35 U.S.C. § 41 to maintain in force rights under each Patent to the extent consistent with good business practice. If a Patent is or becomes subject to a terminal disclaimer, the lien granted hereunder extends to the Patent necessitating such disclaimer, and such Patent may not be sold or otherwise alienated during the term of the Obligations without the written consent of the Secured Party.

6.5 Prosecution of Patent Application. At its own expense, each Debtor shall diligently prosecute all applications for Patents listed in Schedule 3.4 hereto and shall not abandon any such application prior to exhaustion of all reasonable administrative and judicial remedies, to the extent consistent with good business practice.

6.6 Other Patents and Copyrights. Within five days of acquisition of a Patent or Copyright, or of filing of an application for a Patent or Copyright, Debtor shall deliver to Secured Party a copy of said Patent or Copyright or such application, as the case may be, and, at the request of Secured Party, a grant of security as to such Patent or Copyright, as the case may be, confirming the grant thereof hereunder, the form of such confirmatory grant to be satisfactory to Secured Party. Each Debtor shall, from time to time as necessary, deliver to Secured Party an updated Schedule 3.4 to this Agreement and a schedule setting forth all Patents, Copyrights and Other Intellectual Properties, together with a certificate of an authorized officer of such Debtor certifying that the information set forth on such schedules is true, correct and complete as of such date, which schedules may be used to prepare additional assignments for filing in the United States Patent and Trademark Office, the United States Copyright Office or any other domestic or foreign governmental agency or filing office, if necessary.

6.7 Patent and Copyright Remedies. If an Event of Default shall occur and be continuing, Secured Party may take any or all of the following actions: (i) declare the entire right, title, and interest of Debtor in each of the Patents and Copyrights vested, in which event such right, title, and interest shall immediately vest in Secured Party, in which case Secured Party shall be entitled to exercise the power of attorney referred to in Section 6.1 to execute, cause to be acknowledged and notarized and record said absolute assignment with the applicable agency; (ii) take and practice or sell the Patents, Copyrights and Other Intellectual Properties; and (iii) direct Debtor to refrain, in which event Debtor shall refrain, from practicing the Patents, Copyrights and Other Intellectual Properties directly or indirectly, and such Debtor shall execute such other and further documents as Secured Party may request further to confirm this and to

transfer ownership of the Patents, Copyrights and Other Intellectual Properties to Secured Party or its designee or transferee.

VII.

Rights of the Secured Party

7.1 Power of Attorney. Each Debtor hereby irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the name of such Debtor or in its own name, to take any and all action and to execute any and all documents and instruments which such Debtor is unable or unwilling to take or execute, as applicable, and which the Secured Party at any time and from time to time deems necessary or desirable to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, each Debtor hereby gives the Secured Party the power and right on behalf of such Debtor and in its own name to do any of the following, without the consent of such Debtor:

(i) to demand, sue for, collect, or receive in the name of such Debtor or in its own name, any money or property at any time payable or receivable on account of or in exchange for any of the Collateral and, in connection therewith, endorse checks, notes, drafts, acceptances, money orders, documents of title, or any other instruments for the payment of money under the Collateral or any policy of insurance;

(ii) to pay or discharge taxes or Liens levied or placed on or threatened against the Collateral;

(iii) to notify post office authorities to change the address for delivery of mail of such Debtor to an address designated by the Secured Party and to receive, open, and dispose of mail addressed to such Debtor;

(iv) (A) to direct account debtors and any other parties liable for any payment under any of the Collateral to make payment of any and all monies due and to become due thereunder directly to the Secured Party or as the Secured Party shall direct; (B) to receive payment of and receipt for any and all monies, claims, and other amounts due and to become due at any time in respect of or arising out of any Collateral; (C) to commence and prosecute any suit, action, or proceeding at law or in equity in any court of competent jurisdiction to enforce any right in respect of any Collateral; (D) to defend any suit, action, or proceeding brought against such Debtor with respect to any Collateral; (E) to settle, compromise, or adjust any suit, action, or proceeding described above and, in connection therewith, to give such discharges or releases as the Secured Party may deem appropriate; (F) to add or release any guarantor, indorser, surety, or other party to any of the Collateral; (G) to renew, extend, or otherwise change the terms and conditions of any of the Collateral; (H) to make, settle, compromise, or adjust claims under any insurance policy covering any of the Collateral; and (I) to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Secured Party were the absolute owner thereof for all purposes,

and to do, at the Secured Party's option and such Debtor's expense, at any time, or from time to time, all acts and things which the Secured Party deems necessary to protect, preserve, or realize upon the Collateral and the Secured Party's security interest therein.

This power of attorney is a power coupled with an interest and shall be irrevocable until the Obligations have been irrevocably paid and performed in full and the Secured Party has no Commitments. The Secured Party shall be under no duty to exercise or withhold the exercise of any of the rights, powers, privileges, and options expressly or implicitly granted to the Secured Party in this Agreement, and shall not be liable for any failure to do so or any delay in doing so. The Secured Party shall not be liable for any act or omission or for any error of judgment or any mistake of fact or law in its individual capacity or in its capacity as attorney-in-fact except acts or omissions resulting from its gross negligence or willful misconduct. This power of attorney is conferred on the Secured Party solely to protect, preserve, and realize upon its security interest in the Collateral. The Secured Party will exercise its best efforts to notify the respective Debtor in advance of any action to be taken by Secured Party in its capacity as attorney-in-fact pursuant to this Section, but in any event, promptly after such action is taken, provided that any failure by Secured Party to so notify such Debtor shall not impose any liability upon Secured Party or affect its rights and remedies hereunder, at law or in equity. The Secured Party shall not be responsible for any decline in the value of the Collateral and shall not be required to take any steps to preserve rights against prior parties or to protect, preserve, or maintain any security interest or Lien given to secure the Collateral.

VIII.

Default

8.1 Rights and Remedies. If an Event of Default shall have occurred and be continuing, the Secured Party shall have the following rights and remedies:

(i) In addition to all other rights and remedies granted to the Secured Party in this Agreement or in any other Loan Document or by applicable law, the Secured Party shall have all of the rights and remedies of a secured party under the UCC (whether or not the UCC applies to the affected Collateral). Without limiting the generality of the foregoing, the Secured Party may (A) without demand or notice to the Debtor, collect, receive, or take possession of the Collateral or any part thereof, and/or (B) sell, lease, or otherwise dispose of the Collateral, or any part thereof, in one or more parcels at public or private sale or sales, at the Secured Party's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Secured Party may deem commercially reasonable. The Secured Party shall have the right at any public sale or sales, and, to the extent permitted by applicable law, at any private sale or sales, to bid and become a purchaser of the Collateral or any part thereof (to the extent permitted by law) free of any right or equity of redemption on the part of the Debtors, which right or equity of redemption is hereby expressly waived and released by the Debtors (to the extent permitted by law). The Debtor agrees that the Secured Party shall not be obligated to give more than 15 days written notice of the time and place of any public sale or of the time after which any private sale may take place and that such notice shall constitute

reasonable notice of such matters. The Secured Party shall not be obligated to make any sale of Collateral if it shall determine not to do so, regardless of the fact that notice of sale of Collateral may have been given. The Secured Party may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. The Debtors shall be liable for all expenses of retaking, holding, preparing for sale, or the like, and all attorneys' fees, legal expenses, and all other costs and expenses incurred by the Secured Party in connection with the collection of the Obligations and the enforcement of the Secured Party's rights under this Agreement. The Debtor shall remain liable for any deficiency if the Proceeds of any sale or other disposition of the Collateral are insufficient to pay the Obligations in full. The Secured Party may apply the Collateral against the Obligations in such order and manner as the Secured Party may elect in its sole discretion. The Debtor waives all rights of marshalling, valuation, and appraisal in respect of the Collateral.

(ii) The Secured Party may cause any or all of the Collateral held by it to be transferred into the name of the Secured Party or the name or names of the Secured Party's nominee or nominees.

(iii) The Secured Party may collect or receive all money or property at any time payable or receivable on account of or in exchange for any of the Collateral, but shall be under no obligation to do so.

(iv) On any sale of the Collateral, the Secured Party is hereby authorized to comply with any limitation or restriction with which compliance is necessary, in the view of the Secured Party's counsel, in order to avoid any violation of applicable law or in order to obtain any required approval of the purchaser or purchasers by any applicable Governmental Authority.

IX.

Miscellaneous

9.1 No Waiver; Cumulative Remedies. No failure on the part of the Secured Party to exercise and no delay in exercising, and no course of dealing with respect to, any right, power, or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies provided for in this Agreement are cumulative and not exclusive of any rights and remedies provided by law.

9.2 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Debtors and the Secured Party and their respective heirs, successors, and assigns, except that the Debtors may not assign any of its rights or obligations under this Agreement without the prior written consent of the Secured Party.

9.3 ENTIRE AGREEMENT; AMENDMENT; CONTROLLING AGREEMENT. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS EMBODY THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR OR CONTEMPORANEOUS ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO ORAL AGREEMENTS AMONG THE PARTIES HERETO. The provisions of this Agreement may be amended or waived only by an instrument in writing signed by the parties hereto. In the event any term or provision of this Agreement expressly conflicts with any term or provision of the Loan Agreement, the terms and provisions of the Loan Agreement shall govern and control.

9.4 Notices. All notices and other communications provided for in this Agreement shall be given or made by telex, telegraph, telecopy, cable, or in writing and telexed, telecopied, telegraphed, cabled, mailed by certified mail return receipt requested, or delivered to the intended recipient at the "Address for Notices" specified below its name on the signature pages hereof; or, as to any party at such other address as shall be designated by such party in a notice to the other party given in accordance with this Section. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given when transmitted by telex or telecopy, subject to telephone confirmation of receipt, or delivered to the telegraph or cable office, subject to telephone confirmation of receipt, or when personally delivered or, in the case of a mailed notice, when duly deposited in the mails, in each case given or addressed as aforesaid.

9.5 GOVERNING LAW; VENUE; SERVICE OF PROCESS. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ILLINOIS AND THE APPLICABLE LAWS OF THE UNITED STATES OF AMERICA. THIS AGREEMENT HAS BEEN ENTERED INTO IN COOK COUNTY, ILLINOIS, AND IT SHALL BE PERFORMABLE FOR ALL PURPOSES IN COOK COUNTY, ILLINOIS. ANY ACTION OR PROCEEDING AGAINST PLEDGOR UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER INSTRUMENT OR AGREEMENT SECURING, EVIDENCING, OR RELATING TO THE OBLIGATIONS OR ANY PART THEREOF MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT IN COOK COUNTY, ILLINOIS. PLEDGOR HEREBY IRREVOCABLY (I) SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF SUCH COURTS, AND (II) WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING BROUGHT IN SUCH COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. PLEDGOR AGREES THAT SERVICE OF PROCESS UPON IT MAY BE MADE BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, AT ITS ADDRESS SPECIFIED OR DETERMINED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 9.4 OF THIS AGREEMENT. NOTHING IN THIS AGREEMENT OR ANY OTHER INSTRUMENT OR AGREEMENT SECURING, EVIDENCING, OR RELATING TO THE OBLIGATIONS OR ANY PART THEREOF SHALL AFFECT THE RIGHT OF SECURED PARTY TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT OF SECURED PARTY

TO BRING ANY ACTION OR PROCEEDING AGAINST PLEDGOR OR WITH RESPECT TO ANY OF ITS PROPERTY IN COURTS IN OTHER JURISDICTIONS. ANY ACTION OR PROCEEDING BY PLEDGOR AGAINST SECURED PARTY SHALL BE BROUGHT ONLY IN A COURT LOCATED IN COOK COUNTY, ILLINOIS.

9.6 Headings. The headings, captions, and arrangements used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

9.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

9.8 Waiver of Bond. In the event the Secured Party seeks to take possession of any or all of the Collateral by judicial process, each Debtor hereby irrevocably waives any bonds and any surety or security relating thereto that may be required by applicable law as an incident to such possession, and waives any demand for possession prior to the commencement of any such suit or action.

9.9 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

9.10 Construction. Debtors and Secured Party acknowledge that each of them has had the benefit of legal counsel of its own choice and has been afforded an opportunity to review this Agreement with its legal counsel and that this Agreement shall be construed as if jointly drafted by Debtors and Secured Party.

9.11 Termination. If all of the Obligations shall have been paid and performed in full and all Commitments of the Secured Party to the Debtors shall have expired or terminated, the Secured Party shall, upon the written request of any Debtor, execute and deliver to such Debtor a proper instrument or instruments acknowledging the release and termination of the security interests created by this Agreement, and shall duly assign and deliver to such Debtor (without recourse and without any representation or warranty) such of the Collateral as may be in the possession of the Secured Party and has not previously been sold or otherwise applied pursuant to this Agreement.

9.12 Obligations Absolute. The obligations of Debtors under this Agreement shall be absolute and unconditional and shall not be released, discharged, reduced, or in any way impaired by any circumstance whatsoever, including, without limitation, any amendment, modification, extension, or renewal of this Agreement, the Obligations, or any document or instrument evidencing, securing, or otherwise relating to the Obligations, or any release, subordination, or impairment of collateral, or any waiver, consent, extension, indulgence, compromise, settlement, or other action or inaction in respect of this Agreement, the Obligations, or any document or

instrument evidencing, securing, or otherwise relating to the Obligations, or any exercise or failure to exercise any right, remedy, power, or privilege in respect of the Obligations.

9.13 WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH DEBTOR HEREBY IRREVOCABLY AND EXPRESSLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE ACTIONS OF SECURED PARTY IN THE NEGOTIATION, ADMINISTRATION, OR ENFORCEMENT THEREOF.

9.14 Intercreditor Agreement. This Agreement is subject to the terms of the Intercreditor Agreement of even date herewith by and among Debtors, Secured Party, Southwest Bank of Texas, N.A. and Drilltec Southeast Asia Pte Ltd.

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

DEBTORS:

DRILLTEC PATENTS & TECHNOLOGIES COMPANY, INC.

By: Peter J. Hudson
Name: Peter J. Hudson
Title: CEO

Address for Notices:

10875 Kempwood, Suite 2
Houston, Texas 77043
Fax No.: (713) 895-4927
Telephone No.: (713) 895-9852

DRILLTEC TECHNOLOGIES, INC.

By: Peter J. Hudson
Name: Peter J. Hudson
Title: Vice President

Address for Notices:

10875 Kempwood, Suite 2
Houston, Texas 77043
Fax No.: (713) 895-4927
Telephone No.: (713) 895-9852

DRILLTEC INDONESIA, INC.

By: Peter J. Hudson
Name: Peter J. Hudson
Title: Vice President

Address for Notices:

10875 Kempwood, Suite 2
Houston, Texas 77043
Fax No.: (713) 895-4927
Telephone No.: (713) 895-9852

DRILLTEC INTERNATIONAL LIMITED

By: Peter J. Hudson
Name: Peter J. Hudson
Title: Director

By: Tim E. O'Grady
Name: Tim E. O'Grady
Title: Director

Address for Notices:

10875 Kempwood Drive, Suite 2
Houston, Texas 77043-1448
Fax No.: (713) 895-4927
Telephone No.: (713) 895-9852

SECURED PARTY:

HELLER FINANCIAL, INC.

By: Sheila B. Cohen
Name: Sheila B. Cohen
Title: AVP

Address for Notices:

500 West Monroe Street
Chicago, Illinois 60661
Fax No.: 312(713) 441-7519
Telephone No.: (713) 441-7558
312

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SCHEDULE 3.4

Intellectual Property

TRADEMARKS

COUNTRY	MARK	SERIAL NO.	FILING DATE	REG. NO.	REG. DATE
Argentina	DRILLTEC and Design	1517223	12/1/85	1,223,010	02/09/87
Austria	DRILLTEC			465,606	10/06/81
Austria	DRILLTEC - ACDS	1038675	10/10/82	475,168	11/10/82
Austria	DRILLTEC - ESP	1035986	11/10/82	474,933	11/10/82
Austria	DRILLTEC - RAP			474,007	11/10/82
Belgium	DRILLTEC			465,606	10/06/81
Belgium	DRILLTEC - ACDS	1038675	11/10/82	475,168	11/10/82
Belgium	DRILLTEC - ESP	1035986	11/10/82	474,933	11/10/82
Belgium	DRILLTEC - RAP			474,007	11/10/82
Belgium	ENVIRONCLEAN	834793	10/02/84	566,144	10/03/84
Canada	ENVIRONCLEAN	765426	10/03/84	TMA 460 975	09/09/86
France	DRILLTEC			465,606	10/06/81
France	ENVIRONCLEAN	94583522	10/03/84		
France	DRILLTEC - ACDS	1038675	11/10/82	475,168	11/10/82
France	DRILLTEC - ESP	1035986	11/10/82	474,933	11/10/82
France	DRILLTEC - RAP			474,007	11/10/82
Germany	DRILLTEC	D361430WVZ	04/09/81	1,023,666	10/06/81
Germany	DRILLTEC - ACDS	D374761WVZ	05/03/82	1,038,675	09/12/82
Germany	DRILLTEC - ESP	D344788WVZ	06/04/82	1,035,986	07/22/82
Germany	DRILLTEC - RAP	D374776WVZ	05/03/82	1,040,107	10/27/82
Germany	ENVIRONCLEAN	D355776WVZ	10/04/84	2,902,047	02/17/85

TRADEMARK

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COUNTRY	MARK	SERIAL NO.	FILING DATE	REG. NO.	REG. DATE
Great Britain	DRILLTEC and Design	1177031	06/19/82	811777031	12/24/85
Great Britain	DRILLTEC - ACDS	1185506	11/17/82	1,185,506	09/05/85
Great Britain	DRILLTEC - ESP	1185507	11/17/82	81185507	04/23/86
Great Britain	ENVIRONCLEAN			1,588,961	04/04/84
Indonesia	DRILLTEC and Design	H4.HC.01.01-19607	10/20/84		
Indonesia	ENVIRONCLEAN	H4.HC.01.01-19608	10/20/84		
Italy	DRILLTEC			465,808	10/09/81
Italy	DRILLTEC - ACDS	1039675	11/1/82	475,188	11/10/82
Italy	DRILLTEC - ESP	1039988	11/1/82	474,833	11/1/82
Italy	DRILLTEC - RAP			474,807	11/1/82
Italy	ENVIRONCLEAN	RM84C/004318	10/04/84		
Japan	DRILLTEC and Design			3,181,270	07/31/88
Japan	DRILLTEC and Design	HEI-S-52793	02/3/93		
Japan	DRILLTEC - ESP	HEI-S-52148	08/19/86		
Japan	ECONO - RAP			2,876,121	06/30/84
Japan	ENVIRONCLEAN	100010/94	10/04/94		
Japan	ESP - EXTRA	HEI-L-104490	04/17/92		
Japan	LE RAP			2,678,122	06/29/84
Norway	ENVIRONCLEAN	945451	10/03/84		
Russia	DRILLTEC			485,806	10/09/81
Russia	DRILLTEC - ACDS	1039675	11/1/82	475,188	11/1/82
Russia	DRILLTEC - ESP	1039988	11/1/82	474,833	11/1/82
Russia	DRILLTEC - RAP			474,807	11/1/82
Spain	DRILLTEC			465,806	10/06/81

COUNTRY	MARK	SERIAL NO.	FILING DATE	REG. NO.	REG. DATE
Spain	DRILLTEC - ACDS	1038675	11/10/82	475,168	11/10/82
Spain	DRILLTEC - ESP	1035986	11/10/82	474,933	11/10/82
Spain	DRILLTEC - RAP			474,607	11/10/82
United States	DRILLTEC	73259019	04/09/82	1,433,532	03/24/87
United States	DRILLTEC and Design	73539,102	08/19/85	1,461,655	10/20/87
United States	ENVIRONCLEAN	74508618	04/04/84	1,821,185	09/19/85

TRADEMARK

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PATENTS

COUNTRY	TITLE	APPL. NO.	FILING DATE	ISSUE NO.	ISSUE DATE	COMMENTS
Argentina	ESP S	311289	06/30/88	238 146	06/30/89	
Argentina	RAP			0 415,205		
Argentina	Method for Int. Molding	305148	09/04/86	237 703	09/30/88	
Argentina	Environment	pending, no appl. no given				
Argentina	Vibrating Abrasive Cleaning Apparatus and Method	332019	05/11/85			
Austria	Storage and Transport Unit for Pipes	90116151	08/23/90	415265	08/23/90	
Austria	Protective Device for Pipe Ends	84410251	08/20/88	287483	07/21/93	
Belgium	Storage and Transport Unit for Pipes	90116151	08/23/90	415265	08/23/90	
Belgium	Protective Device for Pipe Ends	88110251	06/20/88	297485	07/21/93	
Brazil	Pipe End Protector	8803252	01/31/89	8803252	05/26/92	
Brazil	Storage and Transport Unit for Pipes	9005991	08/26/89	9005991	12/27/94	
Canada	Storage and Transport Unit	2035435	08/23/90	2035435	01/14/97	
Canada	Pipe End Protector	570882	06/10/88	1291954	11/12/91	
China	Pipe-End Protector	1000822				Patent application published before examination
China	Storage and Transport Unit for Pipes	90108174	08/25/90	20089	03/12/93	

TRADEMARK

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COUNTRY	TITLE	APPL. NO.	FILING DATE	ISSUE NO.	ISSUE DATE	COMMENTS
France	Storage and Transport Unit for Pipes	90116151	08/23/90	415265	08/23/90	
France	Protective Device for Pipe Ends	88110251	08/20/88	297493	07/21/93	
Germany	Pipe-End Protector	88110251	06/28/88	3882451	08/26/93	
Germany	Pipe-End Protector	3721541	06/30/87	372541	04/22/93	
Germany	Storage and Transport Unit for Pipes	90116151	08/23/90	59003437	08/23/90	
Germany	Storage and Transport Unit for Pipes	3928320	08/26/89	3928320	12/21/91	
Great Britain	Storage and Transport Unit for Pipes	90116151	08/23/90	415265	08/23/90	
Great Britain	Protective Device for Pipe Ends	88110251	06/20/88	297493	07/21/93	
Hungary	Storage and Transport Unit for Pipes	911394	08/23/90	209100	08/24/94	
India	ESP-S			175,315		
Indonesia	RAP			ED0000905		
Indonesia	Environment	pending, no app'n no given				
Indonesia	Vibrating Abrasive Cleaning Apparatus and Method	P-930941	05/24/95			
Italy	Storage and Transport Unit for Pipes	90116151	08/23/90	415265	08/23/90	
Italy	Protective Device for Pipe Ends	88110251	08/20/88	297493	07/21/93	
Japan	ESP-S			2,010,652		
Japan	RAP			2,119,546		
Japan	Method for Inf. Marking	88199343	08/10/88			

COUNTRY	TITLE	APPL. NO.	FILING DATE	ISSUE NO.	ISSUE DATE	COMMENTS
Japan	Aluminum Rap			1,978,551		
Japan	Apparatus for Injection Molding Threaded Plastic Caps and Stoppers	65158106	07/07/86	95080222	08/30/95	
Korea, South	Equipment for Storing and Shipping Pipes	91700160	08/23/90	86,707	07/10/95	
Malaysia	RAP	MY-106859-A				
Malaysia	Environment	pending no appl. no given				
Malaysia	Vibrating Abrasive Cleaning Apparatus and Method	P19501266	05/12/95			
Mexico	ESP-S			180,673		
Mexico	RAP	pending no appl. no given				
Mexico	Method for Inj Molding	2795	08/12/86	169,004	06/17/93	
Mexico	Environment	pending no appl. no given				
Mexico	Vibrating Abrasive Cleaning Apparatus and Method	22098	11/07/84			
The Netherlands	Storage and Transport Unit for Pipes	90116151	08/23/80	415285	08/23/90	
Norway	Equipment for Storing and Shipping Pipes	911598	08/23/80			
PCT	Vibrating Abrasive Cleaning Apparatus and Method	PCT/US95/05171	05/09/95			
Soviet Union	Pipe End Protective Cap	4366102	06/30/88	169405	08/07/91	
Soviet Union	Storage and Transport Unit	4894963	02/25/91	1836209	08/30/93	

COUNTRY	TITLE	APPL. NO.	FILING DATE	ISSUE NO.	ISSUE DATE	COMMENTS
Spain	Pipe-End Protector	88110251	06/28/88	206240	02/01/94	
Spain	Storage and Transport Unit for Pipes	90116151	06/23/90	415265	08/23/90	
Switzerland	Storage and Transport Unit for Pipes	90116151	06/23/90	415265	08/23/90	United States
United States	Apparatus for Injection Molding Threaded Plastic Caps and Stoppers	09/909635	09/22/85	4,772,196	09/20/88	
United States	Device for the Transporting and Stacking of Cylindrical Objects such as Gas Cylinders, Pipes, etc.	07/907718	07/02/92	5,287,648	12/07/93	
United States	Equipment for Storing and Shipping Pipes	07654586	02/13/91	5,123,647	06/23/92	
United States	Frame for the Transport and Storage of Pipes	06400094	07/20/82	4,010,362	09/09/86	
United States	Frame for the Transport and Storage of Pipes	06/811695	12/20/85	4,706,822	11/17/87	
United States	Installing or Centering Mechanism for Pipes to be Screwed into One another	06643476	04/30/84	4,598,778	07/15/86	
United States	System for Protecting Machine Threads	06/894706	06/07/86	4,862,402	05/05/87	
United States	Mobile Vibrating Abrasive Cleaning Apparatus	06/178,737	01/07/94	5,556,320		
United States	Pipe-End Protector	07/212795	06/29/88	4,951,141	09/18/90	
United States	Pipe-End Protector	07/531107	05/31/90	5,195,962	03/23/93	
United States	Pipe-End Protector	07/865712	04/08/92	5,244,015	09/14/93	
United States	Protective Devices for Pipes	06/366981	04/09/82	4,438,783	03/27/84	

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COUNTRY	TITLE	APPL. NO.	FILING DATE	ISSUE NO.	ISSUE DATE	COMMENTS
United States	Protective Devices for Pipes	06/366981	04/09/82	4,138,763	03/27/84	
United States	Thread Protector for Screw Threads made for a Deformable Material with a Complementary Thread	07/044838	04/30/87	4,809,752	03/07/89	
United States	Vibrating Abrasive Cleaning Apparatus and Method	07/016724	02/11/83	5,460,365	10/24/85	
United States	Vibrating Abrasive Cleaning Apparatus and Method	08/807,835				
United States	System for Protecting Machine Threads	06/503,419	06/13/83	4,487,229	12/11/84	
United States	Method for Forming a Protective Pipe Cap	06/364,474	03/11/82	4,482,666	07/06/85	
United States		07/105,790	10/08/87	4,824,143	04/25/89	
United States	ESP-S-Pol. (Dw.) for USA Claim 1-15	865,712	04/08/92			
United States	RAP, Gas Bottle	907,718	07/02/92			
Venezuela	Embraclean	pending, no. appln. no. given				
Venezuela	Vibrating Abrasive Cleaning Apparatus and Method	916-95	06/02/95			

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SECURITY INTEREST ASSIGNMENT OF PATENTS

THIS SECURITY INTEREST ASSIGNMENT OF PATENTS ("Assignment"), dated as of July 31, 1997, is executed by DRILLTEC PATENTS & TECHNOLOGIES COMPANY, INC., a Texas corporation ("Debtor"), having an address at 10875 Kempwood, Suite 2, Houston, Texas 77043, in favor of Heller Financial, Inc., a Delaware corporation ("Lender"), having an address of 500 West Monroe Street, Chicago, Illinois 60661.

RECITALS:

A. Debtor, Drilltec Technologies, Inc., a Delaware corporation, Drilltec International Limited, a company organized under the laws of Scotland, Drilltec Indonesia, Inc., a Texas corporation (Debtor together with the other Drilltec entities listed above herein collectively referred to as the "Credit Parties"), and Lender have entered into that certain Loan and Security Agreement dated as of even date herewith (as the same may be amended, supplemented or modified from time to time, the "Loan Agreement").

B. Pursuant to the Loan Agreement, the Credit Parties and the Lender have entered into that certain Intellectual Property Security Agreement of even date herewith (as the same may be amended, supplemented or modified from time to time, the "Security Agreement"), pursuant to which and pursuant to the Loan Agreement, the Credit Parties granted to Lender a lien on and security interest in certain collateral described therein, including all patents, patent applications, and patent rights now or hereafter owned by the Credit Parties, and all reissues, renewals, modifications, divisions, continuations, extensions and continuations-in-part thereof, including without limitation those described on Exhibit "A" hereto (collectively, the "Patents").

C. The parties hereto have agreed to execute this Assignment to memorialize the granting of the security interest in and to the Patents in a form suitable for recording in the United States Patent and Trademark Office and in other similar offices in foreign jurisdictions.

NOW, THEREFORE, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, and subject to the terms and conditions of the Security Agreement, the parties hereto agree as follows:

1. Debtor hereby grants and assigns a security interest, and ratifies and confirms the grant of security interest pursuant to the Security Agreement, to Lender, as security for the payment and performance of the Obligations (as defined in the Loan Agreement), in and to Debtor's entire right, title and interest in the Patents, including without limitation all renewals thereof, all proceeds thereof (including, but not limited to, all license royalties and proceeds of infringement suits), and the right to sue for past, present and future infringements.

2. At such time as all of the Obligations have been completely paid and performed in full and all commitments of Lender to the Credit Parties have terminated, Lender shall release its security interest in Debtor's entire right, title and interest in the Patents, including without limitation all renewals thereof, all proceeds thereof (including, but not limited to, all license royalties and proceeds of infringement suits), and the right to sue for past, present and future infringements.

3. Debtor represents and warrants that it has the full right and power to make the assignment of the Patents made hereby and that it has made no previous assignment, transfer, agreement in conflict herewith or constituting a present or future assignment of or encumbrance on the Patents.

4. This Assignment cannot be altered, amended or modified in any way, except by a writing signed by Lender and Debtor. This Assignment shall be binding upon Debtor and its respective successors and permitted assigns, and shall inure to the benefit of Lender and its respective successors and assigns. **THIS ASSIGNMENT SHALL, EXCEPT TO THE EXTENT THAT THE LAWS OF ANOTHER STATE APPLY TO THE PATENTS OR ANY PART THEREOF, BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS AND THE APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.** By receiving this Assignment, Lender is entitled to receive all of the benefits and none of the obligations and liabilities which may arise from the Patents.

5. This Assignment is subject in all respects to the terms of the Intercreditor Agreement dated of even date herewith by and among Debtor, Lender, Drilltec Technologies, Inc., Drilltec International Limited, Drilltec Indonesia, Inc., Drilltec Southeast Asia Pte Ltd, a company organized under the laws of Singapore, and Southwest Bank of Texas, N.A., a national banking association.

IN WITNESS WHEREOF, this Assignment has been executed as of the day and year first written above.

DRILLTEC PATENTS & TECHNOLOGIES
COMPANY, INC.

By: *Peter J. Hudson*
Name: Peter J. Hudson
Title: CFO

HELLER FINANCIAL, INC.

By: [Signature]
Name: Stephen B. [Signature]
Title: VP

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was ACKNOWLEDGED before me on July 31, 1997, by Peter J. Hudson, the CEO of DRILLTEC PATENTS & TECHNOLOGIES COMPANY, INC., a Texas corporation, on behalf of said corporation.

[SEAL]

[Signature]
Notary Public - State of Texas

My Commission Expires:

Printed Name of Notary Public

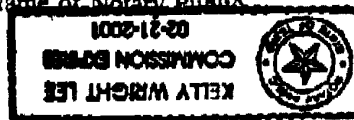


EXHIBIT "A" -- PATENTS

H0971910021

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PATENTS

COUNTRY	TITLE	APPL. NO.	FILING DATE	ISSUE NO.	ISSUE DATE	COMMENTS
Argentina	ESP-S	311289	06/30/88	238,148	06/30/89	
Argentina	RAP			0415,265		
Argentina	Method for Inj. Molding	305148	08/04/86	237,703	03/20/89	
Argentina	Environment	pending, no appl. no. given				
Argentina	Vibrating Abrasive Cleaning Apparatus and Method	332019	05/11/85			
Austria	Storage and Transport Unit for Pipes	90116151	08/23/90	415265	08/23/90	
Austria	Protective Device for Pipe Ends	88110251	06/20/88	297483	07/21/93	
Belgium	Storage and Transport Unit for Pipes	90116151	08/23/90	415265	08/23/90	
Belgium	Protective Device for Pipe Ends	88110251	06/20/88	297483	07/21/93	
Brazil	Pipe-End Protector	8803252	01/01/89	8803252	05/26/92	
Brazil	Storage and Transport Units for Pipes	9006881	08/25/89	9006891	12/27/94	
Canada	Storage and Transport Unit	2035435	08/23/90	2035435	01/14/97	
Canada	Pipe-End Protector	570887	06/30/88	1291954	11/12/91	
China	Pipe-End Protector	1030822				Patent application published before examination

COUNTRY	TITLE	APPL. NO.	FILING DATE	ISSUE NO.	ISSUE DATE	COMMENTS
China	Storage and Transport Unit for Pipes	80108174	08/25/90	20688	03/12/93	
France	Storage and Transport Unit for Pipes	90116151	08/23/90	415285	08/23/90	
France	Protective Device for Pipe Ends	88110251	06/20/88	287493	07/21/93	
Germany	Pipe-End Protector	88110251	06/28/88	3882451	08/26/93	
Germany	Pipe-End Protector	3721541	08/30/87	372541	04/22/93	
Germany	Storage and Transport Unit for Pipes	90116151	08/23/90	58003437	08/23/90	
Germany	Storage and Transport Unit for Pipes	3928320	08/26/88	3928320	12/21/91	
Great Britain	Storage and Transport Unit for Pipes	90116151	08/23/90	415286	08/23/90	
Great Britain	Protective Device for Pipe Ends	88110251	06/28/88	297493	07/21/93	
Hungary	Storage and Transport Unit for Pipes	911394	08/23/90	208100	08/24/94	
India	ESP-S			175,315		
Indonesia	RAP			ID0060906		
Indonesia	Environment	pending, no appl. no. given				
Indonesia	Vibrating Abrasive Cleaning Apparatus and Method	P-950941	05/24/95			
Italy	Storage and Transport Unit for Pipes	90116151	08/23/90	415285	08/23/90	
Italy	Protective Device for Pipe Ends	88110251	06/20/88	287493	07/21/93	
Japan	ESP-S			2,610,652		

COUNTRY	TITLE	APPL. NO.	FILING DATE	ISSUE NO.	ISSUE DATE	COMMENTS
Japan	RAP					
Japan	Method for Inj. Molding	88 199343	08/10/88	2,118,546		
Japan	Aluminum Rap			1,978,551		
Japan	Apparatus for Injection Molding Threaded Plastic Caps and Stoppers	86158105	07/07/86	95040222	08/30/95	
Korea, South	Equipment for Storing and Shipping Pipes	91700150	08/23/90	86,707	07/10/95	
Malaysia	RAP	MY-108658-A				
Malaysia	Enviroclean	pending, no. appln. no. given				
Malaysia	Vibrating Abrasive Cleaning Apparatus and Method	P19501266	05/12/95			
Mexico	ESP-S			180,573		
Mexico	RAP	pending, no. appln. no. given				
Mexico	Method for Inj. Molding	2795	06/12/86	189,004	06/17/93	
Mexico	Enviroclean	pending, no. appln. no. given				
Mexico	Vibrating Abrasive Cleaning Apparatus and Method	22098	11/07/84			
The Netherlands	Storage and Transport Unit for Pipes	90116151	08/23/90	415265	08/23/90	
Norway	Equipment for Storing and Shipping Pipes	911568	08/23/90			
PCT	Vibrating Abrasive Cleaning Apparatus and Method	PCTRUSS55/05171	05/09/95			
Soviet Union	Pipe End Protective Cap	4366102	06/30/88	1589406	09/07/91	

COUNTRY	TITLE	APPL. NO.	FILING DATE	ISSUE NO.	ISSUE DATE	COMMENTS
Soviet Union	Storage and Transport Unit	4894563	02/25/81	1638209	08/30/93	
Spain	Pipe-End Protector	89110251	05/28/88	2046240	02/01/94	
Spain	Storage and Transport Unit for Pipes	90116151	08/23/90	415266	08/23/90	
Switzerland	Storage and Transport Unit for Pipes	90116151	08/23/90	415265	08/23/90	United States
United States	Apparatus for Injection Molding Threaded Plastic Caps and Stoppers	06/909835	09/22/86	4,772,198	09/20/88	
United States	Device for the Transporting and Stacking of Cylindrical Objects such as Gas Cylinders, Pipes, etc.	07/807718	07/82/92	5,287,848	12/07/93	
United States	Equipment for Storing and Shipping Pipes	07/654566	02/13/81	5,123,547	06/23/82	
United States	Frame for the Transport and Storage of Pipes	06/490096	07/20/82	4,610,362	09/08/86	
United States	Frame for the Transport and Storage of Pipes	06/811695	12/20/85	4,708,822	11/17/87	
United States	Initiating or Centering Mechanism for Pipes to be Screwed into One another	06/843476	04/28/84	4,589,778	07/15/88	
United States	System for Protecting Machine Threads	06/894705	08/07/86	4,662,402	05/05/87	
United States	Mobile Vibrating Abrasive Cleaning Apparatus	08/178,737	01/07/94	5,558,320		
United States	Pipe-End Protector	07/212795	05/28/88	4,957,141	08/18/90	
United States	Pipe-End Protector	07/531107	05/31/90	5,195,562	03/23/93	
United States	Pipe-End Protector	07/865712	04/09/92	5,744,015	08/14/93	

COUNTRY	TITLE	APPL. NO.	FILING DATE	ISSUE NO.	ISSUE DATE	COMMENTS
United States	Protective Devices for Pipes	05/368981	04/09/82	4,438,783	03/27/84	
United States	Thread Protector for Screw Threads made for a Deformable Material with a Complimentary Thread	07/044838	04/30/87	4,809,752	03/07/89	
United States	Vibrating Abrasive Cleaning Apparatus and Method	07/016724	02/11/83	5,460,566	10/24/85	
United States	Vibrating Abrasive Cleaning Apparatus and Method	09/507,635				
United States	System for Protecting Machine Threads	06/503,419	06/13/83	4,487,229	12/1/84	
United States	Method for Forming a Protective Pipe Cap	05/364,474	03/31/82	4,492,666	01/08/85	
United States		07/103,790	10/08/77	4,824,143	04/25/89	
United States		105,780	09/29/84			
United States	ESP-S Pick (Div.) for USA Claim 1-1E	865,712	04/09/92			
United States	RAP, Gas Bottle	907,718	07/02/92			
Venezuela	Emissionclean	pending no. appln. no. given				
Venezuela	Vibrating Abrasive Cleaning Apparatus and Method	916-98	08/02/86			

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