

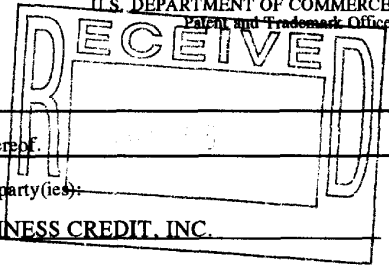
06-26-1998



100749286

HEET

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office



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

1. Name of conveying party(ies):
SLURRY EXPLOSIVE CORPORATION
6-15-98

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

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

Name and address of receiving party(ies):
Name: BANKAMERICA BUSINESS CREDIT, INC.
Internal Address: _____
Street Address: 55 South Lake Avenue, Suite 900
City: Pasadena State California ZIP: 91101

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution Date: November 21, 1997

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

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

4. Application number(s) or registration number(s):
A. Trademark Application No.(s)
75/038,427
75/259,374

B. Trademark registration No.(s)
904,559
936,412
1,081,629

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: P. Weston Musselman, Jr.
Jenkins & Gilchrist, P.C.
Internal Address: _____
Street Address: 1445 Ross Avenue, Ste. 3200
City: Dallas State: Texas Zip: 75202-2799

6. Total number of applications and registrations involved: 5

7. Total fee (37 CFR 3.41): \$ 140.00
 Enclosed
 Authorized to be charged to deposit account.

(If check is not received with this correspondence or additional fees are required, please charge to deposit account 10-0447.)

8. Deposit Account number: _____
(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

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 copy of the original document.

P. Weston Musselman, Jr. P. Weston Musselman, Jr. JUNE 9, 1998
Name of Person Signing Signature Date

Total number of pages comprising cover sheet: 8

06/26/1998 TTON11 00000063 904559
01 FC:481 40.00 OP
02 FC:482 100.00 OP
IPDAL:165589.1 20992-00014

TRADEMARK
REEL: 1744 FRAME: 0875

TRADEMARK AND TRADE NAME SECURITY AGREEMENT

WHEREAS, SLURRY EXPLOSIVE CORPORATION, an Oklahoma corporation, with its chief executive office at 16 South Pennsylvania, Oklahoma City, Oklahoma 73107 (hereinafter referred to as "Debtor"), has acquired, adopted and used, and is using, the trademarks and/or trade names listed in Exhibit "A" attached hereto and made a part hereof, which, unless otherwise indicated in Exhibit "A", are registered in the United States Patent and Trademark Office (collectively the "Trademarks and Trade Names"); and

WHEREAS, Debtor and BankAmerica Business Credit, Inc., a Delaware corporation, having an office at 55 South Lake Avenue, Suite 900, Pasadena, California 91101 (herein referred to as "Secured Party"), have entered into an Amended and Restated Loan and Security Agreement (herein referred to as the "Loan Agreement"), of even date herewith, by which Secured Party has acquired security interests in the Trademarks and Trade Names and the applications or registrations thereof; and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor and Secured Party hereby agree and covenant as follows:

1. The Debtor hereby grants, transfers, assigns and conveys a security interest to Secured Party in all rights, titles and interests in and to the Trademarks and Trade Names, together with the goodwill of the business symbolized by the Trademarks and Trade Names, and in the registrations or applications for registration thereof.

2. Debtor further authorizes Secured Party to modify this Agreement by amending Exhibit "A" to include any future trademarks or trade names or applications or registrations thereof.

3. Unless and until there shall have occurred and be continuing an Event of Default (as such term is defined in the Loan Agreement), Secured Party hereby grants to Debtor the exclusive, nontransferable right and license to use the Trademarks and Trade Names for Debtor's own benefit and account and for none other.

4. If any Event of Default shall have occurred that is continuing, Debtor's license in the Trademarks and Trade Names shall terminate, and Secured Party shall have, in addition to all other rights and remedies given it by this Agreement, those rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademarks and Trade Names may be located.

5. After the occurrence of an Event of Default that is continuing, Debtor shall have the duty, through counsel acceptable to Secured Party in its reasonable discretion, to prosecute diligently any trademark registration or application of the Trademarks or Trade Names pending as of the date of this Agreement or thereafter until Debtor's obligations under the Loan Agreement shall have been paid in full, and maintain all rights in trademark applications and trademarks in

accordance with prudent business practice and industry standards. Any expenses incurred in connection with such an application shall be borne by Debtor.

6. Any and all fees, costs, and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses, incurred by the Secured Party in connection with this Agreement and all other documents relating hereto (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Trademarks or Trade Names, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks or Trade names after the license granted pursuant to this Agreement is terminated, shall be borne and paid by the Debtor on demand by Secured Party and until so paid shall be added to the principal amount of Debtor's obligations under the Loan Agreement and shall bear interest at the rate proscribed in the Loan Agreement.

6. No course of dealing between Debtor and Secured Party, nor any failure to exercise, nor any delay in exercising, on the part of Secured Party, any right, power, or privilege hereunder or under the Loan and Security Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power, or privilege hereunder or thereunder preclude any other or future exercise thereof or the exercise of any other right, power, or privilege.

7. All of Secured Party's rights and remedies with respect to the Trademarks and Trade Names, whether established hereby or by the Loan Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

8. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable, in whole or in part, in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part hereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

9. This Agreement is subject to modification only by a writing signed by the parties except as expressly provided otherwise.

10. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and the permitted assigns of the parties.

11. Except as otherwise provided herein, any notice required hereunder shall be in writing and shall be given or made as follows:

If to Secured Party, at: BankAmerica Business Credit, Inc.
55 South Lake Avenue, Suite 900
Pasadena, California 91101
Attn: Ms. Joyce White
Executive Vice President

with a copy to: Bank of America - Business Credit Legal Dept.
10124 Old Grove Road
San Diego, California 92131
Attn: Thomas G. Montgomery, Esq.
Assistant General Counsel

and with a copy to: Jenkins & Gilchrist, a Professional Corporation
1445 Ross Avenue, Suite 3200
Dallas, Texas 75202
Attn: Linda D. Sartin, Esq.

If to Debtor, at: Slurry Explosive Corporation
Post Office Box 754
Oklahoma City, Oklahoma 73101
Attn: Mr. Jack E. Golsen
Board Chairman

with a copy to: LSB Industries, Inc.
Post Office Box 754
Oklahoma City, Oklahoma 73101
Attn: Mr. Tony M. Shelby
Senior Vice President

with a copy to: LSB Industries, Inc.
Post Office Box 754
Oklahoma City, Oklahoma 73101
Attn: David M. Shear, Esq.
General Counsel

and a copy to: Conner & Winters
One Leadership Square
211 North Robinson, Suite 1700
Oklahoma City, Oklahoma 73102-7101
Attn: Irwin H. Steinhorn, Esq.

or to such other address as each party may designate for itself by like notice. All such notices shall be deemed to have been validly served, given or delivered three (3) days following its deposit in an official depository of the United States Postal Service, registered or certified mail, with proper postage and fees prepaid, or, in case of telegraphic notice, one (1) day following its delivery to the telegraph company, addressed as specified herein, or upon the actual receipt thereof, whichever is earlier.

12. Debtor further warrants to Secured Party:

(a) that Debtor is the sole and exclusive owner of the trademarks and trade names registered in the United States and all rights comprised in such trademarks and trade names, subject to limitations imposed by law, and has the full authority to make this assignment;

(b) that the trademarks and trade names are not, as of the date hereof, pledged, hypothecated or otherwise encumbered, and are in all aspects free and clear of any encumbrances;

(c) that to its knowledge the validity of the trademarks and trade names registered in the United States are not, as of the date hereof, being questioned, except as otherwise described in Exhibit "A" attached hereto; and

(d) that Debtor has not entered nor in the future will enter into any contract or made any commitment that will impair Secured Party's rights hereunder, except that nothing contained herein will limit Debtor's rights to grant a license to use such trademarks and trade names to others.

THIS TRADEMARK AND TRADE NAME COLLATERAL ASSIGNMENT HAS BEEN EXECUTED, DELIVERED AND ACCEPTED AT AND SHALL BE DEEMED TO HAVE BEEN MADE AT OKLAHOMA CITY, OKLAHOMA, AND SHALL BE INTERPRETED AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH APPLICABLE FEDERAL LAW AND THE INTERNAL LAWS OF THE STATE OF OKLAHOMA, APPLICABLE TO AGREEMENTS EXECUTED, DELIVERED AND PERFORMED THEREIN.

IN WITNESS WHEREOF, Debtor and Secured Party have executed this Trademark and Trade Name Collateral Assignment as of this 21st day of November, 1997.

SLURRY EXPLOSIVE CORPORATION

By: James L. Wewers
Name: JAMES L. WEWERS
Title: V.P.

ACCEPTED at Dallas, Texas as of the date hereof.

BANKAMERICA BUSINESS CREDIT, INC.

By: Michael J. Jasti
Name: MICHAEL JASTI
Title: VP

THE STATE OF OKLAHOMA §
 Cleveland §
COUNTY OF OKLAHOMA §

BEFORE ME, the undersigned Notary Public, on this day personally appeared James L. Wewers the Vice President of SLURRY EXPLOSIVE CORPORATION, an Oklahoma corporation, proved to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of said corporation, and that he/she executed the same as the act of said corporation for the purpose and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 4th day of March, 1998.

My Commission Expires:

9/9/2000

Yvonne M. Dumas
Notary Public in and for
the State of Oklahoma

THE STATE OF TEXAS §
§
COUNTY OF DALLAS §

BEFORE ME, the undersigned Notary Public, on this day personally appeared Michael Jasantz, the Vice President of BankAmerica Business Credit, Inc., a Delaware corporation, and proved to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of said corporation, and that he/she executed the same as the act of said corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 18th day of March, 1998.

My Commission Expires:

Gregory J. Hausdorf
Notary Public in and for
the State of Texas

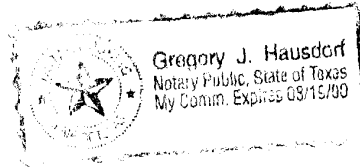


Exhibit A

U.S. MARKS

Mark	Serial/Reg. No.
TOPrime	75/038427
XPAK	Pending
Slurran	904,559
Slurran	936,412
Detagel	1,081,629

INTERNATIONAL MARKS

Mark	Serial/Reg. No.	Place of Registration
Detagel	344632	Australia

LICENSES

1. License Agreement between Total Energy Systems Limited, as Licensee, and Slurry Explosive Corporation, as Licensor.
2. License Agreement dated July 29, 1992, between Slurry Explosive Corporation, as Licensor, and Kesco, Inc., as Licensee.
3. License Agreement dated December 31, 1995, between Slurry Explosive Corporation, as Licensor, and Union Explosives Rio Tinto, S.A., as Licensee.
4. Slurry Explosives Operating Agreement dated August 17, 1989, between Thermex Energy Corporation, as assigned to Slurry Explosive Corporation ("SEC"), as Licensor, and El Dorado Chemical Company ("EDC"), as Licensee. EDC is not utilizing any of the technical information in this agreement and has not, therefore, paid royalties to SEC.