

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934  
(Amendment No. 21)

LSB INDUSTRIES, INC.  
(Name of Issuer)

COMMON STOCK, PAR VALUE \$.10  
(Title of Class of Securities)

5021600-10-4  
(CUSIP Number)

Jack E. Golsen  
16 South Pennsylvania  
Oklahoma City, Oklahoma 73107  
(405) 235-4546  
(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

April 7, 1995  
(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of his Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box. [ ]

Check the following box if a fee is being paid with this statement [ ]. (A fee is not required only if the reporting person: (1) has a previous statement on file reporting beneficial ownership of more than five percent (5%) of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of less than five percent (5%) of such class. See Rule 13d-7.)

Note: Six (6) copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(1) Names of Reporting Persons, S.S. or I.R.S. Identification Nos. of Above Persons Jack E. Golsen  
###-##-####

(2) Check the Appropriate Box if a Member of a Group (See Instructions) (a) [ ]  
(b) [X]

(3) SEC Use Only

(4) Source of Funds (See Instructions) Not applicable

(5) Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)

(6) Citizenship or Place of Organization USA

(7) Sole Voting Power 284,361

Number of Shares Beneficially Owned by Each Reporting Person With: (8) Shared Voting Power 2,787,406

(9) Sole Dispositive Power 284,361

(10) Shared Dispositive Power 2,787,406

(11) Aggregate Amount Beneficially Owned by Each Reporting Person 3,071,767

(12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) [X]

(13) Percent of Class Represented by Amount in Row (11) 22.2%

(14) Type of Reporting Person (See Instructions) IN

(1) Names of Reporting Persons, S.S. or I.R.S. Identification Nos. of Above Persons Sylvia H. Golsen  
###-##-####

(2) Check the Appropriate Box if a Member of a Group (See Instructions) (a) [ ]  
(b) [X]

(3) SEC Use Only

(4) Source of Funds (See Instructions) Not applicable

(5) Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)

(6) Citizenship or Place of Organization USA

(7) Sole Voting Power -

Number of Shares Beneficially Owned by Each Reporting Person With: (8) Shared Voting Power 2,787,406

(9) Sole Dispositive Power -

(10) Shared Dispositive 2,787,406

## Power

(11)	Aggregate Amount Beneficially Owned by Each Reporting Person	2,787,406
(12)	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)	[X]
(13)	Percent of Class Represented by Amount in Row (11)	20.5%
(14)	Type of Reporting Person (See Instructions)	IN
(1)	Names of Reporting Persons, S.S. or I.R.S. Identification Nos. of Above Persons	Golsen Petroleum Corporation 73-079-8005
(2)	Check the Appropriate Box if a Member of a Group (See Instructions)	(a) [ ] (b) [X]
(3)	SEC Use Only	
(4)	Source of Funds (See Instructions)	PF
(5)	Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)	
(6)	Citizenship or Place of Organization	Oklahoma
	(7) Sole Voting Power	-
Number of Shares Beneficially Owned by Each Reporting Person With:	(8) Shared Voting Power	1,618,422
	(9) Sole Dispositive Power	-
	(10) Shared Dispositive Power	1,618,422
(11)	Aggregate Amount Beneficially Owned by Each Reporting Person	1,618,422
(12)	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)	
(13)	Percent of Class Represented by Amount in Row (11)	11.9%
(14)	Type of Reporting Person (See Instructions)	CO
(1)	Names of Reporting Persons, S.S. or I.R.S. Identification Nos. of Above Persons	Barry H. Golsen ###-##-####
(2)	Check the Appropriate Box if a Member of a Group (See Instructions)	(a) [ ] (b) [X]
(3)	SEC Use Only	
(4)	Source of Funds (See Instructions)	Not applicable
(5)	Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)	

suant to Items 2(d) or 2(e)

(6)	Citizenship or Place of Organization	USA
	(7)	Sole Voting Power 252,526
Number of Shares Beneficially Owned by Each Reporting Person With:	(8)	Shared Voting Power 1,781,822
	(9)	Sole Dispositive Power 252,526
	(10)	Shared Dispositive Power 1,781,822
(11)	Aggregate Amount Beneficially Owned by Each Reporting Person	2,034,348
(12)	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)	<input checked="" type="checkbox"/>
(13)	Percent of Class Represented by Amount in Row (11)	14.9%
(14)	Type of Reporting Person (See Instructions)	IN
(1)	Names of Reporting Persons, S.S. or I.R.S. Identification Nos. of Above Persons	Steven J. Golsen ###-##-####
(2)	Check the Appropriate Box if a Member of a Group (See Instructions)	(a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>
(3)	SEC Use Only	
(4)	Source of Funds (See Instructions)	Not applicable
(5)	Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)	
(6)	Citizenship or Place of Organization	USA
	(7)	Sole Voting Power 212,897
Number of Shares Beneficially Owned by Each Reporting Person With:	(8)	Shared Voting Power 1,674,330
	(9)	Sole Dispositive Power 212,897
	(10)	Shared Dispositive Power 1,674,330
(11)	Aggregate Amount Beneficially Owned by Each Reporting Person	1,887,227
(12)	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)	<input checked="" type="checkbox"/>
(13)	Percent of Class Represented by Amount in Row (11)	13.8%
(14)	Type of Reporting Person (See Instructions)	IN
(1)	Names of Reporting Persons, S.S. or I.R.S. Identification Nos. of Above Persons	Linda Golsen Rappaport ###-##-####
(2)	Check the Appropriate Box if	(a) <input type="checkbox"/>

a Member of a Group (See Instructions)

(b) [X]

- (3) SEC Use Only
- (4) Source of Funds (See Instructions) Not applicable
- (5) Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)
- (6) Citizenship or Place of Organization USA
- |  |                               |           |
|--|-------------------------------|-----------|
|  | (7) Sole Voting Power         | 82,552    |
| Number of Shares Beneficially Owned by Each Reporting Person With: | (8) Shared Voting Power       | 1,781,882 |
|  | (9) Sole Dispositive Power    | 82,552    |
|  | (10) Shared Dispositive Power | 1,781,882 |
- (11) Aggregate Amount Beneficially Owned by Each Reporting Person 1,864,434
- (12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) [X]
- (13) Percent of Class Represented by Amount in Row (11) 13.7%
- (14) Type of Reporting Person (See Instructions) IN

This statement constitutes Amendment No. 21 to the Schedule 13D dated October 7, 1985, as amended (the "Schedule 13D"), relating to the common stock, par value \$.10 a share ("Common Stock") of LSB Industries, Inc. (the "Company"). All terms not otherwise defined herein shall have the meanings ascribed in the Schedule 13D.

This Schedule 13D is reporting matters with respect to the group consisting of Jack E. Golsen, Sylvia H. Golsen, Golsen Petroleum Corporation ("GPC"), Barry H. Golsen, Steven J. Golsen and Linda Golsen Rappaport.

This Amendment No. 21 to the Schedule 13D is being filed as a result of a change in the facts contained in Amendment 20 to the Schedule 13D, which change may be considered a material change in the facts set forth in Amendment 19 to the Schedule 13D. The change is due to the following:

- (i) Each of Jack E. Golsen, Barry H. Golsen, and Steven J. Golsen, obtaining the right to acquire within 60 days an additional 15,000, 3,000, and 3,000 shares, respectively, of Common Stock under certain Incentive Stock Options of the Company granted to these individuals.
- (ii) On December 28, 1994, Sylvia H. Golsen made a bona fide gift of (i) 3,000 shares each to the separate trusts each established for the benefit of one of Barry H. Golsen, Steven J. Golsen, and Linda G. Rappaport, and (ii) an aggregate of 24,000 shares to other individuals and trusts who are not reporting persons.
- (iii) On April 7, 1995, a certain nonqualified stock option previously granted to Jack E. Golsen (the "NQSO") and under which Jack E. Golsen had the right to acquire 165,000 shares of Common Stock, was amended to provide a new vesting schedule. Pursuant to the new vesting schedule contained in the amended NQSO, Jack E. Golsen has the right to acquire 33,000 shares of Common Stock under the amended NQSO within 60 days, an additional 33,000 on each of June 1, 1996, and June 1, 1997, and the remaining 66,000 on June 1, 1998.
- (iv) On March 23 and 24, 1995, GPC purchased an aggregate 10,000 shares of the Company's \$3.25 Convertible Exchangeable Class C Preferred Stock, Series 2 ("Class C Preferred Stock"), at a

purchase price of \$32.50 per share. Each share of Class C Preferred Stock is convertible, at the option of the holder, into 4.329 shares of Common Stock at an exercise price of \$11.55 per share.

- (v) In addition to the above, reference is made to Item 5(c) of this Amendment No. 21 for a discussion as to other transactions in the Company's Common Stock that were effected by certain reporting persons during the past sixty (60) days from the date of this Amendment No. 21.

Item 1. Security and Issuer.

Item 1 of this Schedule 13D is unchanged.

Item 2. Identity and Background.

Item 2 of this Schedule 13D is unchanged.

Item 3. Source and Amount of Funds or Other Consideration.

On December 28, 1994, Sylvia H. Golsen made a bona fide gift of (i) 3,000 shares to three separate trusts, each established for the benefit of one of Barry H. Golsen, Steven J. Golsen, and Linda G. Rappaport, and (ii) an aggregate of 24,000 shares to other individuals and trusts who are not reporting persons.

On March 23 and 24, 1995, GPC purchased an aggregate 10,000 shares of the Company's \$3.25 Convertible Exchangeable Class "C" Preferred Stock, Series 2, at a purchase price of \$32.50 per share, for an aggregate purchase price of \$325,000.00, (i) utilizing margin accounts held by GPC and Jack E. Golsen at National Financial Services Corporation, and (ii) \$125,000.00 of GPC's own funds.

In addition to the above, reference is made to Item 5(c) of this Amendment No. 21 for a discussion as to other transactions in the Company's Common Stock that were affected by certain reporting persons during the past 60 days from the date of this Amendment No. 21.

Item 4. Purpose of Transaction.

Item 4 of this Schedule 13D is unchanged.

Item 5. Interest in Securities of the Issuer.

(a) The following table sets forth the aggregate number and percentage of the class of Common Stock of the Company identified pursuant to Item 1 beneficially owned by each person named in Item 2:

Person	Amount	Percent(9)
Jack E. Golsen	3,071,767(1)(2)(6)	22.2%
Sylvia H. Golsen	2,787,406(1)(6)(7)	20.5%
GPC	1,618,422(1)	11.9%
Barry H. Golsen	2,034,408(1)(3)(6)	14.9%
Steven J. Golsen	1,887,227(1)(4)(6)	13.8%
Linda Golsen Rappaport	1,864,434(1)(5)(6)	13.7%

(1) The amount shown includes 1,618,422 shares of Common Stock beneficially owned by GPC, which includes (i) 533,333 shares that GPC has the right to acquire upon the conversion of 16,000 shares of the Company's Series B 12% Cumulative Convertible Preferred Stock ("Series B Preferred Stock") owned of record by GPC, with each share of Series B Preferred Stock being convertible into 33.3333 shares of Common Stock, and (ii) 43,290 shares that GPC has the right to acquire upon conversion of 10,000 shares of \$3.25 Convertible Exchangeable Class C Preferred Stock, Series 2 ("Class C Preferred Stock") owned of record by GPC, with each share of Class C Preferred Stock being convertible into 4.329 shares of Common Stock. The relationship between Jack E. Golsen, Sylvia H. Golsen, Barry H. Golsen,

Steven J. Golsen, Linda Golsen Rappaport and GPC is described in more detail in paragraph (b) of this Item 5.

- (2) The amount shown includes (a) 4,000 shares of Common Stock upon conversion of a promissory note, (b) 133,333 shares of Common Stock upon the conversion of 4,000 shares of the Series B Preferred Stock owned of record by J. Golsen, (c) 1,168,984 shares of Common Stock owned of record by Sylvia H. Golsen, wife of Jack E. Golsen, (d) 33,000 shares of Common Stock Jack E. Golsen may acquire upon exercise of a Non-Qualified Stock Option, and (e) 25,000 shares of Common Stock Jack E. Golsen may acquire upon exercise of incentive stock options of the Company.
- (3) The amount shown does not include (a) 533 shares of Common Stock that Barry Golsen's wife owns, in which Barry Golsen disclaims beneficial ownership, and (b) 65,840 shares of Common Stock owned of record by the Barry H. Golsen 1992 Trust, of which Barry H. Golsen is the primary beneficiary, but of which Barry H. Golsen has no voting or dispositive control. Such amount does include (x) 27,954 shares of Common Stock owned of record by each of the Amy G. Rappaport Trust No. J-1 and Joshua B. Golsen Trust No. J-1, of which Barry H. Golsen is a Co-Trustee, (y) 26,888 shares of Common Stock owned of record by each of the Adam Z. Golsen Trust No. J-1, Stacy L. Rappaport Trust No. J-1, Lori R. Rappaport Trust No. J-1 and Michelle L. Golsen Trust No. J-1, of which Barry H. Golsen is a Co-Trustee, and (z) 17,000 shares of Common Stock which Barry H. Golsen may acquire upon exercise of incentive stock options of the Company.
- (4) The amount shown does not include 65,840 shares of Common Stock owned of record by the Steven J. Golsen 1992 Trust, of which Steven J. Golsen is the primary beneficiary, but of which Steven J. Golsen has no voting or dispositive control. Such amount does include (a) 27,954 shares of Common Stock owned of record by the Amy G. Rappaport Trust No. J-1, of which Steven J. Golsen is a Co-Trustee, (b) 27,954 shares of Common Stock owned of record by the Joshua B. Golsen Trust No. J-1, of which Steven J. Golsen is a Co-Trustee, and (c) 17,000 shares of Common Stock which Steven J. Golsen may acquire upon exercise of incentive stock options of the Company.
- (5) The amount shown does not include 113,260 shares of Common Stock that Mrs. Rappaport's husband owns and 17,000 shares which Mr. Rappaport may acquire upon exercise of incentive stock options of the Company, all of which Mrs. Rappaport disclaims beneficial ownership. The amount shown does not include 65,840 shares of Common Stock owned of record by the Linda F. Rappaport 1992 Trust, of which Linda F. Rappaport is the primary beneficiary, but of which Linda F. Rappaport has no voting or dispositive control. Such amount does include (a) 27,954 shares of Common Stock owned of record by each of the Amy G. Rappaport Trust No. J-1 and Joshua B. Golsen Trust No. J-1 of which Linda F. Rappaport is a Co-Trustee, (b) 26,888 shares of Common Stock owned of record by each of the Adam Z. Golsen Trust No. J-1, Stacy L. Rappaport Trust No. J-1, Lori R. Rappaport Trust No. J-1 and Michelle L. Golsen Trust No. J-1 of which Linda F. Rappaport is a Co-Trustee.
- (6) Jack E. Golsen and Sylvia H. Golsen each disclaims beneficial ownership of (a) the shares of Common Stock owned of record by Barry H. Golsen, the shares of Common Stock that Barry H. Golsen has the right to acquire under the Company's incentive stock options, and the shares of Common Stock considered beneficially owned by Barry H. Golsen as a result of his position as trustee of certain trusts, (b) the shares of Common Stock owned of record by Steven J. Golsen, the shares of Common Stock that Steven J. Golsen has the right to acquire under the Company's incentive stock options, and the shares of Common Stock considered beneficially owned by Steven J. Golsen as a result of his position as trustee of certain trusts, and (c) the shares of Common Stock owned of record by Linda Golsen Rappaport, and the shares of Common Stock considered beneficially owned by Linda Golsen Rappaport as a result of her position as a trustee of certain trusts. Barry H. Golsen, Steven J. Golsen and Linda Golsen Rappaport disclaim beneficial ownership of the shares of Common Stock of the Company beneficially owned by Jack E. Golsen and Sylvia H. Golsen, except for shares beneficially owned by GPC.

(7) The amount shown does not include, and Sylvia H. Golsen disclaims beneficial ownership of (a) the 89,028 shares of Common Stock owned of record by Jack E. Golsen, (b) the 4,000 shares of Common Stock that Jack E. Golsen has the right to acquire upon the conversion of a promissory note, (c) the 33,000 shares of Common Stock that Jack E. Golsen may acquire upon exercise of a Nonqualified Stock Option, (d) the 133,333 shares of Common Stock which Jack E. Golsen has the right to acquire upon conversion of the 4,000 shares of Series B Preferred Stock owned of record by him, and (e) the 25,000 shares of Common Stock that Jack E. Golsen may acquire upon exercise of incentive stock options of the Company.

(8) Shares of Common Stock of the Company not outstanding, but which may be acquired by a reporting person during the next sixty (60) days under options, warrants, rights or conversion privileges, are considered to be outstanding only for the purpose of computing the percentage of the class for such reporting person, but are not deemed to be outstanding for the purpose of computing the percentage of the class by any other person.

(b) The following table sets forth, for each person and entity identified under paragraph (a), the number of shares of Common Stock as to which the person and entity has (1) the sole power to vote or direct the voting, (2) shared power to vote or direct the voting, (3) the sole power to dispose or to direct the disposition, or (4) shared power to dispose or to direct the disposition:

Person or Entity	Sole Voting and Power of Disposition	Shared Voting and Power of Disposition
Jack E. Golsen	284,361(1)(5)	2,787,406(2)(3)
Sylvia H. Golsen	None	2,787,406(2)(11)
GPC	None	1,618,422(4)
Barry H. Golsen	252,526(5)(6)	1,781,822(2)(7)
Steven J. Golsen	212,897(5)(8)	1,674,330(2)(9)
Linda Golsen Rappaport	82,552(5)	1,781,882(2)(10)

(1) The amount shown includes (a) 4,000 shares of Common Stock that Jack E. Golsen has the right to acquire upon conversion of a promissory note, (b) 133,333 shares of Common Stock that J. Golsen has the right to acquire upon the conversion of 4,000 shares of the Series B Preferred Stock owned of record by him, (c) 33,000 shares of Common Stock that J. Golsen has the right to acquire under a Non-Qualified Stock Option, and (d) 25,000 shares of Common Stock which Jack E. Golsen may acquire upon exercise of incentive stock options.

(2) See footnote (1) of (a) of this Item 5.

(3) The amount shown includes 1,168,984 shares of Common Stock owned of record by Sylvia H. Golsen, the wife of Jack E. Golsen.

(4) See footnote (1) of (a) of this Item 5.

(5) See Footnote (6) under paragraph (a) of this Item 5.

(6) The amount shown includes 17,000 shares of Common Stock which Barry Golsen may acquire upon exercise of incentive stock options of the Company.

(7) The amount shown does not include 65,840 shares of Common Stock owned of record by the Barry H. Golsen 1992 Trust, of which Barry H. Golsen has no voting or dispositive power and 533 shares of Common Stock that Barry Golsen's wife owns in which Barry Golsen disclaims beneficial ownership. Heidi Brown Shear is the Trustee of such trust. Such amount does include (a) 27,954 shares of Common Stock owned of record by each of the Amy G. Rappaport Trust No. J-1 and Joshua B. Golsen Trust No. J-1, of which Barry H. Golsen is a Co-Trustee, and (b) 26,888 shares of Common Stock owned of record by each of the Adam Z.



Golsen Trust No. J-1, Stacy L. Rappaport Trust No. J-1, Lori R. Rappaport Trust No. J-1 and Michelle L. Golsen Trust No. J-1, of which Barry H. Golsen is a Co-Trustee.

- (8) The amount shown includes 17,000 shares which Steven J. Golsen may acquire upon exercise of incentive stock options of the Company.
- (9) The amount shown does not include 65,840 shares of Common Stock owned of record by the Steven J. Golsen 1992 Trust, of which Steven J. Golsen has no voting or dispositive power. Heidi Brown Shear is the Trustee of the trust. Such amount includes (a) 27,954 shares of Common Stock owned of record by the Amy G. Rappaport Trust No. J-1, of which Steven J. Golsen is a Co-Trustee, and (b) 27,954 shares of Common Stock owned of record by the Joshua B. Golsen Trust No. J-1, of which Steven J. Golsen is a Co-Trustee.
- (10) See footnote (5) under paragraph (a) of this Item 5.
- (11) See footnotes (6) and (7) under paragraph (a) of this Item 5.

GPC is wholly owned by Sylvia H. Golsen (wife of Jack E. Golsen and 40% owner), Barry H. Golsen (20% owner), Steven J. Golsen (20% owner) and Linda Golsen Rappaport (20% owner). Barry H. Golsen, Steven J. Golsen and Linda Golsen Rappaport are the children of Jack E. Golsen and Sylvia H. Golsen. The directors and executive officers of GPC are Jack E. Golsen, Sylvia H. Golsen, Barry H. Golsen, Steven J. Golsen and Linda Golsen Rappaport.

(c) During the past sixty (60) days from the date of this Amendment, the following transactions were effected in the Common Stock by a reporting person named in response to Paragraph (a) of this Item 5:

Each of Jack E. Golsen, Barry H. Golsen, and Steven J. Golsen, obtained the right to acquire within 60 days an additional 15,000, 3,000, and 3,000 shares, respectively, of Common Stock under certain Incentive Stock Options of the Company granted to these individuals.

On December 28, 1994, Sylvia H. Golsen made a bona fide gift of (i) 3,000 shares each to the three trusts each established for the benefit of one of Barry H. Golsen, Steven J. Golsen, and Linda G. Rappaport, and (ii) an aggregate of 24,000 shares to other individuals and trusts who are not reporting persons.

On April 7, 1995, a certain nonqualified stock option previously granted to Jack E. Golsen (the "NQSO") and under which Jack E. Golsen previously had the right to immediately acquire 165,000 shares of Common Stock, was amended to provide a new vesting schedule. Pursuant to the new vesting schedule contained in the amended NQSO, the amended NQSO covering 165,000 shares vests and becomes exercisable as to 20% on June 1, 1995, an additional 20% on each of June 1, 1996, and June 1, 1997, and the remaining 40% on June 1, 1998. As of the date of this Amendment No. 21, Jack E. Golsen has the right to acquire within 60 days 20% or 33,000 shares under the amended NQSO.

On March 23 and 24, 1995, GPC purchased an aggregate 10,000 shares of the Company's \$3.25 Convertible Exchangeable Class "C" Preferred Stock, Series 2, at a purchase price of \$32.50 per share, for an aggregate purchase price of \$325,000.00, (i) utilizing margin accounts held by GPC and Jack E. Golsen at National Financial Services Corporation, and (ii) \$125,000.00 of GPC's own funds.

Under the Customer's Agreement with Stifel, Nicolaus & Company, Incorporated ("Stifel"), dated March 29, 1995, Sylvia H. Golsen has granted Stifel a security interest in 200,000 shares of Common Stock. Under the Customer's Agreement, Stifel may lend and repledge all such securities, from time to time, and in the event the margin account may not meet Stifel's requirements and Sylvia H. Golsen does not otherwise satisfy such requirements, Stifel may close out the margin account by selling such shares.

On December 5, 1994, Sylvia H. Golsen pledged 130,000 shares of Common Stock owned by her to CityBank & Trust Company, Oklahoma City, Oklahoma, to secure repayment of a certain loan made to GPC on such date. In addition to standard default and similar provisions contained in the Commercial Pledge

Agreement, CityBank retains the right to collect income paid in connection with the collateral (including dividends) prior to a default.

(d) See Item 6, below.

(e) Not applicable.

Item 6. Contracts, Agreements, Underwritings or Relationships With Respect to Securities of the Issuer.

Item 6 of the Schedule 13D is unchanged except as amended hereunder:

Under the Customer's Agreement with Stifel, Nicolaus & Company, Incorporated ("Stifel"), dated March 29, 1995, Sylvia H. Golsen has granted Stifel a security interest in 200,000 shares of Common Stock. Under the Customer's Agreement, Stifel may lend and repledge all such securities, from time to time, and in the event the margin account may not meet Stifel's requirements and Sylvia H. Golsen does not otherwise satisfy such requirements, Stifel may close out the margin account by selling such shares.

On December 5, 1994, Sylvia H. Golsen pledged 130,000 shares of Common Stock owned by her to CityBank & Trust Company, Oklahoma City, Oklahoma, to secure repayment of a certain loan made to GPC on such date. In addition to standard default and similar provisions contained in the Commercial Pledge Agreement, CityBank retains the right to collect income paid in connection with the collateral (including dividends) prior to a default.

On April 7, 1995, a certain nonqualified stock option previously granted to Jack E. Golsen (the "NQSO") and under which Jack E. Golsen previously had the right to immediately acquire 165,000 shares of Common Stock, was amended to provide a new vesting schedule. Pursuant to the new vesting schedule contained in the amended NQSO, the amended NQSO covering 165,000 shares vests and becomes exercisable as to 20% on June 1, 1995, an additional 20% on each of June 1, 1996, and June 1, 1997, and the remaining 40% on June 1, 1998. As of the date of this Amendment No. 21, Jack E. Golsen has the right to acquire within 60 days 20% or 33,000 shares under the amended NQSO.

Under the Margin Account Agreement with National Financial Services Corporation ("NFSC"), dated September 9, 1994, GPC has granted NFSC a security interest in 60,600 shares of Common Stock. Under the Margin Account Agreement, NFSC may lend and repledge all such securities, from time to time, in the event the margin account may not meet NFSC's requirements and GPC does not otherwise satisfy such requirements, NFSC may close out the margin account by selling such shares. Jack E. Golsen has granted NFSC a security interest in 60,000 shares of Common Stock, under a Margin Account Agreement with NFSC, dated September 9, 1995, providing substantially the same terms and conditions as set forth above.

Item 7. Materials to be Filed as Exhibits.

1. Client's Agreement between Jack E. Golsen and Paine Webber, Inc., is filed as Exhibit 1 to Amendment No. 5 to the Schedule 13D and is incorporated herein by reference.
2. Powers of Attorney executed by Barry H. Golsen, Steven J. Golsen, and Linda Golsen Rappaport are filed as Exhibit 6 to Amendment No. 3 to the Schedule 13D and are incorporated herein by reference.
3. Agreement of the reporting persons as to joint filing of this Schedule 13D, is filed as Exhibit 7 to Amendment No. 3 to the Schedule No. 13D and is incorporated herein by reference.
4. Convertible Note between the Company and Jack E. Golsen filed as Exhibit (a) to the original Schedule 13D and is incorporated herein by reference.
5. Issuer's Proxy Statement dated July 14, 1986 setting forth the terms of the Company's Series B 12% Cumulative Convertible Preferred Stock is filed as Exhibit 1 to Amendment No. 1 to the Schedule 13D and is incorporated herein by reference.
6. Non-Non-Qualified Stock Option Agreement, dated June 1, 1989, between the Company and Jack E. Golsen, is filed as Exhibit 12 to Amendment No. 8 to the Schedule 13D and is incorporated herein by reference.

7. Stacy L. Rappaport Trust No. J-1, is filed as Exhibit 14 to Amendment No. 13 to the Schedule 13D and is incorporated herein by reference. The Joshua B. Golsen Trust No. J-1, Adam Z. Golsen Trust No. J-1, Amy G. Rappaport Trust No. J-1, Lori R. Rappaport Trust No. J-1 and Michelle L. Golsen Trust No. J-1 are substantially similar to the Stacy L. Rappaport Trust No. J-1, except for the names of the trustees, and copies of the same will be supplied to the Commission upon request.
8. Barry H. Golsen 1992 Trust is filed as Exhibit 15 to Amendment No. 16 to the Schedule 13D and is incorporated herein by reference. The Steven J. Golsen 1992 Trust and Linda F. Rappaport 1992 Trust are substantially similar to the Barry H. Golsen 1992 Trust, and copies of the same will be supplied to the Commission upon request.
9. Agreement of Sylvia H. Golsen as to joint filing of this Schedule 13D is filed as Exhibit 15 to Amendment No. 18 and is incorporated herein by reference.
10. Customer's Agreement between Sylvia H. Golsen and Janney Montgomery Scott Inc., dated August 13, 1993, is filed as Exhibit 12 to Amendment No. 19 and is incorporated herein by reference.
11. Commercial Pledge Agreement, dated August 23, 1994, between CityBank & Trust and Jack E. Golsen is filed as Exhibit 11 to Amendment No. 20 and is incorporated herein by reference.
12. Commercial Pledge Agreement, dated December 5, 1994, between CityBank & Trust and Sylvia H. Golsen.
13. Customer's Agreement between Sylvia H. Golsen and Stifel, Nicolaus & Company, Incorporated, dated March 29, 1995.
14. First Amendment to Non-Qualified Stock Option Agreement, dated March 2, 1994, and Second Amendment to Stock Option Agreement, dated April 3, 1995, each between the Company and Jack E. Golsen.
15. Margin Account Agreement, dated September 9, 1994, between National Financial Services Corporation ("NFSC") and Golsen Petroleum Corporation. The Margin Account Agreement, dated September 9, 1994, between NFSC and Jack E. Golsen is substantially similar to the foregoing Margin Account Agreement, and a copy of the same will be supplied to the Commission upon request.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

DATED: April 12, 1995.

/s/ Jack E. Golsen  
Jack E. Golsen

GOLSEN PETROLEUM CORPORATION

By /s/ Jack E. Golsen  
-----  
Jack E. Golsen, President

/s/ Barry H. Golsen           \*  
-----  
Barry H. Golsen

/s/ Steven J. Golsen           \*  
-----  
Steven J. Golsen

/s/ Linda Golsen Rappaport \*  
-----

Linda Golsen Rappaport

\*Executed by Jack E. Golsen pursuant to  
Power of Attorney

/s/ Jack E. Golsen

-----  
Jack E. Golsen

/s/ Sylvia H. Golsen

-----  
Sylvia H. Golsen

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Principal	Loan Date	Maturity	Loan No.	Call
\$292,500.00	12-05-1994	03-04-1998	40549	220

Collateral	Account	Officer	Initials
20,30	32025	REH	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower:	GOLSEN PETROLEUM CORPORATION P.O. Box 705 Oklahoma City, OK 73101	Lender:	CITYBANK & TRUST City Place Park Avenue and Robinson P. O. Box 24500 Oklahoma City, OK 73124-0500
GRANTOR:	SYLVIA H. GOLSEN P.O. Box 705 Oklahoma City, OK 73101-0705		

THIS COMMERCIAL PLEDGE AGREEMENT is entered into among GOLSEN PETROLEUM CORPORATION (referred to below as "Borrower"); SYLVIA H. GOLSEN (referred to below as "Grantor"); and CITYBANK & TRUST (referred to below as "Lender").

GRANT OF SECURITY INTEREST. For valuable consideration, Grantor grants to Lender a security interest in the Collateral to secure the Indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

DEFINITIONS. The following words shall have the following meanings when used in this Agreement:

Agreement. The word "Agreement" means this Commercial Pledge Agreement, as this Commercial Pledge Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Commercial Pledge Agreement from time to time.

Borrower. The word "Borrower" means each and every person or entity signing the Note, including without limitation GOLSEN PETROLEUM CORPORATION.

Collateral. The word "Collateral" means the following specifically described property, which Grantor has delivered or agrees to deliver (or cause to be delivered or appropriate book-entries made) immediately to Lender, together with all income and Proceeds as described below:

10,000.000 shares of LSB INDUSTRIES, INC. common stock,  
Certificate # OKS 3971 issued in the name of Sylvia H. Golsen,  
Cusip 502160 10 4

10,000.000 shares of LSB INDUSTRIES, INC. common stock,  
Certificate # OKS 3972 issued in the name of Sylvia H. Golsen,  
Cusip 502160 10 4

10,000.000 shares of LSB INDUSTRIES, INC. common stock,  
Certificate # OKS 3973 issued in the name of Sylvia H. Golsen,  
Cusip 502160 10 4

10,000.000 shares of LSB INDUSTRIES, INC. common stock,  
Certificate # OKS 3974 issued in the name of Sylvia H. Golsen,  
Cusip 502160 10 4

10,000.000 shares of LSB INDUSTRIES, INC. common stock,  
Certificate # OKS 3975 issued in the name of Sylvia H. Golsen,  
Cusip 502160 10 4

10,000.000 shares of LSB INDUSTRIES, INC. common stock,  
Certificate # OKS 3976 issued in the name of Sylvia H. Golsen,  
Cusip 502160 10 4

10,000.000 shares of LSB INDUSTRIES, INC. common stock,  
Certificate # OKS 3977 issued in the name of Sylvia H. Golsen,  
Cusip 502160 10 4

10,000.000 shares of LSB INDUSTRIES, INC. common stock,  
Certificate # OKS 3978 issued in the name of Sylvia H. Golsen,  
Cusip 502160 10 4

10,000.000 shares of LSB INDUSTRIES, INC. common stock,

Certificate # OKS 3990 issued in the name of Sylvia H. Golsen,  
Cusip 502160 10 4

10,000.000 shares of LSB INDUSTRIES, INC. common stock,  
Certificate # OKS 3991 issued in the name of Sylvia H. Golsen,  
Cusip 502160 10 4

10,000.000 shares of LSB INDUSTRIES, INC. common stock,  
Certificate # OKS 3992 issued in the name of Sylvia H. Golsen,  
Cusip 502160 10 4

10,000.000 shares of LSB INDUSTRIES, INC. common stock,  
Certificate # OKS 3993 issued in the name of Sylvia H. Golsen,  
Cusip 502160 10 4

10,000.000 shares of LSB INDUSTRIES, INC. common stock,  
Certificate # OKS 3994 issued in the name of Sylvia H. Golsen,  
Cusip 502160 10 4

In addition, the word "Collateral" includes all property of Grantor, in the possession of Lender (or in the possession of a third party subject to the control of Lender), whether now or hereafter existing and whether tangible or intangible in character, including without limitation each of the following:

- (a) All property to which Lender acquires title or documents of title.
- (b) All property assigned to Lender.
- (c) All promissory notes, bills of exchange, stock certificates, bonds, savings passbooks, time certificates of deposit, insurance policies, and all other instruments and evidences of an obligation.
- (d) All records relating to any of the property described in this Collateral section, whether in the form of a writing, microfilm, microfiche, or electronic media.

Event of Default. The words "Event of Default" mean and include without limitation any of the Events of Default set forth below in the section titled "Events of Default".

Grantor. The word "Grantor" means SYLVIA H. GOLSEN. Any Grantor who signs this Agreement, but does not sign the Note, is signing this Agreement only to grant a security interest in Grantor's interest in the Collateral to Lender and is not personally liable under the Note except as otherwise provided by contract or law (e.g., personal liability under a guaranty or as a surety).

Guarantor. The word "Guarantor" means and includes without limitation each and all of the guarantors, sureties, and accommodation parties in connection with the indebtedness.

Income and Proceeds. The words "Income and Proceeds" mean all present and future income, proceeds, earnings, increases, and substitutions from or for the Collateral of every kind and nature, including without limitation all payments, interest, profits, distributions, benefits, rights, options, warrants, dividends, stock dividends, stock splits, stock rights, regulatory dividends, distributions, subscriptions, monies, claims for money due and to become due, proceeds of any insurance on the Collateral, shares of stock of different par value or no par value issued in substitution or exchange for shares included in the Collateral, and all other property Grantor is entitled to receive on account of such Collateral, including accounts, contract rights, documents, instruments, chattel paper, and general intangibles.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note, including all principal and interest, together with all other indebtednesses and costs and expenses for which Borrower or Grantor is responsible under this Agreement or under any of the Related Documents. In addition, the word "Indebtedness" includes all other obligations, debts and liabilities, plus interest thereon, of Borrower, or any one or more of them, to Lender, as well as all claims by Lender against Borrower, or any one or more of them, whether existing now or later; whether they are voluntary or involuntary, due or not due, direct or indirect, absolute or contingent, liquidated or unliquidated; whether Borrower may be liable individually or jointly with others; whether Borrower may be obligated as guarantor, surety, accommodation party or otherwise; whether recovery upon such indebtedness may be or hereafter may become barred by any statute of limitations; and whether such

indebtedness may be or hereafter may become otherwise unenforceable.

Lender. The word "Lender" means CITYBANK & TRUST, its successors and assigns.

Note. The word "Note" means the note or credit agreement dated December 5, 1994, in the principal amount of \$292,500.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of and substitutions for the note or credit agreement.

Obligor. The word "Obligor" means and includes without limitation any and all persons or entities obligated to pay money or to perform some other act under the Collateral.

Related Documents. The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

BORROWER'S WAIVERS AND RESPONSIBILITIES. Except as otherwise required under this Agreement or by applicable law, (a) Borrower agrees that Lender need not tell Borrower about any action or inaction Lender takes in connection with this Agreement; (b) Borrower assumes the responsibility for being and keeping informed about the Collateral; and (c) Borrower waives any defenses that may arise because of any action or inaction of Lender, including without limitation any failure of Lender to realize upon the Collateral or any delay by Lender in realizing upon the Collateral; and Borrower agrees to remain liable under the note no matter what action Lender takes or fails to take under this Agreement.

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that: (a) this Agreement is executed at Borrower's request and not at the request of Lender; (b) Grantor has the full right, power and authority to enter into this Agreement and to pledge the Collateral to Lender; (c) Grantor has established adequate means of obtaining from Borrower on a continuing basis information about Borrower's financial condition; and (d) Lender has made no representation to Grantor about Borrower or Borrower's creditworthiness.

GRANTOR'S WAIVERS. Grantor waives all requirements of presentment, protest, demand, and notice of dishonor or non-payment to Grantor, Borrower, or any other party to the Indebtedness or the Collateral. Lender may do any of the following with respect to any obligation of any Borrower, without first obtaining the consent of Grantor: (a) grant any extension of time for any payment, (b) grant any renewal, (c) permit any modification of payment terms or other terms, or (d) exchange or release any Collateral or other security. No such act or failure to act shall affect Lender's rights against Grantor or the Collateral.

If now or hereafter (a) Borrower shall be or become insolvent, and (b) the Indebtedness shall not at all times until paid be fully secured by collateral pledged by Borrower, Grantor hereby forever waives and relinquishes in favor of Lender and Borrower, and their respective successors, any claim or right to payment Grantor may now have or hereafter have or acquire against Borrower, by subrogation or otherwise, so that at no time shall Grantor be or become a "creditor" of Borrower within the meaning of 11 U.S.C. section 547(b), or any successor provision of the Federal bankruptcy laws.

RIGHT OF SETOFF. Grantor hereby grants Lender a contractual possessory security interest in and hereby assigns, conveys, delivers, pledges, and transfers all of grantor's right, title and interest in and to Grantor's accounts with Lender (whether checking, savings, or some other account), including all accounts held jointly with someone else and all accounts Grantor may open in the future, excluding however all IRA, Keogh, and trust accounts. Grantor authorizes Lender, to the extent permitted by applicable law, to charge or setoff all Indebtedness against any and all such accounts.

GRANTOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COLLATERAL. Grantor represents and warrants to Lender that:

Ownership. Grantor is the lawful owner of the Collateral free and clear of all security interests, liens, encumbrances and claims of others except as disclosed to and accepted by Lender in writing prior to execution of this Agreement.

Right to Pledge. Grantor has the full right, power and authority to enter into this Agreement and to pledge the Collateral.

Binding Effect. This Agreement is binding upon Grantor, as well as

Grantor's heirs, successors, representatives, and assigns, and is legally enforceable in accordance with its terms.

No Further Assignment. Grantor has not, and will not, sell, assign, transfer, encumber or otherwise dispose of any of Grantor's rights in the Collateral except as provided in this Agreement.

No Defaults. There are no defaults existing under the Collateral, and there are no offsets or counterclaims to the same. Grantor will strictly and promptly perform each of the terms, conditions, covenants and agreements contained in the Collateral which are to be performed by Grantor, if any.

No Violation. The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party.

LENDER'S RIGHTS AND OBLIGATIONS WITH RESPECT TO COLLATERAL. Lender may hold the Collateral until all the Indebtedness has been paid and satisfied and thereafter may deliver the Collateral to any Grantor. Lender shall have the following rights in addition to all other rights it may have by law:

Maintenance and Protection of Collateral. Lender may, but shall not be obligated to, take such steps as it deems necessary or desirable to protect, maintain, insure, store, or care for the Collateral, including payment of any liens or claims against the Collateral. Lender may charge any cost incurred in so doing to Grantor.

Income and Proceeds from the Collateral. Lender may receive all Income and Proceeds and add it to the Collateral. Grantor agrees to deliver to Lender immediately upon receipt, in the exact form received and without commingling with other property, all Income and Proceeds from the Collateral which may be received by, paid, or delivered to Grantor or for Grantor's account, whether as an addition to, in discharge of, in substitution of, or in exchange for any of the Collateral.

Application of Cash. At Lender's option, Lender may apply any cash, whether included in the Collateral or received as Income and Proceeds or through liquidation, sale, or retirement, of the collateral, to the satisfaction of the Indebtedness or such portion thereof as Lender shall choose, whether or not matured.

Transactions with Others. Lender may (a) extend time for payment or other performance, (b) grant a renewal or change in terms or conditions, or (c) compromise, compound or release any obligation, with any one or more Obligors, endorsers, or Guarantors of the Indebtedness as Lender deems advisable, without obtaining the prior written consent of Grantor, and no such act or failure to act shall affect Lender's rights against Grantor or the Collateral.

All Collateral Secures Indebtedness. All Collateral shall be security for the Indebtedness, whether the Collateral is located at one or more offices or branches of Lender and whether or not the office or branch where the Indebtedness is created is aware of or relies upon the Collateral. In the event Grantor comes into the possession of any Collateral, Grantor will deliver it immediately to Lender.

Collection of Collateral. Lender, at Lender's option may, but need not, collect directly from the Obligors on any of the Collateral all Income and Proceeds or other sums of money and other property, due and to become due under the Collateral, and Grantor authorizes and directs the Obligors, if Lender exercises such option, to pay and deliver to Lender all Income and Proceeds and other sums of money and other property payable by the terms of the Collateral and to accept Lender's receipt for the payments.

Power of Attorney. Grantor irrevocably appoints Lender as Grantor's attorney-in-fact, with full power of substitution, (a) to demand, collect, receive, receipt for, sue and recover all Income and Proceeds and other sums of money and other property which may now or hereafter become due, owing or payable from the Obligors in accordance with the terms of the Collateral; (b) to execute, sign and endorse any and all instruments, receipts, checks, drafts and warrants issued in payment for the Collateral; (c) to settle or compromise any and all claims arising under the Collateral, and in the place and stead of Grantor, execute and deliver Grantor's release and acquittance for Grantor; (d) to file any claim or claims or to take any action or to institute or take part in any proceedings, either in Lender's own name or in the name of Grantor, or otherwise, which in the discretion of Lender may seem to be necessary or advisable; and (e) to execute in Grantor's name and to deliver to the Obligors on Grantor's behalf, at the time and in the manner specified by



the Collateral, any necessary instruments or documents.

Perfection of Security Interest. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral. If the Collateral consists of securities for which no certificate has been issued, Grantor agrees, at Lender's option, either to request issuance of an appropriate certificate or to execute appropriate instructions on Lender's forms instructing the Issuer, transfer agent, mutual fund company, or broker, as the case may be, to record on its books or records, by book-entry or otherwise, Lender's security interest in the Collateral. Grantor hereby appoints Lender as Grantor's irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect or to continue the security interest granted in this Agreement. This is a continuing Security Agreement and will continue in effect even though all or any part of the Indebtedness is paid in full and even though for a period of time Borrower may not be indebted to Lender.

EXPENDITURES BY LENDER. If not discharged or paid when due, Lender may (but shall not be obligated to) discharge or pay any amounts required to be discharged or paid by Grantor under this Agreement, including without limitation all taxes, liens, security interests, encumbrances, and other claims, at any time levied or placed on the Collateral. Lender also may (but shall not be obligated to) pay all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by the Grantor. All such expenses shall become a part of the Indebtedness and, at Lender's option, will (a) be payable on demand, (b) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (i) the term of any applicable insurance policy or (ii) the remaining term of the Note, or (c) be treated as a balloon payment which will be due and payable at the Note's maturity. This Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon the occurrence of an Event of Default.

LIMITATIONS ON OBLIGATIONS OF LENDER. Lender shall use ordinary reasonable care in the physical preservation and custody of the Collateral in Lender's possession, but shall have no other obligation to protect the Collateral or its value. In particular, but without limitation, Lender shall have no responsibility for (a) any depreciation in value of the Collateral or for the collection or protection of any Income and Proceeds from the Collateral, (b) preservation of rights against parties to the Collateral or against third persons, (c) ascertaining any maturities, calls, conversions, exchanges, offers, tenders, or similar matters relating to any of the Collateral, or (d) informing Grantor about any of the above, whether or not Lender has or is deemed to have knowledge of such matters. Except as provided above, Lender shall have no liability for depreciation or deterioration of the Collateral.

EVENTS OF DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Default on Indebtedness. Failure of Borrower to make any payment when due on the Indebtedness.

Other Defaults. Failure of Borrower or Grantor to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or failure of Borrower to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Insolvency. The dissolution or termination of Borrower or Grantor's existence as a going business, the insolvency of Borrower or Grantor, the appointment of a receiver for any part of Borrower or Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or Grantor or by any governmental agency against the Collateral or any other collateral securing the Indebtedness. This includes a garnishment of any of Borrower or Grantor's deposit accounts with Lender.

Deterioration of Collateral Value. The market value of the Collateral falls below a margin of 50%, and Borrower or Grantor does not, by the close of business on the next business day after Lender has sent written notice to Borrower or Grantor of the deterioration, either (a) reduce the amount of the Indebtedness to the amount required by Lender or (b)

increase the cash value of Collateral to the amount required by Lender by lodging with Lender additional collateral security acceptable to Lender.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or such Guarantor dies or becomes incompetent.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Agreement, at any time thereafter, Lender may exercise any one or more of the following rights and remedies:

Accelerate Indebtedness. Declare all Indebtedness, including any prepayment penalty which Borrower would be required to pay, immediately due and payable, without notice of any kind to Borrower or Grantor.

Collect the Collateral. Collect any of the Collateral and, at Lender's option and to the extent permitted by applicable law, retain possession of the Collateral while suing on the indebtedness.

Sell the Collateral. Sell the Collateral, at Lender's discretion, as a unit or in parcels, at one or more public or private sales. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender shall give or mail to Grantor, or any of them, notice at least ten (10) days in advance of the time and place of any public sale, or of the date after which any private sale may be made. Grantor agrees that any requirement of reasonable notice is satisfied if Lender mails notice by ordinary mail addressed to Grantor, or any of them, at the last address Grantor has given Lender in writing. If a public sale is held, there shall be sufficient compliance with all requirements of notice to the public by a single publication in any newspaper of general circulation in the county where the Collateral is located, setting forth the time and place of sale and a brief description of the property to be sold. Lender may be a purchaser at any public sale.

Register Securities. Register any securities included in the Collateral in Lender's name and exercise any rights normally incident to the ownership of securities.

Sell Securities. Sell any securities included in the Collateral in a manner consistent with applicable federal and state securities laws, notwithstanding any other provision of this or any other agreement. If, because of restrictions under such laws, Lender is or believes it is unable to sell the securities in an open market transaction, Grantor agrees that Lender shall have no obligation to delay sale until the securities can be registered, and may make a private sale to one or more persons or to a restricted group of persons, even though such sale may result in a price that is less favorable than might be obtained in an open market transaction, and such a sale shall be considered commercially reasonable. If any securities held as collateral are "restricted securities" as defined in the Rules of the Securities and Exchange Commission (such as Regulation D or rule 144) or state securities departments under state "Blue Sky" laws, or if Borrower or Grantor is an affiliate of the issuer of the securities, Borrower and Grantor agree that neither Borrower nor any member of Borrower's family and neither Grantor nor any member of Grantor's family will sell or dispose of any securities of such issuer without obtaining Lender's prior written consent.

Foreclosure. Maintain a judicial suit for foreclosure and sale of the Collateral.

Transfer Title. Effect transfer of title upon sale of all or part of the Collateral. For this purpose, Grantor irrevocably appoints Lender as its attorney-in-fact to execute endorsements, assignments and instruments in the name of Grantor and each of them (if more than one) as shall be necessary or reasonable.

Other Rights and Remedies. Have and exercise any or all of the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, at law, in equity, or otherwise.

Application of Proceeds. Apply any cash which is part of the Collateral, or which is received from the collection or sale of the Collateral, to reimbursement of any expenses, including any costs for registration of securities, commissions incurred in connection with a sale, attorney fees as provided below, and court costs, whether or not there is a lawsuit and including any fees on appeal, incurred by Lender in connection with the collection and sale of such Collateral and to the payment of the Indebtedness of Borrower to Lender, with any excess funds

to be paid to Grantor as the interests of Grantor may appear. Borrower agrees, to the extent permitted by law, to pay any deficiency after application of the proceeds of the Collateral to the Indebtedness.

Cumulative Remedies. All of Lender's rights and remedies, whether evidenced by this Agreement or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and to exercise its remedies.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Applicable Law. This Agreement has been delivered to Lender and accepted by Lender in the State of Oklahoma. If there is a lawsuit, Borrower and Grantor agree upon Lender's request to submit to the jurisdiction of the courts of Oklahoma County, the State of Oklahoma. This Agreement shall be governed by and construed in accordance with the laws of the State of Oklahoma.

Attorneys' Fees; Expenses. Borrower and Grantor agree to pay upon demand all of Lender's costs and expenses, including attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may pay someone else to help enforce this Agreement, and Borrower and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (and including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Borrower and Grantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Multiple Parties; Corporate Authority. All obligations of Borrower and Grantor under this Agreement shall be joint and several, and all references to Borrower shall mean each and every Borrower, and all references to Grantor shall mean each and every Grantor. This means that each of the persons signing below is responsible for all obligations in this Agreement.

Notices. All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or when deposited with a nationally recognized overnight courier or deposited in the United States mail, first class, postage-prepaid, addressed to the party to whom the notice is to be given at the address shown above. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. To the extent permitted by applicable law, if there is more than one Grantor, notice to any Borrower or Grantor will constitute notice to all Borrowers and Grantors. For notice purposes, Borrower or Grantor agrees to keep Lender informed at all times of Borrower or Grantor's current address(es).

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other person or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

Successor Interests. Subject to the limitations set forth above on transfer of the Collateral, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waiver. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

BORROWER AND GRANTOR ACKNOWLEDGE HAVING READ ALL THE PROVISIONS OF THIS PLEDGE AGREEMENT, AND BORROWER AND GRANTOR AGREE TO ITS TERMS. THIS AGREEMENT IS DATED DECEMBER 5, 1994.

BORROWER:

GOLSEN PETROLEUM CORPORATION

By /s/ Jack E. Golsen

\_\_\_\_\_  
JACK E. GOLSEN, President

GRANTOR:

X /s/ Sylvia H. Golsen

\_\_\_\_\_  
SYLVIA H. GOLSEN

\_\_\_\_\_  
LASER PRO, Reg. U.S. Pat. & T.M. Off., Ver. 3.19 (c) 1994 CFI ProServices, Inc.  
All rights reserved. [OK-E60 GOLSENPC.LN]

To: STIFEL, NICOLAUS & COMPANY, INCORPORATED  
(Hereinafter referred to as "You" or "Your")

In consideration of your accepting or continuing one or more accounts of the undersigned (whether designated by name, number or otherwise) and your agreeing to act as brokers for the undersigned in respect to all accounts, the purchase or sale of securities or commodities or put and/or call options and whether upon margin or otherwise in which the undersigned now has or may at any future time have with you or your successor, including accounts from time to time closed and reopened, the undersigned agrees as follows:

1. All transactions under this agreement shall be subject to the constitution, rules, regulations, customs and usages of the exchange or market, and its clearing house, if any, where the transactions are executed by you or your agents and, where applicable, to the provisions of the Securities Exchange Act of 1934, the Commodities Exchange Act, and present and future acts amendatory thereof, and supplemental thereto, and the rules and regulations of the United States Securities and Exchange Commission, the Board of Governors of the Federal Reserve System and of the Commodity Futures Trading Commission.

2. Whenever any statute shall be enacted which shall affect in any manner or be inconsistent with any of the provisions hereof, or whenever any rule or regulation shall be prescribed or promulgated by the New York Stock Exchange, Inc., the National Association of Securities, Dealers, Inc., the United States Securities and Exchange Commission, the Board of Governors of the Federal Reserve System, and/or the Commodity Futures Trading Commission or such other securities, commodities, or option exchange or market as shall have jurisdiction in the premises which shall affect in any manner or be inconsistent with any of the provisions hereof, the provisions of this agreement so affected shall be deemed modified or superseded, as the case may be, by such statute, rule or regulation, and all other provisions of the agreement and the provisions as so modified or superseded, shall in all respects continue to be in full force and effect.

3. Except as herein otherwise expressly provided, no provision of this agreement shall in any respect be waived, altered, modified or amended unless such waiver, alteration, modification or amendment be committed to writing and signed by the Compliance Director or Treasurer of your organization.

4. All monies, securities, commodities or other property which you may at any time be carrying for the undersigned (either individually or jointly with others) or which may at any time be in your possession for any purpose, including safekeeping, shall be subject to a general lien for the discharge of all obligations of the undersigned to you, irrespective of whether or not you have made advances in connection with such securities, commodities or other property, and irrespective of the number of accounts the undersigned may have with you, with the right (where permitted by law) on your part to transfer money or securities from any of my accounts (except from Regulated Commodity Accounts) to another when in your judgment such transfer may be necessary.

5. All securities and commodities or any other property, now or hereafter held by you, or carried by you for the undersigned (either individually or jointly with others) or deposited to secure the same, may from time to time and without notice to me, be carried to your general loans and may be pledged, repledged, hypothecated or re-hypothecated, separately or in common with other securities and commodities or any other property, for the sum due to you thereon or for a greater sum as permitted by regulation, and without retaining in your possession and control for delivery a like amount of similar securities or commodities.

6. Interest on debit balances shall be charged in accordance with your interest computation schedules provided under Rule 10b-16 of the Securities Exchange Act of 1934. All monies which the undersigned owes to you at any time shall be repayable to you at your principal office in the City of St. Louis. You may also charge my account with such usual and customary charges as you may make to cover your services and facilities. The undersigned agrees to pay you upon demand the reasonable costs and expenses of collection of the debit balance and any unpaid deficiency in the accounts of the undersigned (either individually or jointly with others) with you, including, but not limited to attorney's fees, incurred and payable or paid by you.

The customer should clearly understand that, notwithstanding a general policy of giving customers notice of a margin deficiency, the broker is not obligated to request additional margin from the customer in the event the customer's account falls below minimum maintenance requirements. More importantly, there will be circumstances where the broker will liquidate securities and/or other property in the account without notice to the customer to ensure that minimum maintenance requirements are satisfied.

7. You shall have the right, in accordance with your general policies regarding margin maintenance requirements, to require additional collateral or the liquidation of any securities and other property whenever, in your discretion, you consider it necessary for your protection including, but not limited to, the following events: the failure of the undersigned to promptly meet any call for additional collateral; the filing of a petition in bankruptcy by or against the undersigned; the levying of an attachment against any account of the undersigned or in which the undersigned has an interest or; the death of the undersigned. In such event, you are authorized to sell any and all securities and other property in any account of the undersigned, whether carried individually or jointly with others, to buy all securities or other property which may be short in such account(s), to cancel any open orders and to close any or all outstanding contracts, all without demand for margin or additional margin, other notice of sale or purchase, or other notice or advertisement each of which is expressly waived by the undersigned. Any such sales or purchases may be made at your discretion on any exchange or other market where such business is usually transacted or at public auction or private sale, and you may be the purchaser for your own account. It is understood that a prior demand, or call, or prior notice of the time and place of such sale or purchase shall not be considered a waiver of your right to sell or buy without demand or notice as herein provided.

8. The undersigned will at all times maintain margins for said accounts, as required by you from time to time. No arrangement conflicting with your usual requirements for margin shall be binding upon you or have any effect unless expressly agreed to in writing and signed by your Compliance Director or Treasurer.

9. The undersigned undertakes, at any time upon demand, to discharge obligations of the undersigned to you or, in the event of a closing of any account of the undersigned in whole or in part, to pay you the deficiency, if any and no oral agreement or instructions to the contrary shall be recognized or enforceable.

10. In case of the sale of any security, commodity, or other property by you at the direction of the undersigned and your inability to deliver the same to the purchaser by reason of failure of the undersigned to supply you therewith, then and in such event, the undersigned authorizes you to borrow any security, commodity, or other property necessary to make delivery thereof, and the undersigned hereby agrees to be responsible for any loss which you may sustain thereby and any premiums which you may be required to pay thereon, and for any loss which you may sustain by reason of your inability to borrow the security, commodity, or other property sold.

11. The undersigned understands and agrees that any order to sell "short" will be designated as such by the undersigned and hereby authorizes you to mark such order as being "short". All other sell orders will be for securities owned ("long"), at that time, by the undersigned and by placing the order the undersigned affirms that he will deliver the securities on or before the settlement date.

12. In all transactions between you and the undersigned, the undersigned understands that you are acting as the brokers for the undersigned, except when you disclose to the undersigned, in writing at or before the completion of a particular transaction, that you are acting, with respect to such transaction, as dealers for your own account or as brokers for some other person.

13. Reports of the execution of orders and statements of the accounts of the undersigned shall be conclusive if not objected to in writing, the former within two days, and the latter within ten days, after forwarding by you to the undersigned by mail or otherwise.

14. Communications may be sent to the undersigned at the address given by the undersigned upon opening an account, or at such other address as the undersigned may hereafter give you in writing, and all communications so sent, whether by mail, telegraph, messenger or otherwise, shall be deemed given to the undersigned personally, whether actually received or not.

15. You will not be responsible for delays in the transmission of orders due to breakdown or failure of transmission or communication facilities or to any other cause or causes beyond your reasonable control or

anticipation.

16. You are authorized to hold securities of the undersigned in your name on behalf of the undersigned's account ("in street name"), and the undersigned understands and agrees that this arrangement is a service to the undersigned and does not establish a fiduciary relationship. The undersigned holds you free and harmless for any and all failure to notify the undersigned of any information and/or notices brought to your attention as nominee.

17. The undersigned understands that under Rule 14b-1(c) of the Securities Exchange Act, you are required to disclose to an issuer the name, address, and securities position of your customers who are beneficial owners of that issuer's securities, unless the customer objects, and so the undersigned (either individually or jointly with others) hereby does not object to your disclosure of such information, unless the undersigned has otherwise objected to the same in writing.

18. Until you receive written notice of revocation from the undersigned, you are hereby authorized to lend, to yourselves as brokers or to others, any securities held by you on margin for the account of, or under the control of, the undersigned.

19. This agreement and its enforcement shall be governed by the laws of the State of Missouri and its provisions shall be continuous; shall cover individually and collectively all accounts which the undersigned may open or re-open with you, and shall inure to the benefit of your present organization, and any successor organization, irrespective of any change or changes at any time in the personnel thereof, for any cause whatsoever, and of the assigns of your present organization or any successor organization, and shall be binding upon the undersigned, and/or the estate, executors, administrators and assigns of the undersigned. The invalidity, illegality or unenforceability of any particular provision of this agreement shall not affect the other provisions hereof, and this agreement shall be construed in all respects as if such invalid, illegal or unenforceable provisions were omitted.

20. The undersigned, if an individual, represents that the undersigned is of legal age, and represents that the undersigned is not an employee of any exchange, or of any corporation of which any exchange owns a majority of the capital stock, or of a member of any exchange, or of a member firm or member corporation registered on any exchange, or of a bank, trust company, insurance company or of any corporation, firm or individual engaged in the business of dealing, either as broker or as principal, in securities, bills of exchange, acceptances or other forms of commercial paper, and that the undersigned will promptly notify you if the undersigned becomes so employed. The undersigned further represents that no one except the undersigned has an interest in the account or accounts of the undersigned with you.

#### ARBITRATION DISCLOSURES

- (X) Arbitration is final and binding on the parties.
- (X) The parties are waiving their right to seek remedies in court, including the right to jury trial.
- (X) Pre-arbitration discovery is generally more limited than and different from court proceedings.
- (X) The arbitrators' award is not required to include factual findings or legal reasoning and any party's right to appeal or to seek modification of rulings by the arbitrators is strictly limited.
- (X) The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.

21. Arbitration: The undersigned agrees, and by carrying an account for the undersigned you agree that all controversies which may arise between us concerning any transaction or the construction, performance, or breach of this or any other agreement between us, whether entered into prior, on or subsequent to the date hereof, shall be determined by arbitration. Any arbitration under this agreement shall be determined pursuant to the arbitration laws of the State of Missouri, before the New York Stock Exchange, Inc. or arbitration facility provided by any other exchange of which you are a member or the National Association of Securities Dealers, Inc. and in accordance with its rules then obtaining. The undersigned may elect in the first instance whether arbitration shall be by the New York Stock Exchange Inc. or other exchange or market facility of which you are a member or the National Association of Securities Dealers, Inc., but if the undersigned fails

to make such election, by registered letter or telegram addressed to you at your main office, before the expiration of five days after receipt of a written request from you to make such election, then you may make such election. The award of the arbitrators, or of the majority of them, shall be final, and judgment upon the award rendered may be entered in any court, state or federal, having jurisdiction. No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.

22. This instrument sets forth the entire agreement with respect to any and all of the accounts of the undersigned with you, and supersedes any and all prior and/or contemporaneous agreements as well as all other agreements which exist between the undersigned and you to the extent that there is any conflict in those instruments.

BY SIGNING THIS AGREEMENT THE UNDERSIGNED ACKNOWLEDGES THAT:

- 1. The securities in the margin account of the undersigned may be loaned to you or loaned out to others and;
- 2. The undersigned has received a copy of this agreement.

( ) THIS AGREEMENT CONTAINS A PRE-DISPUTE ARBITRATION CLAUSE AT PARAGRAPH 21 ON THIS PAGE.

DATE March 29, 1995

X \_\_\_\_\_  
SIGNATURE OF CUSTOMER

ADDRESS P. O. Box 705

/s/ Sylvia H. Golsen

\_\_\_\_\_  
(IF THIS IS A JOINT ACCOUNT,  
ALL PERSONS MUST SIGN)

Oklahoma City, OK 73101-0705

/p/ Sylvia H. Golsen

\_\_\_\_\_  
(CITY) (STATE)

\_\_\_\_\_  
(PLEASE PRINT NAME)

WHITE COPY - ST. LOUIS FILE COPY YELLOW COPY - CUSTOMER COPY

AS 103 REV. 8/93  
SN-579



EXTENSION OF NON-QUALIFIED STOCK OPTION AGREEMENT  
BETWEEN LSB INDUSTRIES, INC. AND JACK E. GOLSEN

---

Pursuant to the authorization of the LSB Industries, Inc. Board of Directors at a meeting held on February 10, 1994, the Non-Qualified Stock Option Agreement originally made the 1st day of June 1989 between LSB Industries, Inc. and Jack E. Golsen (the "Agreement") is hereby amended as set forth below. This amendment shall be effective immediately upon execution by the parties.

1. The last sentence of Section 1. of the Agreement is amended to read:

The Board of Directors of the Company originally adopted and granted this option on June 1, 1989 and extends this option on February 10, 1994 for an additional five (5) year period beginning on June 1, 1994 and terminating on June 1, 1999.

2. Section 3. of the Agreement is amended to read:

Grant of Option and Option Price. Subject to the terms and conditions hereof, the Company hereby grants to Optionee as of the close of business on the first day of June, 1989 through June 1, 1994 and the Company hereby extends the option effective June 1, 1994 through June 1, 1999, the right, privilege and option to purchase 165,000 shares of the Company's common stock, par value \$.10, at an option price of \$2.6256 shares.

3. Section 6.(b) is hereby amended to read as follows:

(b) on June 1, 1999.

Except as amended hereby the terms and conditions of the Agreement, attached hereto as Exhibit 1, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereunto have caused this Agreement to be executed this 2nd day of March, 1994.

LSB Industries, Inc.

By: /s/ Tony M. Shelby

\_\_\_\_\_  
Tony M. Shelby  
Senior Vice President

Attest:

/s/David Shear

\_\_\_\_\_  
Secretary

"OPTIONEE"

/s/ Jack E. Golsen

\_\_\_\_\_  
Jack E. Golsen

AMENDMENT TO NON-QUALIFIED STOCK OPTION AGREEMENT  
BETWEEN LSB INDUSTRIES, INC. AND JACK E. GOLSEN

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Pursuant to the authorization of the LSB Industries, Inc. ("LSB") Board of Directors, as set forth in a unanimous consent by the Board of Directors of LSB dated April 3, 1995, the Non-Qualified Stock Option Agreement originally made the 1st day of June, 1989 between LSB Industries, Inc. and Jack E. Golsen (the "Agreement") is hereby amended as set forth below. This amendment shall be effective immediately upon execution by the parties.

1. Section 4. of the Agreement is amended to read:

Time of Exercise of Option.

(a) If this Option Agreement has not been terminated pursuant to Section 6 hereof, subject to the terms and conditions contained herein, the option herein granted may be exercised by Optionee, in whole or in part, in the following manner during a four (4) year period commencing on June 1, 1995, unless waived by the Board of Directors of the Company or a Committee thereof: For three (3) calendar years, commencing on June 1, 1995, there shall be a limit on the number of shares covered by this Option that may be exercised, in whole or in part, by the Optionee in a calendar year to Thirty Three Thousand (33,000) shares or twenty percent (20%) of the total number of option shares and for the fourth (4th) calendar year, commencing on June 1, 1998, the number of shares that may be exercised, in whole or in part, by the Optionee shall be Sixty-Six Thousand (66,000) shares or forty percent (40%) of the total number of option shares; provided however, that the right to exercise the option shall be cumulative.

(b) Upon the death of Optionee or a change in control of the Company, this Option shall become immediately exercisable in full, notwithstanding the four (4) year vesting schedule provided herein. A "change in control" shall be deemed to have occurred upon any of the following events: (i) consummation of any of the following transactions: any merger, recapitalization, or other business combination of the Company pursuant to which the Company is the non-surviving corporation, unless the majority of the holders of Common Stock immediately prior to such transaction will own at least fifty percent (50%) of the total voting power of the then outstanding securities of the surviving corporation immediately after such transaction; (ii) a transaction in which any person, corporation or other entity (A) shall purchase any Common Stock pursuant to a tender offer or exchange offer, without the prior consent of the Board of Directors or (B) shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended) of securities of the Company representing fifty percent (50%) or more of the total voting power of the then outstanding securities of the Company; or (iii) if, during any period of two (2) consecutive years, individuals who, at the beginning of such period, constituted the entire Board of Directors and any new director whose election by the Board of Directors, or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election by the stockholders was previously so approved, cease for any reason to constitute a majority thereof.

(c) The Board of Directors may, in its sole discretion, accelerate the vesting of all or any part of this Option and/or waive any limitations or restrictions, if any, for all or any part of this Option.

Except as amended hereby the terms and conditions of the Agreement and amendments thereto, attached hereto as Exhibit 1, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereunto have caused this Agreement to be executed this 7th day of April, 1995.

LSB Industries, Inc.

By: /s/ Tony M. Shelby

\_\_\_\_\_  
Tony M. Shelby  
Senior Vice President

Attest:

/s/ David Shear

\_\_\_\_\_  
Secretary

"OPTIONEE"

/s/ Jack E. Golsen

\_\_\_\_\_  
Jack E. Golsen

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National Financial Services Corporation ("NFSC" or "you").

1. I agree as follows with respect to all of my accounts in which I have an interest alone or with others, which I have opened or will open in the future, with you for the purchase and sale of securities. I hereby acknowledge that I have read, understand and agree to the terms set forth below. Upon acceptance of my application(s), I understand NFSC will maintain an account for me and, as my broker, buy or sell securities and other products according to my instructions. All decisions relating to my investment or trading activity shall be made by me or my duly authorized representative. Any information I give NFSC on this account agreement will be subject to verification, and I authorize you to obtain a credit report about me at any time. Upon written request, NFSC will provide the name and address of the credit reporting agency used. I authorize NFSC, and my Broker/Dealer to exchange credit information about me. My Broker/Dealer also may tape record conversations with me in order to verify data concerning any transactions I request, and I consent to such recording. I also understand that my account(s) is carried by National Financial Services Corporation (NFSC), and that all terms of this agreement also apply between me and NFSC. I have carefully examined financial resources, investment objectives, tolerance for risk along with the terms of the margin agreement, and have determined that margin financing is appropriate for me. I understand that investing on margin involves the extension of credit to me and that my financial exposure could exceed the value of my securities.

2. I am of legal age in the state in which I reside and represent that, except as otherwise disclosed to you in writing, I am not an employee of any Exchange or of a Member Firm of any Exchange or the NASD, or of a bank, trust company, or insurance company and that I will promptly notify you if I become so employed.

3. All transactions through NFSC are subject to the constitution, rules, regulations, customs, and usages of the exchange, market or clearing house where executed, as well as to any applicable federal or state laws, rules and regulations.

4. Any and all credit balances, securities, or contracts relating thereto, and all other property of whatsoever kind belonging to me or in which I may have an interest held by you or carried for my accounts will be subject to a general lien for the discharge of my obligations to you (including unmatured and contingent obligations) however arising and without regard to whether or not you have made advances with respect to such property and without notice to me may be carried in your general loans and all securities may be pledged, repledged, hypothecated or rehypothecated, separately or in common with other securities and any other property, for the sum due to you thereon or for a greater sum and without retaining in your possession and control for delivery a like amount of similar securities or other property. At any time and from time to time you may, in your discretion, without notice to me, apply and/or transfer any securities, contracts relating thereto, cash or any other property therein, interchangeably between any of my accounts, whether individual or joint from any of my accounts to any account guaranteed by me. You are specifically authorized to transfer to my cash account, on the settlement day following a purchase made in that account, excess funds available in any of my other accounts, including but not limited to any free balances in any margin account, sufficient to make full payment of this cash purchase. I agree that any debt occurring in any of my accounts may be transferred by you at your option to my margin account.

5. I will maintain such margins as you may in your discretion require from time to time and will pay on demand any debit balance owing with respect to any of my accounts. I will be liable to you for any deficiencies in such account in the event of the liquidation of such accounts, in whole or in part, by you or the undersigned. Whenever in your discretion you deem it desirable to your protection (and without the necessity of margin call), including but not limited to extreme market volatility or trading volumes, an instance where a petition in bankruptcy or for the appointment of a receiver is filed by or against me, or an attachment levied against my account, or in the event of notice of my death or incapacity, or in compliance with the orders of any Exchange, you may, without prior demand, tender, and without any notice of the time or place of sale, all of which are expressly waived, sell any or all securities, or contracts relating thereto which may be in your possession, or which you may be carrying for me, or buy any securities, or contracts relating thereto which my account or accounts may be short, in order to close out in whole or in part any commitment in my behalf or you may place stop orders with respect to such securities and such sale or purchase may be made at your discretion on any Exchange or other market where such business is then transacted, or at public auction or private sale, with or without advertising and neither any demands, calls, tenders or notices which you may

make or give in any one or more instances nor any prior course of conduct or dealings between us shall invalidate the aforesaid waivers on my part. You shall have the right to purchase for your own account any or all of the aforesaid property at such sale, discharged of any right of redemption which is hereby waived. I understand that my financial exposure could exceed the value of securities in my account.

6. In the absence of a specific demand, all transactions in any of my accounts are to be paid for, securities delivered or required margin deposited, no later than 2 p.m. Eastern Time on the settlement date. NFSC reserves the right to cancel or liquidate at my risk any transaction not timely settled. Margin calls are due on the date indicated regardless of the settlement date of the transaction. For most stocks and bonds, the settlement date is the fifth business day following the trade date. Settlement dates for U.S. government issues vary. Options settle on the next business day. Interest will be charged on any debit balance which remains in my account past the settlement date as explained in the Disclosure of Credit Terms section of this Agreement.

7. I agree to be charged interest on any credit extended to or maintained for me by you for the purpose of purchasing, carrying or trading in any security. The annual rate of interest which will be charged on net debit balances will be calculated by means of a formula based on the rate for brokers' call money published in financial sections of newspapers. The annual rate of interest is subject to change without prior notice in accordance with changes in the brokers' call money rate. With the exception of a credit balance in the short account, all other credit balances in all cash and margin accounts are combined and interest is charged to the margin account on any resulting debit balance. Interest is computed monthly on the net debit balances during the month. If during the month, there is a change in interest rates, separate charges will be shown for each interest period under the different rate. The combining of balances, as well as the actual interest calculations, are done by computer, but interest is arrived at by multiplying the net debit balance by the effective rate of interest divided by 360, times the number of days. In the event there is a decline in the market value of the securities in the margin account, you may have to request additional collateral. Generally, such a request for additional collateral will be made by you when the equity in the account falls below 30%. However, you retain the right to require additional margin at any time you deem it necessary or advisable. Any such call for additional collateral may be met by delivery of additional marginable securities or cash. Any securities in any of the accounts of the undersigned are collateral for any debit balances in the account with you. A lien is created by these debits to secure the amount of money owed you. This means that, in accordance with the terms of this agreement, securities in the said accounts can be sold by you to redeem or liquidate any debit balances in these accounts.

8. I agree that, in giving orders to sell, all "short" sale orders will be designated as "short" and all "long" sale orders will be designated as "long" and that the designation of a sell order as "long" is a representation on my part that I own the security, and unless otherwise waived by you in your discretion that I have delivered such security to you.

9. Reports of the execution of orders and statements of my account shall be conclusive if not objected to in writing within five days and ten days, respectively, after transmittal to me by mail or otherwise.

10. All communications including margin calls may be sent to me at my address given you, or at such other address as I may hereafter give you in writing, and all communications so sent, whether in writing or otherwise, shall be deemed given to me personally, whether actually received or not.

11. I am liable for payment upon demand of any debit balance or other obligation owed in any of my accounts or any deficiencies following a whole or partial liquidation, and I agree to satisfy any such demand or obligation. Interest will accrue on any such deficiency at prevailing margin rates until paid. I agree to reimburse NFSC for all reasonable costs and expenses incurred in the collection of any debit balance or unpaid deficiency in any of my accounts, including, but not limited to, attorneys' fees.

12. NFSC is not liable for any losses caused directly or indirectly by government restrictions, exchange or market rulings, suspension of trading or other conditions beyond its control, including, but not limited to, extreme market volatility or trading volumes.

13. No waiver of any provision of this Agreement shall be deemed a waiver of any other provision, nor a continuing waiver of the provision or provisions so waived.

14. I understand that no provision of this Agreement can be amended or waived except by an officer of your Company, and that this Agreement shall

continue in force until its termination by me is acknowledged in writing by an officer of your Company; or until written notice of termination by you shall have been mailed to me at my address last given you.

15. This contract shall be governed by the laws of the Commonwealth of Massachusetts, and shall inure to the benefit of your successors and assigns, and shall be binding on the undersigned, his heirs, executors, administrators, successors, and assigns.

16. If any provision hereof is or at any time should become inconsistent with any present or future law, rule or regulation of any securities exchange, or of any sovereign government or a regulatory body thereof and of these bodies have jurisdiction over the subject matter of this Agreement, said provision shall be deemed to be superseded or modified to conform to such law, rule or regulation, but in all other respects this Agreement shall continue and remain in full force and effect.

17. If the undersigned shall consist of more than one individual, their obligations under Agreement shall be joint and several.

18. I understand that you may deliver margin calls and other notices to my agent, \_\_\_\_\_ for the sole purpose of collection of obligations of mine under this agreement. I agree to the foregoing and further understand that \_\_\_\_\_ may act on your behalf with respect to margin calls in your discretion.

19. I represent that I have read and understand the Disclosure of Credit Terms on Transactions. I further understand that they may be amended from time to time.

20. YOU ARE HEREBY AUTHORIZED TO LEND SEPARATELY OR TOGETHER WITH THE PROPERTY OF OTHERS EITHER TO YOURSELVES OR TO OTHERS AND PROPERTY WHICH YOU MAY BE CARRYING FOR ME ON MARGIN. THIS AUTHORIZATION SHALL APPLY TO ALL ACCOUNTS CARRIED BY YOU FOR ME AND SHALL REMAIN IN FULL FORCE UNTIL WRITTEN NOTICE OF REVOCATION IS RECEIVED BY YOU AT YOUR PRINCIPAL OFFICE IN BOSTON, MASSACHUSETTS.

I REPRESENT THAT I HAVE READ THE TERMS AND CONDITIONS AS CURRENTLY IN EFFECT AND AGREE TO BE BOUND BY SUCH TERMS AND CONDITIONS AS CURRENTLY IN EFFECT AND AS MAY BE AMENDED FROM TIME TO TIME. THIS ACCOUNT IS GOVERNED BY A PRE-DISPUTE ARBITRATION CLAUSE WHICH APPEARS ON PAGE 4. I ACKNOWLEDGE RECEIPT OF THE PRE-DISPUTE ARBITRATION CLAUSE.

Golsen Petroleum Corporation

By: /s/ Jack E. Golsen  
President

Date 9-9-94 Customer's Signature/Date \_\_\_\_\_

\_\_\_\_\_  
Signature of Joint Tenant (if any)/Date