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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 28)*

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)

December 12, 2003

(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 that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. []

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 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).

CUSIP No. 5021600-10-4

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).

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) NA.....

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

6. Citizenship or Place of Organization USA.....

Number of 7. Sole Voting Power 511,362.....

Shares
Beneficially
Owned by
Each
Reporting
Person With

8. Shared Voting Power 3,284,339.....

9. Sole Dispositive Power 511,362.....

10. Shared Dispositive Power 3,284,339.....

11. Aggregate Amount Beneficially Owned by Each Reporting Person 3,795,701.....

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) 27.31%.....

14. Type of Reporting Person (See Instructions)

IN
.....

CUSIP No. 5021600-10-4

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).

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) NA.....

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 3,284,339

9. Sole Dispositive Power -

10. Shared Dispositive Power 3,284,339

11. Aggregate Amount Beneficially Owned by Each Reporting Person 3,284,339

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) 24.33%

14. Type of Reporting Person (See Instructions)

CUSIP No. 5021600-10-4

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).
SBL Corporation, 73-1477865

2. Check the Appropriate Box if a Member of a Group (See Instructions)

- (a)
- (b)

3. SEC Use Only

4. Source of Funds (See Instructions) NA

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 2,392,134

9. Sole Dispositive Power -

10. Shared Dispositive Power 2,392,134

11. Aggregate Amount Beneficially Owned by Each Reporting Person 2,392,134

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

13. Percent of Class Represented by Amount in Row (11) 17.72%

14. Type of Reporting Person (See Instructions)

CO
.....

CUSIP No. 5021600-10-4

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).
Golsen Petroleum Corporation, 73-0798005

2. Check the Appropriate Box if a Member of a Group (See Instructions)

- (a)
- (b)

3. SEC Use Only

4. Source of Funds (See Instructions) NA

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

6. Citizenship or Place of Organization Oklahoma

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

7. Sole Voting Power -

8. Shared Voting Power 396,758.....

9. Sole Dispositive Power -

10. Shared Dispositive Power 396,758

11. Aggregate Amount Beneficially Owned by Each Reporting Person 396,758

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

13. Percent of Class Represented by Amount in Row (11) 3.10%

14. Type of Reporting Person (See Instructions)

CO
.....

CUSIP No. 5021600-10-4

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).

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) NA.....

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 409,616

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

8. Shared Voting Power 2,577,140

9. Sole Dispositive Power 409,616

10. Shared Dispositive Power 2,577,140

11. Aggregate Amount Beneficially Owned by Each Reporting Person 2,986,756

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) 21.86%

14. Type of Reporting Person (See Instructions)

IN
.....

CUSIP No. 5021600-10-4

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).

Steven J. 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) NA

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 314,987

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

8. Shared Voting Power 2,458,588

9. Sole Dispositive Power 314,987

10. Shared Dispositive Power 2,458,588

11. Aggregate Amount Beneficially Owned by Each Reporting Person 2,773,575

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) 20.38%

14. Type of Reporting Person (See Instructions)

IN

CUSIP No. 5021600-10-4

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).

Linda Golsen Rappaport

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) NA

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

6. Citizenship or Place of Organization USA

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

7. Sole Voting Power 82,552

8. Shared Voting Power 2,516,286

9. Sole Dispositive Power 82,552

10. Shared Dispositive Power 2,516,286

11. Aggregate Amount Beneficially Owned by Each Reporting Person 2,598,838

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) 19.25%

14. Type of Reporting Person (See Instructions)

IN

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

Not Applicable

Item 4. Purpose of Transaction

The reporting persons do not presently have any plans or proposals required to be reported under Item 4 of this Schedule 13D.

Item 5. Interest in Securities of the Issuer

- (a) The following table sets forth as of the filing date of this Amendment 28 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:

<u>Person</u>	<u>Amount</u>	<u>Percent (10)</u>
Jack E. Golsen	3,795,701 (1) (2) (6) (9)	27.31%
Sylvia H. Golsen	3,284,339 (1) (6) (7)	24.33%
SBL	2,392,134 (1) (9)	17.72%
GPC	396,758 (8) (9)	3.10%
Barry H. Golsen	2,986,756 (1) (3) (6)	21.86%
Steven J. Golsen	2,773,575 (1) (4) (6)	20.38%
Linda Golsen Rappaport	2,598,838 (1) (5) (6)	19.25%

- (1) The amount shown includes (i) 1,306,199 shares held directly by SBL; (ii) 250,000 shares that SBL has the right to acquire upon the conversion of 1,000,000 shares of the Company' Series D Preferred owned of record by SBL; (iii) 400,000 shares that SBL has the right to acquire upon the conversion of 12,000 shares of the Company's Series B Preferred owned of record by SBL; (iv) 39,177 shares that SBL has the right to acquire upon the conversion of 9,050 shares of the Company's Class C, Series 2 Stock owned of record by wholly owned subsidiary, GPC, which includes (1) 133,333 shares that GPC has the right to acquire upon the right to acquire upon conversion of 40,500 shares of Class C, Series 2 Preferred owned of record by GPC The relationship between Jack E. Golsen, Sylvia H. Golsen, Barry H. Golsen, Steven J. Golsen, Linda Golsen Rappaport, SBL, and GPC is described in more detail in paragraph (b) of this Item 5.

- (2) The amount shown includes (i) 40,000 shares held directly by Jack E. Golsen; (ii) 69,029 shares held indirectly by the Jack E. Golsen 1992 Revocable Trust; (iii) 4,000 shares that Jack E. Golsen has the right to acquire upon conversion of a promissory note, (iv) 133,333 shares 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 the Jack E. Golsen 1992 Revocable Trust; (v) 88,500 shares that Jack E. Golsen may acquire upon the exercise of Company incentive stock options; (vi) 176,500 shares that Jack E. Golsen may acquire upon the exercise of Company nonqualified stock options; and (vii) 607,290 shares owned of record by Sylvia H. Golsen, wife of Jack E. Golsen, and 284,915 shares owned by the Sylvia H. Golsen 1992 Revocable Trust of which Sylvia H. Golsen is the trustee.

- (3) The amount shown does not include (i) 533 shares that Barry Golsen's wife owns, in which Barry Golsen disclaims beneficial ownership and (ii) 83,440 shares 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 (a) 246,616 shares held directly by Barry H. Golsen; (b) 35,750 shares owned of record by the Amy G. Rappaport Trust No. J-1, of which Barry H. Golsen is a Co-Trustee; (c) 30,704 shares owned of record by the Joshua B. Golsen Trust No. J-1, of which Barry H. Golsen is a Co-Trustee; (d) 29,638 shares owned of record by each of the Adam Z. Golsen Trust No. J-1, the Stacy L. Rappaport Trust No. J-1, the Lori R. Rappaport Trust No. J-1 and the Michelle L. Golsen Trust No. J-1, of which Barry H. Golsen is a Co-Trustee; (e) 103,500 shares which Barry H. Golsen may acquire upon exercise of Company incentive stock options; and (f) 59,500 shares which Barry H. Golsen may acquire upon exercise of nonqualified stock options.

(4) The amount shown does not include 78,440 shares 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 (i) 206,987 shares held directly by Steven J. Golsen; (ii) 35,750 shares owned of record by the Amy G. Rappaport Trust No. J-1, of which Steven J. Golsen is a Co-Trustee; (iii) 30,704 shares owned of record by the Joshua B. Golsen Trust No. J-1, of which Steven J. Golsen is a Co-Trustee; (iv) 68,500 shares which Steven J. Golsen may acquire upon exercise of Company incentive stock options; and (v) 39,500 shares which Steven J. Golsen may acquire upon exercise of nonqualified stock options.

(5) The amount shown does not include 124,350 shares that Mrs. Rappaport's husband owns and 185,000 shares which Mrs. Rappaport's husband may acquire upon exercise of nonqualified stock options of the Company, for which Mrs. Rappaport disclaims beneficial ownership. The amount shown does not include 83,440 shares 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 (i) 82,552 shares held directly by Linda F. Rappaport; (ii) 29,638 shares owned of record by each of the Adam Z. Golsen Trust No. J-1, the Stacy L. Rappaport Trust No. J-1, the Lori R. Rappaport Trust No. J-1 and the Michelle L. Golsen Trust No. J-1 of which Linda F. Rappaport is a Co-Trustee; and (iii) 5,600 shares owned of record by the Michael Pierce Mattingly #M-1 Trust, of which Linda F. Rappaport is Co-trustee.

(6) Jack E. Golsen and Sylvia H. Golsen each disclaims beneficial ownership of (i) the shares of Common Stock owned of record by Barry H. Golsen, the shares that Barry H. Golsen has the right to acquire under the Company's incentive stock options, and the shares considered beneficially owned by Barry H. Golsen as a result of his position as trustee of certain trusts; (ii) the shares owned of record by Steven J. Golsen, the shares that Steven J. Golsen has the right to acquire under the Company's incentive stock options, and the shares considered beneficially owned by Steven J. Golsen as a result of his position as trustee of certain trusts; and (iii) the shares owned of record by Linda Golsen Rappaport, and the shares 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 beneficially owned by Jack E. Golsen and Sylvia H. Golsen, except for shares beneficially owned by SBL and GPC.

(7) The amount shown does not include, and Sylvia H. Golsen disclaims beneficial ownership of the shares listed in footnote (2) above as beneficially owned by Jack E. Golsen (other than the 607,290 shares held directly by Sylvia H. Golsen and 284,915 shares held by the Sylvia H. Golsen 1992 Revocable Trust of which Sylvia H. Golsen is trustee).

(8) The amount shown includes (i) 88,100 shares held directly by GPC, (ii) 133,333 shares that GPC has the right to acquire upon conversion of 4,000 shares of the Company's Series B Preferred Stock owned of record by GPC, and (iii) 175,325 shares that GPC has the right to acquire upon conversion of 40,500 shares of Class C, Series 2 Preferred owned of record by GPC. The relationship between Jack E. Golsen, Sylvia H. Golsen, Barry H. Golsen, Steven J. Golsen, Linda Golsen Rappaport, SBL, and GPC is described in more detail in paragraph (b) of this Item 5.

(9) Holders of the Series B Preferred are entitled to one vote per share, and holders of the Series D Preferred are entitled to .875 votes per share. Both vote together with holders of Common Stock. The holders of the Class C, Series 2 Preferred have not voting rights, except as required by law and except that such holders have the right to vote as a separate class to elect two directors, if the equivalent of six full quarterly dividends on the Class C, Series 2 Preferred are accrued and unpaid. This Class C, Series 2 Preferred voting right continues until all dividends due on such shares are paid in full. The amounts and percentages set forth in the table reflect only the voting power of Common Stock into which the Series B Preferred, the Class C, Series 2 Preferred, and the Series D Preferred are convertible.

(b) The following table sets forth, as the filing date of this Amendment 28 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:

<u>Person or Entity</u>	<u>Sole Voting and Power of Disposition</u>	<u>Shared Voting and Power of Disposition</u>
Jack E. Golsen	511,362 (1)(5)(12)	3,284,339 (2)(3)(13)
Sylvia H. Golsen	None	3,284,339 (2)(11)
SBL	None	2,392,134 (2)(12)
GPC	None	396,758 (4)(12)
Barry H. Golsen	409,616 (6)	2,577,140 (2)(7)
Steven J. Golsen	314,987 (8)	2,458,588 (2)(9)
Linda Golsen Rappaport	82,552	2,516,286 (2)(10)

(1) The amount shown includes (a) 40,000 shares held directly by Jack E. Golsen; (b) 69,029 shares held indirectly by the Jack E. Golsen 1992 Revocable Trust; (c) 4,000 shares that Jack E. Golsen has the right to acquire upon conversion of a promissory note; (d) 133,333 shares 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; (e) 88,500 shares that J. Golsen has the right to acquire under the Company's incentive stock options; and (f) 176,500 shares that Jack E. Golsen may acquire upon the exercise of nonqualified stock options.

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

(3) The amount shown includes 607,290 shares of Common Stock owned by Sylvia H. Golsen, the wife of Jack E. Golsen, and 284,915 shares owned by the Sylvia H. Golsen 1992 Revocable Trust of which Sylvia H. Golsen is trustee.

(4) See footnote (8) under paragraph (a) of this Item 5.

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

(6) The amount shown includes (a) 246,616 shares held directly by Barry H. Golsen; (b) 103,500 shares which Barry H. Golsen may acquire upon exercise of incentive stock options of the Company; and (c) 59,500 shares which Barry H. Golsen may acquire upon exercise of nonqualified stock options of the Company.

(7) The amount shown does not include 83,440 shares owned of record by the Barry H. Golsen 1992 Trust, of which Barry H. Golsen has no voting or dispositive power and 533 shares that Barry Golsen's wife owns in which Barry Golsen disclaims beneficial ownership. Such amount does include (a) 35,750 shares owned of record by the Amy G. Rappaport Trust No. J-1, of which Barry H. Golsen is a Co-Trustee; (b) 30,704 shares owned of record by the Joshua B. Golsen Trust No. J-1, of which Barry H. Golsen is a Co-Trustee; and (c) 29,638 shares owned of record by each of the Adam Z. Golsen Trust No. J-1, the Stacy L. Rappaport Trust No. J-1, the Lori R. Rappaport Trust No. J-1 and the Michelle L. Golsen Trust No. J-1, of which Barry H. Golsen is a Co-Trustee.

- (8) The amount shown includes (a) 206,987 shares held directly by Steven J. Golsen; (b) 68,500 shares which Steven J. Golsen may acquire upon exercise of incentive stock options of the Company; and (c) 39,500 shares which Steven J. Golsen may acquire upon exercise of nonqualified stock options of the Company.
- (9) The amount shown does not include 78,440 shares owned of record by the Steven J. Golsen 1992 Trust, of which Steven J. Golsen has no voting or dispositive power. Such amount includes (a) 35,750 shares owned of record by the Amy G. Rappaport Trust No. J-1, of which Steven J. Golsen is a Co-Trustee; and (b) 30,704 shares owned of record by the Joshua B. Golsen Trust No. J-1, of which Steven J. Golsen is a Co-Trustee.
- (10)

The amount shown does not include 124,350 shares that Mrs. Rappaport's husband owns and 185,000 shares which Mrs. Rappaport's husband may acquire upon exercise of nonqualified stock options of the Company, for which Mrs. Rappaport disclaims beneficial ownership. The amount shown does not include 83,440 shares 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 (i) 29,638 shares owned of record by each of the Adam Z. Golsen Trust No. J-1, the Stacy L. Rappaport Trust No. J-1, the Lori R. Rappaport Trust No. J-1, and the Michelle L. Golsen Trust No. J-1, of which Linda F. Rappaport is a Co-Trustee; and (ii) 5,600 shares owned of record by the Michael Pierce Mattingly #M-1 Trust, of which Linda F. Rappaport is a Co-trustee.

- (12) See footnotes (6) and (7) under paragraph (a) of this Item 5.
- (12) See footnote (9) under paragraph (a) of this Item 5.
- (13) See footnote (6) under paragraph (a) of this Item 5.

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

- (c) During the past 60 days from the filing date of this report, the following transactions were effected in the Common Stock by a reporting person named in response to paragraph (a) of this Item 5:
- (i) Linda Rappaport and Barry Golsen, as co-trustees of four trusts, sold an aggregate of 44,400 shares of Common Stock in the open market as follows: on November 19, 2003, 21,000 shares at \$5.30 per share; on November 20, 2003, 2000 shares at \$5.40 per share; and on November 21, 2003, 19,400 shares at \$5.30 per share and 2,000 shares at \$5.50;
- (ii) Steven Golsen and Barry Golsen, as co-trustees of two trusts, sold an aggregate of 19,700 shares of Common Stock in the open market as follows: on November 19, 2003, 8,000 shares at \$5.30 per share, on November 20, 2003, 1,000 shares at \$5.40 per share, and on November 21, 2003, 10,700 shares at \$5.30 per share;
- (iii) on December 5, 2003, Sylvia H. Golsen made bona fide gifts of an aggregate of 36,000 shares of the Company's Common Stock having a closing price of \$6.10 per share on that date; and
- (iv) on December 12, 2003, SBL Corporation sold 30,000 shares of the Common Stock in the open market at the following prices: 2,000 shares at \$5.95; 2,000 shares at \$5.98, and 26,000 shares at \$5.90.
- (1) See Item 6 below.
- (2) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

Item 6 of the Schedule 13D is unchanged, except as follows:

On December 12, 2003, SBL Corporation ("SBL") refinanced an existing bank loan through a new lender, Bank of the West (the "Bank"). The new loan matures on December 12, 2011, and has an original principal balance of \$800,800.00. As security for the loan, SBL pledged to the Bank 318,102 shares of the Company's Common Stock. As additional security for the loan, Linda Rappaport, an owner of 20% of the common stock of SBL, pledged to the Bank 81,380 shares of the Company's Common Stock. In addition to standard default contained in the security agreements, the Bank retains the right to all dividends paid in connection with the collateral. As a result of the refinancing, the prior lender terminated its security interest in **1,000,000 shares of the Company's Series D Preferred pledged by SBL to secure the prior loan. Before the refinancing, SBL's prior lender had terminated its security interest in 973,450 shares of the Company's Common Stock pledged by Prime Financial Corporation, subsidiary of the Company as security for SBL's prior loan.**

SBL used a portion of the new loan proceeds to repay certain loans to SBL from the entities listed below. Those entities then repaid certain loans from the prior lender to the entities. As a result of such repayments, the prior lender terminated its security interest in an aggregate of 1,503,856 shares of Common Stock pledged by the following entities to secure loans by the prior lender to each of the following entities: SBL Corporation; Sylvia H. Golsen, Trustee of the Sylvia H. Golsen 1992 Trust; Heidi Brown Shear, Trustee of the Linda F. Rappaport 1992 Trust, the Steven J. Golsen 1992 Trust, and the Barry H. Golsen 1992 Trust; Barry H. Golsen and Linda F. Rappaport, Trustees of the Michelle L. Golsen J-1 Trust, the Stacy L. Rappaport J-1 Trust; the Lori R. Rappaport J-1 Trust, and the Adam Z. Golsen J-1 Trust; and Barry H. Golsen and Steven J. Golsen, Trustees of the Amy G. Rappaport J-1 Trust and the Joshua B. Golsen J-1 Trust.

Item 7. Material to Be Filed as Exhibits

- 24.1 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.
- 99.1 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.
- 99.2 Convertible Note between the Company and Jack E. Golsen filed as Exhibit (a) to the original Schedule 13D and is incorporated herein by reference.
- 99.3 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.
- 99.4 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.
- 99.5 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.
- 99.6 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.

- 99.7 Agreement of SBL Corporation as to the joint filing of this Schedule 13D is filed as Exhibit 19 to Amendment No. 23, and is incorporated herein by reference.
- 99.8 Shareholder's Agreement, effective December 1, 1995, between Sylvia Golsen and SBL Corporation is filed as Exhibit 22 to Amendment No. 24 and is incorporated herein by reference.
- 99.9 Shareholder's Agreement, effective December 1, 1995, among Jack E. Golsen, Sylvia Golsen and SBL Corporation is filed as Exhibit 23 to Amendment No. 24 and is incorporated herein by reference.
- 99.10 Shareholder's Agreement, effective December 1, 1995, among Barry H. Golsen, Sylvia Golsen and SBL Corporation. The Shareholder's Agreement is substantially similar to the Shareholder's Agreement filed as Exhibit 23 to Amendment No. 24, and a copy of the same will be supplied to the Commission upon request.
- 99.11 Shareholder's Agreement, effective December 1, 1995, among Steven J. Golsen, Sylvia Golsen and SBL Corporation. The Shareholder's Agreement is substantially similar to the Shareholder's Agreement filed as Exhibit 23 to Amendment No. 24, and a copy of the same will be supplied to the Commission upon request.
- 99.12 Shareholder's Agreement, effective December 1, 1995, among Linda F. Rappaport, Sylvia Golsen and SBL Corporation. The Shareholder's Agreement is substantially similar to the Shareholder's Agreement filed as Exhibit 23 to Amendment No. 24, and a copy of the same will be supplied to the Commission upon request.
- 99.13 Security Agreement, dated June 16, 1998, between The Bank of Union and Jack E. Golsen is attached as Exhibit 24 to Amendment No. 25 and is incorporated herein by reference. The (a) Security Agreement, dated June 16, 1998, between Bank of Union and Sylvia H. Golsen, (b) Security Agreement, dated February 5, 1999, between Bank of Union and Sylvia H. Golsen, Trustee of the Sylvia H. Golsen 1992 Trust dated 01-08-93, and (c) Security Agreement, dated December 9, 1997, between Bank of Union and each of Golsen Petroleum Corporation and Jack E. Golsen are substantially similar to the Security Agreement filed as Exhibit 24 to Amendment No. 25, except as to the number of shares subject to each such Security Agreement, and a copy of the same will be supplied to the Commission upon request.
- 99.14 Security Agreement, dated July 28, 1999, between The Bank of Union and Golsen Petroleum Corporation. The Security Agreement, dated July 28, 1999, between Bank of Union and SBL Corporation is substantially similar to the Security Agreement filed as Exhibit 19 to Amendment No. 26, except as to the number of shares subject to such Security Agreement, and a copy of the same will be supplied to the Commission upon request.
- 99.15 Security Agreement, dated December 5, 2000, between Sylvia H. Golsen and Bank of the West is listed as Exhibit 24 to Amendment No. 27 and is incorporated herein by reference.
- 99.16 Commercial Pledge Agreement, dated February 2, 2001, among SBL Corporation, Jack E. Golsen, Sylvia H. Golsen, and BancFirst is listed as Exhibit 25 to Amendment No. 27 and is incorporated herein by reference. A substantially similar Commercial Pledge Agreement, dated February 2, 2001, was entered among Jack E. Golsen, Sylvia H. Golsen, and BancFirst, and will be supplied to the Commission upon request.
- 99.17 Commercial Security Agreement, dated August 27, 2001, between Jack E. Golsen and The Bank of Union is listed as Exhibit 26 to Amendment No. 27 and is incorporated herein by reference.
- 99.18 Security Agreement, dated December 12, 2003, executed by SBL Corporation in favor of Bank of the West.
- 99.19 Security Agreement, dated December 12, 2003, executed by Linda F. Rappaport in favor of Bank of the West.

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.

Date: January 14, 2004

Golsen Petroleum Corporation

By: /s/ Jack E. Golsen

Jack E. Golsen, President

/s/ Jack E. Golsen *

Barry H. Golsen

/s/ Jack E. Golsen *

Steven J. Golsen

/s/ Jack E. Golsen *

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

SBL Corporation

By: /s/ Jack E. Golsen

Jack E. Golsen, President

SECURITY AGREEMENT Stocks, Bonds and Possessory Collateral

BORROWER NAME AND ADDRESS	PLEDGOR NAME AND ADDRESS	LENDER NAME AND ADDRESS
SBL Corporation P.O. Box 705 Oklahoma City, OK 73101	SBL Corporation P.O. Box 705 Oklahoma City, OK 73101	The Bank Of The West Oklahoma City Branch 4801 Gaillardia Pkwy, Ste 190 Oklahoma City, OK 73142

I. GRANT OF A SECURITY INTEREST. For value received, Pledgor (hereafter the "Debtor") hereby grants to Lender named above a security interest in the property described in Paragraph II, which property is hereinafter referred to collectively as "Collateral". This security interest is given to secure all the obligations of the Borrower and of the Debtor to Lender as more fully set forth in Paragraphs III and IV hereof. For purposes of this Agreement, any term used in the Uniform Commercial Code, as adopted and revised from time to time in the State of Oklahoma ("UCC"), and not defined in this Agreement has the meaning given to the term in the UCC. Debtor's location (if other than the address reflected above) is in the state of _____.

II. COLLATERAL. The Collateral includes: (A) All specifically described Collateral; (B) All proceeds of Collateral; and (C) Other property as indicated below.

(A) SPECIFICALLY DESCRIBED COLLATERAL

share(s) of LSB Corporation common/preferred stock evidenced by certificate number
SEE ATTACHED EXHIBIT "A"

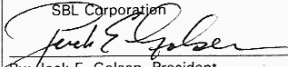
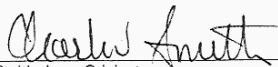
(B) ALL PROCEEDS of the specifically described Collateral regardless of kind, character or form (including, but not limited to, renewals, extensions, redeposits, reissues or any other changes in form of the rights represented thereby), together with any stock rights, rights to subscribe, liquidating dividends, cash dividends, dividends paid in stock or other property, new securities, or any other property to which Undersigned may hereafter become entitled to receive by reason of the specifically described Collateral; and in the event Undersigned receives any such property, Undersigned agrees immediately to deliver same to Lender to be held by Lender in the same manner as Collateral specifically described above.

(C) OTHER PROPERTY which shall be deemed Collateral shall include all dividends and interest paid in cash on the Collateral, provided, however, that Lender at its option may permit such dividends and/or interest to be received and retained by Undersigned, but provided further, that Lender may at any time terminate such permission. Collateral shall further include without limitation, all money, funds, or property owned by Undersigned which is now or which hereafter may be possessed or controlled by Lender whether by pledge, deposit or otherwise.

III. OBLIGATIONS SECURED BY THIS AGREEMENT. The security interest herein granted is given to secure all of the obligations of Borrower or Debtor to Lender including: (a) The performance of all of the agreements, covenants and warranties of the Borrower or Debtor as set forth in any agreement between Borrower or Debtor and Lender; (b) All liabilities of Borrower or Debtor to Lender of every kind and description including: (1) all future advances, (2) both direct and indirect liabilities, (3) liabilities due or to become due and whether absolute or contingent, and (4) liabilities now existing or hereafter arising and however evidenced; (c) All extensions and renewals of liabilities of Borrower or Debtor to Lender for any term or terms to which Undersigned hereby consents; (d) All interest due or to become due on the liabilities of Borrower or Debtor to Lender; (e) All expenditures by Lender involving the performance of or enforcement of any agreement, covenant or warranty provided for by this or any other agreement between the parties; and (f) All costs, attorney fees, and other expenditures of Lender in the collection and enforcement of any obligation or liability of Borrower or Debtor to Lender and in the collection and enforcement of or realization upon any of the Collateral.

IV. FUTURE ADVANCES. It is specifically agreed that the obligations of Borrower and Debtor secured by this Agreement include all future advances by Lender to Borrower as set forth in Paragraph III above.

V. ADDITIONAL PROVISIONS. The Undersigned agrees to the Additional Provisions set forth on page two hereof, the same being incorporated herein by reference.

RECEIPT FOR COLLATERAL	SIGNATURE(S)
	SBL Corporation  By: Jack E. Golsen, President
By:  Charlie Smith, Loan Originator	

ADDITIONAL PROVISIONS

UNDERSIGNED EXPRESSLY WARRANTS, COVENANTS AND AGREES:

WARRANTIES AND COVENANTS

1. **Financial Information.** All loan applications, balance sheets, earnings statements, other financial information and other representations which have been or may hereafter be, furnished Lender to induce it to enter into or continue a financial transaction with Borrower fairly represent the financial condition of Borrower as of the date and for the period shown therein, and all other information, reports, documents, papers and data furnished to Lender are or shall be, at the time furnished accurate and correct in all material respects and complete insofar as completeness may be necessary to give Lender a true and accurate knowledge of the subject matter. There has been no material change in the financial condition of Borrower since the effective date of the last furnished financial information which has not been reported to Lender in writing. (The provisions of this paragraph do not apply to Debtors who are different parties from Borrower.)

2. **Furnishing of Information on Collateral.** Undersigned will furnish Lender information adequate to identify with accuracy all Collateral in a form and substance and at times as may be requested by Lender. Undersigned will also upon request deliver to Lender true copies of purchase orders, shipping and delivery receipts and invoices evidencing and describing the Collateral. Debtor will execute such documents as Lender may from time to time require to enable Lender to perfect the security interest granted hereby and to receive proceeds of and distribution from or interests in the Collateral.

3. **Adequacy of Collateral.** After written notice of such fact and within the time specified in such notice, Debtor agrees to deliver to Lender additional collateral satisfactory to Lender, if Lender in its sole discretion determines that the Collateral is inadequate to secure the obligations of Borrower to Lender covered by this Agreement or the Lender deems itself otherwise insecure.

4. **Debtor's Name and Location.** Debtor's exact legal name is as set forth on the reverse side of this Agreement. If Debtor is an individual, Debtor's principal residence is at Debtor's address as set forth herein. If Debtor is an entity other than an individual, Debtor's location (i.e., place of business, chief executive office or state of organization, as the case may be) is in the state reflected for Debtor's address or as otherwise set forth on the reverse side of this Agreement. Until the indebtedness is paid in full, Debtor agrees that it will not change its location (for example, its state of incorporation) or its legal name without providing Lender 30 days' prior written notice.

5. **Control.** Debtor will cooperate with Lender in obtaining control with respect to Collateral consisting of: deposit accounts; investment property; letter-of-credit rights; electronic chattel paper.

6. **Possession.** Debtor shall have possession of the Collateral, except where expressly otherwise provided in this Agreement or where Lender chooses to perfect its security interest by possession in addition to the filing of a financing statement. Where Collateral is in the possession of a third party, Debtor will join with Lender in notifying the third party of Lender's security interest and obtaining an acknowledgment from the third party that it is holding the Collateral for the benefit of Lender.

7. **Taxes.** Undersigned shall promptly pay any and all taxes, assessments and license fees with respect to the Collateral or the use of the Collateral.

8. **Sale, Lease, or Disposition of Collateral Prohibited.** Undersigned shall not sell, transfer, exchange, lease or otherwise dispose of the Collateral or any part thereof or the Undersigned's rights therein without first obtaining the prior written consent of Lender. The consent of Lender may be conditioned upon any requirements which the Lender deems to be for its protection; and, it is understood and agreed that such consent will not be deemed to be effective unless and until such requirements and conditions have been fulfilled.

9. **Financing Statement.** No Financing Statement covering Collateral is on file in any public office. Undersigned agrees to join with Lender in executing one or more Financing Statements, or other instrument of encumbrance, in form satisfactory to Lender, in order to perfect, or to continue perfection of, the security interest of Lender which may arise hereunder.

10. **Adequate Insurance.** Undersigned at own expense, if required by Lender, shall insure Collateral with companies acceptable to Lender against such casualties and in such amounts as prudent and adequate to protect Lender or as Lender shall require. All insurance policies shall be written for benefit of Undersigned and Lender as their interests appear and such policies or certified copies thereof evidencing same shall be furnished to Lender within ten days of date of this agreement. All policies of insurance shall provide for at least ten days prior written notice of cancellation to Lender. Lender may act as attorney for Undersigned in the procuring of insurance, in making, adjusting, and settling claims under or cancelling such insurance and in endorsing Undersigned's name on any drafts or checks drawn by insurers of Collateral.

EVENTS OF DEFAULT

Debtor shall be in default under this Agreement upon the happening of any of the following events or conditions, herein called "Events of Default":

1. Any warranty, covenant, agreement, representation, financial information or statement made or furnished to Lender by or in behalf of Borrower or Debtor to induce Lender to enter into this Agreement, or in conjunction therewith, is violated or proves to have been false in any material respect when made or furnished.

2. Any payment required hereunder or under any note or obligation of Borrower or Debtor to this Lender or to others is not made when due or in accordance with terms of the applicable contract.

3. Borrower or Debtor defaults in the performance of any covenant, obligation, warranty or provision contained in any Loan Agreement or in any other note or obligation of Borrower or Debtor to Lender or to others.

4. The occurrence of any event or condition which results in acceleration of the maturity of any obligation of Borrower or Debtor to Lender or to others under any note, indenture, agreement or undertaking.

5. Loss, theft, substantial damage to or destruction of Collateral.

6. The making of any levy against or seizure, garnishment or attachment of any Collateral, the consensual encumbrance thereof, or the sale, lease or other disposition of Collateral without the prior written consent of Lender as required elsewhere in this Agreement.

7. When in the judgment of Lender the Collateral becomes unsatisfactory or insufficient in character or value, and upon request Borrower fails to provide additional Collateral as required by Lender.

8. Any time Lender in its sole discretion believes the prospect of payment or performance of any liability, covenant, warranty or obligation of Borrower or Debtor is impaired.

9. The death, dissolution, termination of existence or insolvency of Borrower or Debtor, the appointment of a receiver over any part of Borrower's or Debtor's property or any part of the Collateral, as assignment for the benefit of creditors or the commencement of any proceeding under any bankruptcy or insolvency law by or against Borrower or Debtor or any guarantor or surety for Borrower or Debtor.

REMEDIES

Upon the occurrence of an Event of Default, and at any time thereafter, Lender may at its option and without notice or demand to Borrower or Debtor except as otherwise provided by law, exercise any and all rights and remedies provided by the U.C.C., as well as all other rights and remedies possessed by Lender, including, but not limited to:

1. Declare all liabilities secured hereby immediately due and payable, and/or proceed to enforce payment and performance of all liabilities secured hereby.

2. Require Debtor to assemble Collateral or evidence thereof and make it available to Lender at any place designated by Lender which is reasonably convenient to both parties.

3. Repossess the Collateral, and for the purpose Lender is hereby granted authority to enter into and upon any premises on which Collateral or any part may be situated, and remove it as a part of such repossession.

4. Possess all books and records evidencing or pertaining to the Collateral, and for this purpose Lender is hereby given authority to enter into and upon any premises at which such books and records or any part of them may be situated, and to remove them.

5. Apply that portion of the Collateral consisting of cash or cash equivalent items such as checks, drafts or deposited funds against any liabilities of Borrower selected by Lender, and for this purpose Debtor agrees that cash or equivalents will be considered identical to cash proceeds. Lender shall have the right immediately and without further action by it to set off against the liabilities secured hereby all money owned by Lender to Borrower, whether due or not due, and Lender shall be deemed to have exercised such right to set off and to have made a charge against such money at the time of any acceleration upon default even though such charges made are entered on the Lender's books subsequent thereto.

6. Transfer any of the Collateral or evidence thereof into its own name or that of a nominee and receive the proceeds therefrom and hold the same as security for the liabilities of Borrower to Lender or apply it on or against any such liability. Lender may also demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, release or realize upon Collateral in its own name or in the name of the Debtor as Lender may determine.

7. Sell or otherwise dispose of the Collateral. Unless Collateral in whole or part is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Borrower and Debtor reasonable notice, as required by law, of the time and place of any public sale, or of the time after which any private sale or other disposition is to be made. Any requirement of notice shall be met if notice is mailed, postage prepaid, to the address provided for herein at least ten days before sale or other disposition or action. Lender shall be entitled to, and Undersigned shall be liable for, all reasonable costs and expenditures incurred in realizing on its security interest, including without limitation, court costs, fees for replevin bonds, storage, repossession costs, repair and preparation costs for sale, selling costs and reasonable attorneys' fees as set forth in any promissory note. All such costs shall be secured by the security interest in the Collateral covered herein.

8. Lender shall not be liable for failure to collect any account, enforce any contract right, or for any other act or omission on the part of Lender, its officers, agents or employees, except as the same constitutes a lack of good faith or failure to act in a commercially reasonable manner. Lender shall have acted in a commercially reasonable manner if its action or non-action is consistent with the general usage of lenders in the area of Lender's location at the time the action or non-action occurs, but this standard shall not constitute disapproval of any procedures which may be otherwise reasonable under the circumstances not require Lender to take necessary steps to preserve rights against prior parties in an instrument or chattel paper.

9. Lender shall not be liable for failure to collect any account, enforce any contract right, or for any other act or omission on the part of Lender, its officers, agents or employees, except as the same constitutes a lack of good faith or failure to act in a commercially reasonable manner. Lender shall have acted in a commercially reasonable manner if its action or non-action is consistent with the general usage of lenders in the area of Lender's location at the time the action or non-action occurs, but this standard shall not constitute disapproval of any procedures which may be otherwise reasonable under the circumstances not require Lender to take necessary steps to preserve rights against prior parties in an instrument or chattel paper.

GENERAL

1. **Expenditures of Lender.** At its option and after any written notice to Undersigned required by law, which notice Undersigned hereby agrees is sufficient if mailed, postage prepaid, to the address of Undersigned provided for herein at least ten days before the commencement of the performance of the duties specified therein, it is agreed Lender may discharge taxes, liens, security interests or other encumbrances on the Collateral and may pay for the repair of any damage to the Collateral, for the maintenance and preservation thereof and for insurance thereon. Undersigned shall be liable for and agree to pay Lender for all expenditures of Lender for taxes on Collateral, for the discharge of liens, security interests or other encumbrances on the Collateral, for the repair of any damage to Collateral, and for all costs, attorneys' fees and other disbursements of Lender in connection with the foregoing. Undersigned agrees promptly to reimburse Lender for all such expenditures and until such reimbursement the amounts of such expenditures shall be considered a liability of Undersigned to Lender which is secured by this Agreement. In addition, Undersigned shall be liable for and agree to pay Lender for all costs, attorneys' fees and other disbursements of Lender as allowed by law or provided for herein in the enforcement or collection of any note, warranty or liability of Undersigned to Lender, or in the realization upon or the enforcement or collection of any account receivable, contract right, promissory note, chattel paper, instrument, document or other Collateral in which Lender has a security interest. Undersigned agrees promptly to reimburse Lender for all such expenditures, and until such reimbursement the amount of such expenditures shall be considered a liability of Undersigned to Lender which is secured by this Agreement.

2. **Right of Offset.** Any property, tangible or intangible of Undersigned in possession of Lender at any time during the term hereof, or any indebtedness due from Lender to Undersigned and any deposit or credit balances due from Lender to Undersigned, or any of the foregoing of any party hereto, is pledged to secure payment hereof and may at any time while the whole or any part of Undersigned's indebtedness to Lender remains unpaid, whether before or after maturity thereof, be appropriated, held or applied toward the payment of any obligation of Undersigned to Lender.

3. **Applicable Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Oklahoma, except to the extent that the UCC provides for application of the law where the Debtor or the collateral is located (if other than Oklahoma) as the case may be.

4. **Waivers.** No act, delay or omission, including Lender's waiver of remedy because of any default hereunder, shall constitute a waiver of any of Lender's rights and remedies under this Agreement or any other agreement between the parties. All rights and remedies of Lender are cumulative and may be

exercised singularly or concurrently, and the exercise of any one or more remedy will not be a waiver of any other. No waiver, change, modification or discharge of any of Lender's rights or of Undersigned's duties as so specified or allowed will be effective unless in writing and signed by a duly authorized officer of Lender, and any such waiver will not be a bar to the exercise of any right or remedy on any subsequent default. Undersigned hereby waives: (a) all demands and notices of any action taken by Lender under this Agreement or any other agreement between the parties or in connection with any notes; (b) any indulgence of Lender; and (c) any substitution for, exchange of, or release of all or any part of the Collateral or of other collateral securing obligations of Borrower to Lender. Undersigned also consents to the addition or release of person liable on any obligation of Borrower to Lender.

5. **Agreement Binding on Assigns.** This Agreement shall inure to the benefit of the successors and assigns of Lender and shall be binding upon the heirs, executors, administrators, successors and assigns of Undersigned.

6. **Rights of Lender Assignable.** Lender at any time and at its option may pledge, transfer or assign its rights under this agreement in whole or in part, and any pledge, transferee or assignee shall have all the rights of Lender as to the rights or parts thereof so pledged, transferred or assigned. The rights of the Undersigned hereunder may not be assigned.

7. **Joint and Several Responsibility of Debtor.** If more than one Undersigned executes this Agreement, their responsibility thereunder shall be joint and several and the reference to Undersigned herein shall be deemed to refer to each Undersigned signing this Agreement.

8. **Severability of Provisions.** If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

9. **Copies.** A carbon, photographic, or other reproduction of this Security Agreement or of any financing statement prepared or filed with respect hereto is sufficient as a financing statement.

10. **Notice of Name Change, etc.** Undersigned will immediately notify Lender of any change in his, her, or their name, identity, or organizational or corporate structure.

EXHIBIT "A"

LSB COLLATERAL - BANK OF THE WEST
NOTE DTD 12/2003

Tax ID Number	Owner	Certificate Number	Certificate Date	# of Shares		
444-62-8902	Linda F. Rappaport	OKS0409	12/22/81	465		
		OKS0410	12/22/81	500		
		OKS0411	12/22/81	1,000		
		OKS0412	12/22/81	1,000		
		OKS0413	12/22/81	1,000		
		OKS4131	07/13/93	10,000		
		OKS4132	07/13/93	10,000		
		OKS4133	07/13/93	10,000		
		OKS4134	07/13/93	10,000		
		OKS4135	07/13/93	12,264		
		OKS4097	07/02/93	900		
		OKS0415	12/22/81	1,000		
		OKS0416	12/22/81	1,000		
		OKS0417	12/22/81	1,000		
		OKS0418	12/22/81	1,000		
		OKS0419	12/22/81	1,000		
		OKS0420	12/22/81	1,000		
		OKS0421	12/22/81	1,000		
		OKS0422	12/22/81	1,000		
		OKS0423	12/22/81	10,000		
		OKS0453	12/31/81	750		
		OKS2691	04/28/92	533		
		OKS2948	07/21/92	1,182		
		444-62-8902	Linda Faye Golsen	OKS2812	01/10/92	3,786

SECURITY AGREEMENT Stocks, Bonds and Possessory Collateral

BORROWER NAME AND ADDRESS	PLEDGOR NAME AND ADDRESS	LENDER NAME AND ADDRESS
SBL Corporation P.O. Box 705 Oklahoma City, OK 73101	Linda F. Rappaport P.O. Box 705 Oklahoma City, OK 73101	The Bank Of The West Oklahoma City Branch 4801 Gaillardia Pkwy, Ste 190 Oklahoma City, OK 73142

I. GRANT OF A SECURITY INTEREST. For value received, Pledgor (hereafter the "Debtor") hereby grants to Lender named above a security interest in the property described in Paragraph II, which property is hereinafter referred to collectively as "Collateral". This security interest is given to secure all the obligations of the Borrower and of the Debtor to Lender as more fully set forth in Paragraphs III and IV hereof.

For purposes of this Agreement, any term used in the Uniform Commercial Code, as adopted and revised from time to time in the State of Oklahoma ("UCC"), and not defined in this Agreement has the meaning given to the term in the UCC. Debtor's location (if other than the address reflected above) is in the state of _____.

II. COLLATERAL. The Collateral includes: (A) All specifically described Collateral; (B) All proceeds of Collateral; and (C) Other property as indicated below.

(A) SPECIFICALLY DESCRIBED COLLATERAL

share(s) of LSB Corporation common/preferred stock evidenced by certificate number
 SEE ATTACHED EXHIBIT "A"

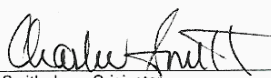

(B) ALL PROCEEDS of the specifically described Collateral regardless of kind, character or form (including, but not limited to, renewals, extensions, redeposits, reissues or any other changes in form of the rights represented thereby), together with any stock rights, rights to subscribe, liquidating dividends, cash dividends, dividends paid in stock or other property, new securities, or any other property to which Undersigned may hereafter become entitled to receive by reason of the specifically described Collateral; and in the event Undersigned receives any such property, Undersigned agrees immediately to deliver same to Lender to be held by Lender in the same manner as Collateral specifically described above.

(C) OTHER PROPERTY which shall be deemed Collateral shall include all dividends and interest paid in cash on the Collateral, provided, however, that Lender at its option may permit such dividends and/or interest to be received and retained by Undersigned, but provided further, that Lender may at any time terminate such permission. Collateral shall further include without limitation, all money, funds, or property owned by Undersigned which is now or which hereafter may be possessed or controlled by Lender whether by pledge, deposit or otherwise.

III. OBLIGATIONS SECURED BY THIS AGREEMENT. The security interest herein granted is given to secure all of the obligations of Borrower or Debtor to Lender including: (a) The performance of all of the agreements, covenants and warranties of the Borrower or Debtor as set forth in any agreement between Borrower or Debtor and Lender; (b) All liabilities of Borrower or Debtor to Lender of every kind and description including: (1) all future advances, (2) both direct and indirect liabilities, (3) liabilities due or to become due and whether absolute or contingent, and (4) liabilities now existing or hereafter arising and however evidenced; (c) All extensions and renewals of liabilities of Borrower or Debtor to Lender for any term or terms to which Undersigned hereby consents; (d) All interest due or to become due on the liabilities of Borrower or Debtor to Lender; (e) All expenditures by Lender involving the performance of or enforcement of any agreement, covenant or warranty provided for by this or any other agreement between the parties; and (f) All costs, attorney fees, and other expenditures of Lender in the collection and enforcement of any obligation or liability of Borrower or Debtor to Lender and in the collection and enforcement of or realization upon any of the Collateral.

IV. FUTURE ADVANCES. It is specifically agreed that the obligations of Borrower and Debtor secured by this Agreement include all future advances by Lender to Borrower as set forth in Paragraph III above.

V. ADDITIONAL PROVISIONS. The Undersigned agrees to the Additional Provisions set forth on page two hereof, the same being incorporated herein by reference.

RECEIPT FOR COLLATERAL	SIGNATURE(S)
By:  Charlie Smith, Loan Originator	 By: Linda F. Rappaport

ADDITIONAL PROVISIONS**UNDERSIGNED EXPRESSLY WARRANTS, COVENANTS AND AGREES:****WARRANTIES AND COVENANTS**

1. **Financial Information.** All loan applications, balance sheets, earnings statements, other financial information and other representations which have been or may hereafter be, furnished Lender to induce it to enter into or continue a financial transaction with Borrower fairly represent the financial condition of Borrower as of the date and for the period shown therein, and all other information, reports, documents, papers and data furnished to Lender are or shall be, at the time furnished, accurate and correct in all material respects and complete insofar as completeness may be necessary to give Lender a true and accurate knowledge of the subject matter. There has been no material change in the financial condition of Borrower since the effective date of the last furnished financial information which has not been reported to Lender in writing. (The provisions of this paragraph do not apply to Debtors who are different parties from Borrower.)

2. **Furnishing of information on Collateral.** Undersigned will furnish Lender information adequate to identify with accuracy all Collateral in a form and substance and at times as may be requested by Lender. Undersigned will also upon request deliver to Lender true copies of purchase orders, shipping and delivery receipts and invoices evidencing and describing the Collateral. Debtor will execute such documents as Lender may from time to time require to enable Lender to perfect the security interest granted hereby and to receive proceeds of and distribution from or interests in the Collateral.

3. **Adequacy of Collateral.** After written notice of such fact and within the time specified in such notice, Debtor agrees to deliver to Lender additional collateral satisfactory to Lender, if Lender in its sole discretion determines that the Collateral is inadequate to secure the obligations of Borrower to Lender covered by this Agreement or the Lender deems itself otherwise insecure.

4. **Debtor's Name and Location.** Debtor's exact legal name is as set forth on the reverse side of this Agreement. If Debtor is an individual, Debtor's principal residence is as at Debtor's address as set forth herein. If Debtor is an entity other than an individual, Debtor's location (i.e., place of business, chief executive office or state of organization, as the case may be) is in the state reflected for Debtor's address or as otherwise set forth on the reverse side of this Agreement. Until the indebtedness is paid in full, Debtor agrees that it will not change its location (for example, its state of incorporation) or its legal name without providing Lender 30 days' prior written notice.

EVENTS OF DEFAULT

Debtor shall be in default under this Agreement upon the happening of any of the following events or conditions, herein called "Events of Default":

1. Any warranty, covenant, agreement, representation, financial information or statement made or furnished to Lender by or in behalf of Borrower or Debtor to induce Lender to enter into this Agreement, or in conjunction therewith, is violated or proves to have been false in any material respect when made or furnished.
2. Any payment required hereunder or under any note or obligation of Borrower or Debtor to this Lender or to others is not made when due or in accordance with terms of the applicable contract.
3. Borrower or Debtor defaults in the performance of any covenant, obligation, warranty or provision contained in any Loan Agreement or in any other note or obligation of Borrower or Debtor to Lender or to others.
4. The occurrence of any event or condition which results in acceleration of the maturity of any obligation of Borrower or Debtor to Lender or to others under any note, indenture, agreement or undertaking.

REMEDIES

1. Upon the occurrence of an Event of Default, and at any time thereafter, Lender may at its option and without notice or demand to Borrower or Debtor except as otherwise provided by law, exercise any and all rights and remedies provided by the U.C.C., as well as all other rights and remedies possessed by Lender, including, but not limited to:
 1. Declare all liabilities secured hereby immediately due and payable, and/or proceed to enforce payment and performance of all liabilities secured hereby.
 2. Require Debtor to assemble Collateral or evidence thereof and make it available to Lender at any place designated by Lender which is reasonably convenient to both parties.
 3. Repossess the Collateral, and for the purpose Lender is hereby granted authority to enter into and upon any premises on which Collateral or any part may be situated, and remove it as a part of such repossession.
 4. Possess all books and records evidencing or pertaining to the Collateral, and for this purpose Lender is hereby given authority to enter into and upon any premises at which such books and records or any part of them may be situated, and to remove them.
 5. Apply that portion of the Collateral consisting of cash or cash equivalent items such as checks, drafts or deposited funds against any liabilities of Borrower selected by Lender, and for this purpose Debtor agrees that cash or equivalents will be considered identical to cash proceeds. Lender shall have the right immediately and without further action by it to set off against the liabilities secured hereby all money owed by Lender to Borrower, whether due or not due, and Lender shall be deemed to have exercised such right to set off and to have made a charge against such money at the time of any acceleration upon default even though such charges made are entered on the Lender's books subsequent thereto.

GENERAL

1. **Expenditures of Lender.** At its option and after written notice to Undersigned required by law, which notice Undersigned hereby agrees is sufficient if mailed, postage prepaid, to the address of Undersigned provided herein at least ten days before the commencement of the performance of the duties specified therein, it is agreed Lender may discharge taxes, liens, security interests or other encumbrances on the Collateral and may pay for the repair of any damage to the Collateral, for the maintenance and preservation thereof and for insurance thereon. Undersigned shall be liable for and agrees to pay Lender for all expenditures of Lender for taxes on the Collateral, for the discharge of liens, security interests or other encumbrances on the Collateral, for the repair of any damage to Collateral, and for all costs, attorneys' fees and other disbursements of Lender in connection with the foregoing. Undersigned agrees promptly to reimburse Lender for all such expenditures and until such reimbursement the amounts of such expenditures shall be considered a liability of Undersigned to Lender which is secured by this Agreement. In addition, Undersigned shall be liable for and agrees to pay Lender for all costs, attorneys' fees and other disbursements of Lender as allowed by law or provided for herein in the enforcement or collection of any note, warranty or liability. Undersigned to Lender, or in the realization upon or the enforcement or collection of any account receivable, contract right, promissory note, chattel paper, instrument, document or other Collateral in which Lender has a security interest. Undersigned agrees promptly to reimburse Lender for all such expenditures and until such reimbursement the amount of such expenditures shall be considered a liability of Undersigned to Lender which is secured by this Agreement.
2. **Right of Offset.** Any property, tangible or intangible of Undersigned in possession of Lender at any time during the term hereof, or any indebtedness due from Lender to Undersigned and any deposit or credit balances due from Lender to Undersigned, or any of the foregoing of any party hereto, is pledged to secure payment hereof and may at any time while the whole or any part of Undersigned's indebtedness to Lender remains unpaid, whether before or after maturity thereof, be appropriated, held or applied toward the payment of any obligation of Undersigned to Lender.
3. **Applicable Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Oklahoma, except to the extent that the UCC provides for application of the law where the Debtor or the collateral is located (if other than Oklahoma) as the case may be.

4. **Waivers.** No act, delay or omission, including Lender's waiver of remedy because of any default hereunder, shall constitute a waiver of any of Lender's rights and remedies under this Agreement or any other agreement between the parties. All rights and remedies of Lender are cumulative and may be exercised in any order.

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5. **Control.** Debtor will cooperate with Lender in obtaining control with respect to Collateral consisting of: deposit accounts; investment property; letter-of-credit rights; electronic chattel paper.

6. **Possession.** Debtor shall have possession of the Collateral, except where expressly otherwise provided in this Agreement or where Lender chooses to perfect its security interest by possession in addition to the filing of a financing statement. Where Collateral is in the possession of a third party, Debtor will join with Lender in notifying the third party of Lender's security interest and obtaining an acknowledgment from the third party that it is holding the Collateral for the benefit of Lender.

7. **Taxes.** Undersigned shall promptly pay any and all taxes, assessments and license fees with respect to the Collateral or the use of the Collateral.

8. **Sale, Lease, or Disposition of Collateral Prohibited.** Undersigned shall not sell, transfer, exchange, lease or otherwise dispose of the Collateral or any part thereof or the Undersigned's rights therein without first obtaining the prior written consent of Lender. The consent of Lender may be conditioned upon any requirements which the Lender deems to be for its protection; and, it is understood and agreed that such consent will not be deemed to be effective unless and until such requirements and conditions have been fulfilled.

9. **Financing Statement.** No Financing Statement covering Collateral is on file in any public office. Undersigned agrees to join with Lender in executing one or more Financing Statements, or other instrument of encumbrance, in form satisfactory to Lender, in order to perfect, or to continue perfection of, the security interest of Lender which may arise hereunder.

10. **Adequate Insurance.** Undersigned at own expense, if required by Lender, shall insure Collateral with companies acceptable to Lender against such casualties and in such amounts as prudent and adequate to protect any such liability. Lender in its sole discretion believes the prospect of payment or performance of any liability, covenant, warranty or obligation of Borrower or Debtor is impaired.

11. **Loss, theft, substantial damage to or destruction of Collateral.**

6. The making of any levy against or seizure, garnishment or attachment of any Collateral, the consensual encumbrance thereof, or the sale, lease or other disposition of Collateral without the prior written consent of Lender as required elsewhere in this Agreement.

7. When in the judgment of Lender the Collateral becomes unsatisfactory or insufficient in character or value, and upon request Borrower fails to provide additional Collateral as required by Lender.

8. Any time Lender in its sole discretion believes the prospect of payment or performance of any liability, covenant, warranty or obligation of Borrower or Debtor is impaired.

9. The death, dissolution, termination of existence or insolvency of Borrower or Debtor, the appointment of a receiver over any part of Borrower's or Debtor's property or any part of the Collateral, as assignment for the benefit of creditors or the commencement of any proceeding under any bankruptcy or insolvency law by or against Borrower or Debtor or any guarantor or surety for Borrower or Debtor.

6. Transfer any of the Collateral or evidence thereof into its own name or that of a nominee and receive the proceeds therefrom and hold the same as security for the liabilities of Borrower to Lender or apply it on or against any such liability. Lender may also demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, release or realize upon Collateral in its own name or in the name of the Debtor as Lender may determine.

7. Sell or otherwise dispose of the Collateral. Unless Collateral in whole or part is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Borrower and Debtor reasonable notice, as required by law, of the time and place of any public sale, or of the time after which any private sale or other disposition is to be made. Any requirement of notice shall be met if notice is mailed, postage prepaid, to the address provided for herein at least ten days before sale or other disposition or action. Lender shall be entitled to, and Undersigned shall be liable for, all reasonable costs and expenditures incurred in realizing on its security interest, including without limitation, court costs, fees for reflexion books, storage, repossession costs, repair and preparation costs for sale, selling costs and reasonable attorneys' fees as set forth in any promissory note. All such costs shall be secured by the security interest in the Collateral covered herein.

8. Lender shall not be liable for failure to collect any account, enforce any contract right, or for any other act or omission on the part of Lender, its officers, agents or employees, except as the same constitutes a lack of good faith or failure to act in a commercially reasonable manner. Lender shall have acted in a commercially reasonable manner if its action or non-action is consistent with the general usage of lenders in the area of Lender's location at the time the action or non-action occurs, but this standard shall not constitute disapproval of any procedures which may be otherwise reasonable under the circumstances nor require Lender to take necessary steps to preserve rights against prior parties in an instrument or chattel paper.

exercised singularly or concurrently, and the exercise of any one or more remedy will not be a waiver of any other. No waiver, change, modification or discharge of any of Lender's rights or of Undersigned's duties as so specified or allowed will be effective unless in writing and signed by a duly authorized officer of Lender, and any such waiver will not be a bar to the exercise of any right or remedy on any subsequent default. Undersigned hereby waives: (a) all demands and notices of any action taken by Lender under this Agreement or any other agreement between the parties or in connection with any notes; (b) any indulgence of Lender; and (c) any substitution for, exchange of, or release of all or any part of the Collateral or of other collateral securing obligations of Borrower to Lender. Undersigned also consents to the addition or release of person liable on any obligation of Borrower to Lender.

5. **Agreement Binding on Assigns.** this Agreement shall inure to the benefit of the successors and assigns of Lender and shall be binding upon the heirs, executors, administrators, successors and assigns of Undersigned.

6. **Rights of Lender Assignable.** Lender at any time and at its option may pledge, transfer or assign its rights under this agreement, in whole or in part, and any pledges, transferees or assigns shall have all the rights of Lender as to the rights or parts thereof so pledged, transferred or assigned. The rights of the Undersigned hereunder may not be assigned.

7. **Joint and Several Responsibility of Debtor.** If more than one Undersigned executes this Agreement, their responsibility hereunder shall be joint and several and the reference to Undersigned herein shall be deemed to refer to each Undersigned signing this Agreement.

8. **Separability of Provisions.** If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

9. **Copies.** A carbon, photographic, or other reproduction of this Security Agreement or of any financing statement prepared or filed with respect hereto is sufficient as a financing statement.

10. **Notice of Name Change, etc.** Undersigned will immediately notify Lender of any change in his, her, or their name, identity, or organizational or corporate structure.

LSB COLLATERAL - BANK OF THE WEST
NOTE DTD 12/2003

Tax ID Number	Owner	Certificate Number	Certificate Date	# of Shares
73-1477865	SBL Corporation	OKS10756	10/26/95	20,000
		OKS10757	10/26/95	20,000
		OKS10784	10/26/95	20,000
		OKS10785	10/26/95	20,000
		OKS10786	10/26/95	20,000
		OKS10787	10/26/95	20,000
		OKS10788	10/26/95	20,000
		OKS10797	10/26/95	20,000
		OKS10798	10/26/95	18,102
		OKS10799	10/26/95	20,000
		OKS10800	10/26/95	20,000
		OKS10801	10/26/95	20,000
		OKS10802	10/25/95	20,000
		OKS10803	10/25/95	20,000
		OKS10804	10/26/95	20,000
		OKS10805	10/26/95	20,000

