

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934  
(Amendment No. 24)

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 15, 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,<br>S.S. or I.R.S. Identification<br>Nos. of Above Persons       | Jack E. Golsen<br>###-##-#### |
| (2) Check the Appropriate Box if<br>a Member of a Group (See<br>Instructions)                   | (a) [ ]<br>(b) [X]            |
| (3) SEC Use Only  |                               |
| (4) Source of Funds (See Instruc-<br>tions)   | OO                            |
| (5) Check if Disclosure of Legal<br>Proceedings is Required Pur-<br>suant to Items 2(d) or 2(e) |                               |

(6)	Citizenship or Place of Organization	USA
	(7)	Sole Voting Power 375,361
Number of Shares Beneficially Owned by Each Reporting Person With:	(8)	Shared Voting Power 2,728,059
	(9)	Sole Dispositive Power 375,361
	(10)	Shared Dispositive Power 2,728,059
(11)	Aggregate Amount Beneficially Owned by Each Reporting Person	3,103,420
(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)	[22.6]%
(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  
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(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 2,728,059
	(9)	Sole Dispositive Power -
	(10)	Shared Dispositive Power 2,728,059
(11)	Aggregate Amount Beneficially Owned by Each Reporting Person	2,728,059
(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)	20.2%
(14)	Type of Reporting Person (See Instructions)	IN

(1) Names of Reporting Persons, S.S. or I.R.S. Identification Nos. of Above Persons      SBL Corporation  
 73-1477865

(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) OO

(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 (8) Shared Voting Power 1,675,809

(9) Sole Dispositive Power -

With: (10) Shared Dispositive Power 1,675,809

(11) Aggregate Amount Beneficially Owned by Each Reporting Person 1,675,809

(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) 12.4%

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

(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) OO

(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 (8) Shared Voting Power 193,933

(9) Sole Dispositive Power -

With: (10) Shared Dispositive Power 193,933

(11) Aggregate Amount Beneficially Owned by Each Reporting Person 193,933

- (12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
- (13) Percent of Class Represented by Amount in Row (11) 1.5%
- (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  
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- (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) OO

(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	247,616
Number of Shares Beneficially Owned by Each Reporting Person With:	(8)	Shared Voting Power	1,893,269
	(9)	Sole Dispositive Power	247,616
	(10)	Shared Dispositive Power	1,893,269

(11) Aggregate Amount Beneficially Owned by Each Reporting Person 2,140,885

(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) 15.9 %

(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  
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- (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) OO

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

(6) Citizenship or Place of Organization USA

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	(7)	Sole Voting Power	207,987	
Number of Shares Beneficially Owned by Each Reporting Person With:	(8)	Shared Voting Power	1,749,717	
	(9)	Sole Dispositive Power	207,987	
	(10)	Shared Dispositive Power	1,749,717	
(11)		Aggregate Amount Beneficially Owned by Each Reporting Person	1,957,704	
(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)	14.5%	
(14)		Type of Reporting Person (See Instructions)		IN
(1)		Names of Reporting Persons, S.S. or I.R.S. Identification Nos. of Above Persons	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)		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	1,893,269	
	(9)	Sole Dispositive Power	82,552	
	(10)	Shared Dispositive Power	1,893,269	
(11)		Aggregate Amount Beneficially Owned by Each Reporting Person	1,975,821	
(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)	14.6%	
(14)		Type of Reporting Person (See Instructions)		IN

This statement constitutes Amendment No. 24 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, SBL Corporation ("SBL"), Golsen Petroleum Corporation ("GPC"), a wholly owned subsidiary of SBL, Barry H. Golsen, Steven J. Golsen and Linda Golsen Rappaport.

This Amendment No. 24 to the Schedule 13D is being filed as a result of a change in the facts contained in Amendment 23 to the Schedule 13D, which change may be considered a material change in the facts set forth in Amendment 23 to the Schedule 13D. The change is due to the following:

- (i) As of December 15, 1995, SBL increased its beneficial ownership of the Company's Common Stock by more than 1% of the outstanding shares of Common Stock, as a result of open market purchases by SBL of (a) an aggregate 12,000 shares of Common Stock between October 31, 1995 and December 15, 1995 and (b) an aggregate 15,300 shares of the Company's \$3.25 Convertible Exchangeable Class C Preferred Stock, Series 2 (the "Class C Preferred Stock"), which is convertible into approximately 66,234 shares of Common Stock. In addition, on November 28, 1995, SBL acquired: (a) 31,500 shares of Common Stock and 2,200 shares of Class C Preferred Stock, which is convertible into approximately 9,524 shares of Common Stock, pursuant to a private purchase from SBL's wholly owned subsidiary, GPC which changed the record holder of such Common Stock but did not affect a change in beneficial ownership for such, and (b) 15,000 shares of Common Stock pursuant to a private purchase from MG Trust. Each share of Class C Preferred Stock is convertible, at the option of the holder, into 4.329 shares of Common Stock at a conversion price of \$11.55 per share. See Item 5(c) of this Amendment.

The following transactions by SBL have occurred subsequent to December 15, 1995, but prior to the date of this Amendment: (a) 5,000 shares of Common Stock were purchased on January 4, 1996; (b) 1,100 shares of Class C Preferred Stock, convertible into approximately 4,762 shares of Common Stock, were sold during December, 1996; (c) 4,000 shares of Class C Preferred Stock, convertible into 17,316 shares of Common Stock, were sold during January, 1997; and (d) 10,000 shares of Class C Preferred Stock, convertible into 43,290 shares of Common Stock, were sold on April 29, 1997.

- (ii) The vesting on June 1, 1996, of an additional 33,000 shares of Common Stock which may be acquired by Jack E. Golsen under a Non-Qualified Stock Option.

The vesting on June 1, 1996, of an additional 15,000 shares of Common Stock which could be acquired by Jack E. Golsen under an Incentive Stock Option and the subsequent acquisition of 40,000 shares through the exercise of such Incentive Stock Option on May 29, 1997. As consideration for such exercise, Jack E. Golsen transferred to the Company 29,734 shares of Common Stock of the Company which had been given to Jack E. Golsen by his wife, Sylvia H. Golsen, as a bona fide gift.

- (iii) The bona fide gifts of 45,000 shares of Common Stock by Sylvia H. Golsen on December 12, 1995, consisting of (a) 5,000 shares each to the Barry H. Golsen 1992 Trust and the Linda Golsen Rappaport 1992 Trust, (b) 5,000 shares of Common Stock, each to six trusts established for the benefit of her six grandchildren in which one or more of Barry H. Golsen, Steven J. Golsen, or Linda Golsen Rappaport (all reporting persons herein) are trustees, and (c) 2,500 shares of Common Stock, each to two trusts established for the benefit of her great-niece and great-nephew.

The bona fide gifts of 42,000 shares of Common Stock by Sylvia H. Golsen on December 20, 1996, consisting of (a) 4,000 shares of Common Stock, each to the Barry H. Golsen 1992 Trust, the Linda Golsen Rappaport 1992 Trust, and the Steven J. Golsen 1992 Trust, (b) 4,000 shares of Common Stock, each to six trusts established

for the benefit of her six grandchildren in which one or more of Barry H. Golsen, Steven J. Golsen, or Linda Golsen Rappaport (all reporting persons herein) are trustees, (c) 2,000 shares of Common Stock, each to two trusts established for the benefit of her great-niece and great-nephew, and (d) 2,000 shares of Common Stock, to Susan Brown.

Heidi Brown Shear, the sole trustee under the Barry H. Golsen 1992 Trust, the Linda Golsen Rappaport 1992 Trust, and the Steven J. Golsen 1992 Trust, who is not a reporting person to this Schedule 13D, has sole voting and dispositive power of the shares of Common Stock held by such Trusts, and, as a result, the reporting persons to this Schedule 13D would not be considered the beneficial owners of the shares of Common Stock held by such Trusts. Heidi Brown Shear is also the trustee of the trust created for the benefit of Jack E. Golsen's great-niece and great-nephew.

(iv) The vesting on June 1, 1996, of an additional 3,000 shares of Common Stock which could be acquired by Barry H. Golsen under an Incentive Stock Option and the subsequent acquisition of 8,000 shares through the exercise of such Incentive Stock Option on May 29, 1997. As consideration for such exercise, Barry H. Golsen transferred to the Company 5,947 shares of Common Stock of the Company.

The vesting on June 27, 1997, of an additional 1,000 shares of Common Stock which may be acquired by Barry H. Golsen under an Incentive Stock Option.

(v) The vesting on June 1, 1996, of an additional 3,000 shares of Common Stock which could be acquired by Steven J. Golsen under an Incentive Stock Option and the subsequent acquisition of 8,000 shares through the exercise of such Incentive Stock Option on May 29, 1997. As consideration for such exercise, Steven J. Golsen transferred to the Company 5,947 shares of Common Stock of the Company.

The vesting on June 27, 1997, of an additional 1,000 shares of Common Stock which may be acquired by Steven J. Golsen under an Incentive Stock Option.

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.

Between October 31, 1995, and December 15, 1995, SBL acquired 12,000 shares of Common Stock and 15,300 shares of the Class C Preferred Stock for an aggregate purchase price, respectively, of \$46,812 and \$488,850. On November 28, 1995, SBL purchased in private transactions 46,500 shares of Common Stock and 2,200 shares of Class C Preferred Stock for an aggregate purchase price of \$180,187 and \$69,850, respectively. Additionally, on January 4, 1996, SBL purchased 5,000 shares of Common Stock for an aggregate purchase price of \$21,250. The sources of the funds used by SBL in making such purchases were, in part, borrowed from BancFirst, an Oklahoma banking corporation ("BancFirst"). See Item 5(c) hereof.

The acquisition by Jack E. Golsen of 40,000 shares of Common Stock on May 29, 1997 upon exercise of an Incentive Stock Option was made for an aggregate purchase price of \$137,520, which purchase price was paid for by Mr. Golsen tendering to the Company 29,734 shares of Common Stock, having a fair market value at the time of exercise of \$137,520. The 29,734 shares were received by Mr. Golsen as a result of a bona fide gift from Sylvia H. Golsen to Jack E. Golsen.

The acquisition by Barry H. Golsen of 8,000 shares of Common Stock on May 29, 1997 upon exercise of an Incentive Stock Option was made for an aggregate purchase price of \$27,504, which purchase price was paid for with 5,947 shares of Common Stock, having a fair market value at the time of exercise of \$27,504, owned by Barry H. Golsen and tendered to the Company.

The acquisition by Steven J. Golsen of 8,000 shares of Common Stock on May 29, 1997 upon exercise of an Incentive Stock Option was made for an aggregate purchase price of \$27,504, which purchase price was paid for with 5,947 shares of Common Stock, having a fair market value at time of exercise of \$27,504, owned by Steven J. Golsen and tendered to the Company.

This Item 3 is not applicable to the bona fide gifts by Sylvia H. Golsen.

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 as of June 10, 1997, 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	3,103,420 (1) (2) (6)	22.6%
Sylvia H. Golsen	2,728,059 (1) (6) (7)	20.2%
SBL	1,675,809 (1)	12.4%
GPC	193,933 (8)	1.5%
Barry H. Golsen	2,140,885 (1) (3) (6)	15.9%
Steven J. Golsen	1,957,704 (1) (4) (6)	14.5%
Linda Golsen Rappaport	1,975,821 (1) (5) (6)	14.6%

(1) The amount shown includes (i) 1,042,699 shares held directly by SBL; (ii) 400,000 shares that SBL has the right to acquire upon the conversion of 12,000 shares of the Company's Series B Preferred Stock owned of record by SBL; (iii) 39,177 shares of Common Stock that SBL has the right to acquire upon the conversion of 9,050 shares of Class C Preferred Stock owned of record by SBL; and (iv) 193,933 shares of Common Stock beneficially owned by SBL's wholly owned subsidiary, GPC, which includes 133,333 shares that GPC has the right to acquire upon conversion of 4,000 shares of Class B Preferred Stock 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) 4,000 shares of Common Stock that Jack E. Golsen has the right to acquire upon conversion of a promissory note, (ii) 133,333 shares of Common Stock upon the conversion of 4,000 shares of the Series B Preferred Stock owned of record by Jack E. Golsen, (iii) 1,052,250 shares of Common Stock owned of record by Sylvia H. Golsen, wife of Jack E. Golsen, (iv) 99,000 shares of Common Stock Jack E. Golsen may acquire upon exercise of a Non-Qualified Stock Option, and (v) 10,000 shares owned of record by the MG Trust, of which Jack E. Golsen is the sole trustee who possesses voting and dispositive power over the securities held by such trust.



- (3) The amount shown does not include (i) 533 shares of Common Stock that Barry Golsen's wife owns, in which Barry Golsen disclaims beneficial ownership, and (ii) 74,840 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 (a) 36,954 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, (b) 35,888 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 (c) 1,000 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 69,840 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) 36,954 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) 36,954 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) 1,000 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 124,350 shares of Common Stock that Mrs. Rappaport's husband owns and 1,000 shares which Mrs. Rappaport's husband may acquire upon exercise of incentive stock options of the Company, for which Mrs. Rappaport disclaims beneficial ownership. The amount shown does not include 74,840 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) 36,954 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) 35,888 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 SBL and GPC.
- (7) The amount shown does not include, and Sylvia H. Golsen disclaims beneficial ownership of (a) the 129,028 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 99,000 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 10,000 shares of Common Stock held of record by the MG Trust, of which Jack E. Golsen is the sole trustee who possesses voting and dispositive power over the securities held by such trust.

- (8) The amount shown includes 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. 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) 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 as of June 10, 1997, 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	375,361 (1) (5)	2,728,059 (2) (3)
Sylvia H. Golsen	None	2,728,059 (2) (11)
SBL	None	1,675,809 (2)
GPC	None	193,933 (4)
Barry H. Golsen	247,616 (5) (6)	1,893,269 (2) (7)
Steven J. Golsen	207,987 (5) (8)	1,749,717 (2) (9)
Linda Golsen Rappaport	82,552 (5)	1,893,269 (2) (10)

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- (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) 99,000 shares of Common Stock that J. Golsen has the right to acquire under a Non-Qualified Stock Option, and (d) 10,000 shares held of record by the MG Trust, of which Jack E. Golsen is the sole trustee who possesses voting and dispositive power over the securities held by such trust.
- (2) See footnote (1) under paragraph (a) of this Item 5.
- (3) The amount shown includes 1,052,250 shares of Common Stock owned of record by Sylvia H. Golsen, the wife of Jack E. Golsen.
- (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 1,000 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 74,840 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. Such amount does include (a) 36,954 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) 35,888 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 1,000 shares which Steven J. Golsen may acquire upon exercise of incentive stock options of the Company.
- (9) The amount shown does not include 74,840 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. Such amount includes (a) 36,954 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) 36,954 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.

SBL 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). Such individuals previously owned all of the issued and outstanding Common Stock of GPC in the same ownership percentages as indicated with respect to SBL. Upon formation of SBL, such individuals contributed all of their stock in GPC to SBL. As a result, GPC became the wholly owned subsidiary of SBL. The directors and executive officers of SBL are Sylvia H. Golsen, Barry H. Golsen, Steven J. Golsen and Linda Golsen Rappaport. The directors and executive officers of 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.

(c) Since the filing of Amendment No. 23, the following transactions were effected in the Common Stock by a reporting person named in response to Paragraph (a) of this Item 5:

Transactions by Jack E. Golsen:

Date	Security	Number of Shares Acquired (Disposed of)	Price Excluding Commission	Type of Transaction
05-29-97	Common	(29,734)	\$ 4.625	Tender to Company of Shares received in a bona fide gift from Sylvia H. Golsen to pay option exercise price
05-29-97	Common	40,000	\$ 3.438	Option Exercise

Transactions by Sylvia H. Golsen:

Date	Security	Number of Shares Acquired (Disposed of)	Price Excluding Commission	Type of Transaction
05-29-97	Common	(29,734)	\$ 4.625	Bona fide gift to Husband which was subsequently tendered to Company to pay option price

In addition, on December 12, 1995, Sylvia H. Golsen transferred 45,000 shares of Common Stock as bona fide gifts as follows: (a) 5,000 shares each to the Barry H. Golsen 1992 Trust and the Linda Golsen Rappaport 1992 Trust, (b) 5,000 shares of Common Stock, each to six trusts established for the benefit of her six grandchildren in which one or more of Barry H. Golsen, Steven J. Golsen, or Linda Golsen Rappaport (all reporting persons herein) are trustees, and (c) 2,500 shares of Common Stock, each to two trusts established for the benefit of her great-niece and great-nephew.

In addition, on December 20, 1996, Sylvia H. Golsen transferred 42,000 shares of Common Stock as bona fide gifts as follows: (a) 4,000 shares of Common Stock, each to the Barry H. Golsen 1992 Trust, the Linda Golsen Rappaport 1992 Trust, and the Steven J. Golsen 1992 Trust, (b) 4,000 shares of Common Stock, each to six trusts established for the benefit of her six grandchildren in which one or more of Barry H. Golsen, Steven J. Golsen, or Linda Golsen Rappaport (all reporting persons herein) are trustees, (c) 2,000 shares of Common Stock, each to two trusts established for the benefit of her great-niece and great-nephew, and (d) 2,000 shares of Common Stock, to Susan Brown.

Transactions by SBL:

Date	Security	Number of Shares Acquired (Disposed of)	Price Excluding Commission	Type of Transaction
10-31-95	Common Stock	1,500	\$ 4.25	NYSE
10-31-95	Common Stock	500	4.375	NYSE
11-14-95	Common Stock	4,000	3.875	NYSE
11-14-95	Class C Preferred	1,000	32.875	NYSE
11-18-95	Class C Preferred	1,000	31.25	NYSE
11-22-95	Class C Preferred	1,000	31.00	NYSE
11-24-95	Class C Preferred	800	32.00	NYSE
12-01-95	Common Stock	1,000	3.875	NYSE
12-04-95	Common Stock	1,000	3.875	NYSE
12-04-95	Common Stock	1,000	3.75	NYSE
12-05-95	Common Stock	3,000	3.75	NYSE
12-06-95	Class C Preferred	1,000	31.50	NYSE
12-06-95	Class C Preferred	500	32.25	NYSE
12-07-95	Class C Preferred	1,000	32.25	NYSE
12-11-95	Class C Preferred	1,000	32.00	NYSE
12-12-95	Class C Preferred	2,000	32.00	NYSE
12-13-95	Class C Preferred	2,000	32.00	NYSE
12-14-95	Class C Preferred	1,000	32.00	NYSE
12-15-95	Class C Preferred	2,000	32.00	NYSE
12-18-95	Class C Preferred	1,000	32.25	NYSE
01-04-96	Common Stock	5,000	4.25	NYSE
12-02-96	Class C Preferred	(100)	39.25	NYSE
12-31-96	Class C Preferred	(1,000)	39.25	NYSE
01-28-97	Class C Preferred	(3,000)	39.25	NYSE
01-31-97	Class C Preferred	(1,000)	39.50	NYSE
04-29-97	Class C Preferred	(10,000)	\$ 36.11	Private Transaction

In addition, on November 28, 1995, pursuant to privately negotiated transactions, SBL acquired the following securities at a per share purchase price of \$3.875 as to Common Stock and \$31.750 as to Class C Preferred Stock, representing the respective fair market value of such securities as quoted on the New York Stock

Exchange on such date: (i) from GPC, SBL's wholly owned subsidiary, 2,200 shares of Class C Preferred Stock and 31,500 shares of the Company's Common Stock, and (ii) from the MG Trust, of which Jack E. Golsen is the sole trustee, 15,000 shares of the Company's Common Stock.

Transactions by Barry H. Golsen:

Date	Security	Number of Shares Acquired (Disposed of)	Price Excluding Commission	Type of Transaction
05-29-97	Common	(5,947)	\$ 4.625	Tender to Company to pay option exercise price
05-29-97	Common	8,000	\$ 3.438	Option Exercise

Transactions by Steven J. Golsen:

Date	Security	Number of Shares Acquired (Disposed of)	Price Excluding Commission	Type of Transaction
05-29-97	Common	(5,947)	\$ 4.625	Tender to Company to pay option exercise price
05-29-97	Common	8,000	\$ 3.438	Option Exercise

(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 the following are hereby added:

(a) On November 21, 1995, SBL pledged to BancFirst, Oklahoma City, Oklahoma, to secure repayment of a certain loan made to SBL on such date 500,000 shares of Common Stock along with any and all other shares of Common Stock and Class C Preferred Stock subsequently acquired by SBL using the proceeds of such loan. In addition to standard default and similar provisions contained in the Commercial Pledge Agreement, BancFirst retains the right to collect all dividends paid in connection with the collateral after a default.

(b) Effective December 1, 1995, a Shareholder's Agreement was entered into between Sylvia Golsen and SBL Corporation which imposes certain restrictions on the transfer of the stock of either the Company or SBL without first offering such shares to SBL.

(c) Effective December 1, 1995, separate Shareholder's Agreements among Sylvia Golsen, SBL and each of Jack E. Golsen, Barry H. Golsen, Steven J. Golsen and Linda F. Rappaport were entered into. Each of these agreements is substantially the same and imposes certain restrictions on the transfer of the stock of either the Company or SBL held by each of Jack E. Golsen, Barry H. Golsen, Steven J. Golsen and Linda F. Rappaport without first offering such shares to SBL and to Sylvia Golsen.

(d) On December 30, 1996, SBL pledged to First Enterprise Bank, Oklahoma City, Oklahoma, to secure repayment of a debt of a third party, 200,000 shares of Common Stock of the Company.

(e) On May 15, 1995, substantially all of the assets of Stifel, Nicolaus & Company, Incorporated ("Stifel") located in

Oklahoma and Texas were purchased by Capital West Securities, Inc., an Oklahoma-based corporation ("Capital West"). In connection therewith, certain of the brokerage functions previously performed for Sylvia H. Golsen by Stifel were to be performed in the future by Capital West.

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 December 5, 1994, between CityBank & Trust and Sylvia H. Golsen is filed as Exhibit 12 to Amendment No. 21 and is incorporated herein by reference.
12. Customer's Agreement between Sylvia H. Golsen and Stifel, Nicolaus & Company, Incorporated, dated March 29, 1995, is filed as Exhibit 13 to Amendment No. 21 and is incorporated herein by reference.
13. Letter from Stifel, Nicolaus & Company, Incorporated, and letter from Capital West Securities, Inc., each dated May 15, 1995, with enclosed Customer Account Agreement amending Customer's Agreement between Sylvia H. Golsen and Stifel, Nicolaus & Company is attached hereto as Exhibit 13 to this Amendment No. 24.
14. First Amendment, dated March 2, 1994, and Second Amendment, dated April 3, 1995, each to the Non-Qualified Stock Option Agreement, dated June 1, 1989, between the Company and Jack E.

Golsen, are filed as Exhibit 14 to Amendment No. 21 and is incorporated herein by reference.

15. Margin Account Agreement, dated September 9, 1994, between National Financial Services Corporation ("NFSC") and Golsen Petroleum Corporation is filed as Exhibit No. 15 to Amendment 21 and is incorporated herein by reference. 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.
16. Security Agreement, dated October 12, 1995, between Jack E. Golsen, Sylvia H. Golsen and Stillwater National Bank and Trust Company is filed as Exhibit 15 to Amendment No. 23, and is incorporated herein by reference.
17. Margin Account Agreement, dated October 17, 1995, between NFSC and SBL Corporation. The Margin Account Agreement is substantially similar to the Margin Account Agreements filed as Exhibit 15 to Amendment 20, and a copy of the same will be supplied to the Commission upon request.
18. Commercial Pledge Agreement, dated October 24, 1995, between CityBank & Trust and Jack E. Golsen is filed as Exhibit 17 to Amendment No. 23, and is incorporated herein by reference.
19. Commercial Pledge Agreement, dated October 24, 1995, between CityBank & Trust and Sylvia H. Golsen is filed as Exhibit 18 to Amendment No. 23, and is incorporated herein by reference.
20. 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.
21. Commercial Pledge Agreement, dated November 21, 1995, between BancFirst and SBL Corporation is attached hereto as Exhibit 21 to this Amendment No. 24.
22. Shareholder's Agreement, effective December 1, 1995, between Sylvia Golsen and SBL Corporation is attached hereto as Exhibit 22 to this Amendment No. 24.
23. Shareholder's Agreement, effective December 1, 1995, among Jack E. Golsen, Sylvia Golsen and SBL Corporation is attached hereto as Exhibit 23 to this Amendment No. 24.
24. 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 this Amendment No. 24, and a copy of the same will be supplied to the Commission upon request.
25. 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 this Amendment No. 24, and a copy of the same will be supplied to the Commission upon request.
26. 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 this Amendment No. 24, and a copy of the same will be supplied to the Commission upon request.
27. Agreement to Pledge, dated December 30, 1996, between First Enterprise Bank and SBL Corporation is attached hereto as Exhibit 27 to this Amendment No. 24.

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: June 17, 1997.

/s/ Jack E. Golsen  
-----  
Jack E. Golsen  
  
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/ Sylvia H. Golsen

-----  
Sylvia H. Golsen, Secretary



CAPITAL WEST SECURITIES, INC.  
One Leadership Square, 16th Floor  
211 North Robinson  
Oklahoma City, Oklahoma 73102

May 15, 1995

Dear Valued Client:

Welcome to the Capital West family! As you are aware, Capital West is purchasing substantially all of the assets of Stifel, Nicolaus & Company, Inc. in Oklahoma and Texas. Six of the eight principals in Capital West are current or former employees of Stifel who along with current Stifel personnel will insure a continuity of client service. Capital West will be offering the traditional services Stifel offered along with a Corporate and Municipal Finance capability geared to economic development in our Oklahoma and Texas markets.

Capital West is committed to providing superior personal service to all of our valued clients. In this spirit, we have retained Stifel as the clearing agent for your transactions which accomplish two objectives: (1) the changeover can proceed smoothly without any disruption of client service; and (2) Stifel's insurance and capital continues to protect your accounts.

Our goal is to provide an Oklahoma owned, Oklahoma based firm that can serve all of our clients' needs. We feel that being locally owned and operated affords us a local perspective while maintaining national market contacts to insure that our clients receive the best information possible. We are rededicating ourselves to you and your needs.

Again, welcome to Capital West - we are here to serve you!

Sincerely,

/s/ Robert O. McDonald

/s/ Norman Frager

Robert O. McDonald  
Chairman of the Board

Norman Frager  
President and Chief  
Executive Officer

Stifel, Nicolaus & Company, Incorporated  
500 North Broadway  
St. Louis, Missouri 63102  
314-342-2000

May 15, 1995

Dear Client:

As we announced to you in a February 13th letter, an Oklahoma-based company, Capital West Securities, Inc., has agreed to purchase substantially all of the Stifel offices in Oklahoma and Texas. We anticipate that this conversion will take place on or about May 19, 1995.

Stifel's management has confidence in the future of Capital West and this confidence is reflected by our intention to purchase an equity interest and to have one of our senior officers serve on Capital West's Board of Directors.

We want to take this opportunity to thank you for your business. It has been a pleasure serving you and, in certain ways, Stifel will continue to serve you as the clearing firm for Capital West. This means you will still have access to all the investment services you have always had. Additionally, you will still have the same account insurance you currently enjoy.

In other words, Stifel's resources and capabilities will still be in place to support your Investment Executive and you. Most important of all, your Investment Executive will continue to work for you.

Since Capital West and Stifel, Nicolaus will have different responsibilities, we have enclosed a breakdown of these responsibilities for your review. We encourage you to read it.

We look forward to continuing a warm and prosperous relationship.

Sincerely yours,

/s/ George H. Walker III

/s/ Gregory F. Taylor

George H. Walker III

Chairman of the Board

Over a Century of Knowledge and Service

MEMBER SIPC AND MEMBERS, NEW YORK STOCK EXCHANGE, INC. CHICAGO  
AND AMERICAN STOCK EXCHANGES

Gregory F. Taylor

Chief Executive Officer

Customer Account Agreement and Disclosure Document -

Designation of Responsibilities

Stifel, Nicolaus & Company, Incorporated (NYSE RULE 382)

Capital West Securities, Inc. (NASD Section 47, Article III,  
Rules of Fair Practice)

Stifel, Nicolaus & Company, Incorporated (SN) and Capital  
West Securities, Inc. (CW) have allocated between us several  
functions and responsibilities with respect to your account.  
Specifically:

1. Capital West shall be solely responsible for opening,  
approving and monitoring your account. This means that,  
among other things, Capital West (and not SN) is solely  
responsible for:
  - a. Receiving and reviewing any financial or personal  
information about you and your investment objectives;
  - b. Determining if a specific investment strategy is  
suitable or appropriate for you;
  - c. Supervising the volume of activity, or any other matter  
regarding the quantity, quality, or specifics of any  
securities or options transaction in your account;
  - d. Making recommendations regarding a specific security or  
investment strategy;
  - e. Providing you with research or market interpretations  
regarding the advisability of purchasing or selling a  
specific security (although CW may receive materials from SN  
that discuss in general the conditions of a specific company  
or industry group and that may be used by CW in making  
specific recommendations to you);
  - f. If you have an options account or engage in  
transactions in listed securities options:
    - i. delivering a current Options Clearing Corporation  
(OCC) brochure - Characteristics and Risks of  
Standardized Options - to you prior to your first  
options trade and delivering to you periodic updated  
versions of this brochure as they are published by the  
OCC;
    - ii. determining which options strategies are suitable  
for you;
    - iii. notifying you when you have been assigned delivery  
responsibility on a short options position;
    - iv. accepting exercise notices from you for long  
options positions in your account.
2. Capital West is solely responsible for accepting orders from  
you to buy, sell, margin, tender, or exchange securities for  
settlement in you SN account. Capital West is also  
responsible for execution of those orders on the applicable  
exchange or market. Capital West may request that SN assist  
with the execution of orders settled in your SN account. In  
those cases where SN assists Capital West with execution, SN  
is acting on behalf of Capital West only and not directly  
for you. SN may rely on any order or instruction it  
receives from Capital West without further inquiry, and  
orders for your account may only be entered by and through  
Capital West.
3. SN will be responsible for extending credit to you for  
transactions involving margin or otherwise effected through

your SN account. Capital West, however, is responsible for communicating all information to you regarding margin and credit, including communicating and processing margin calls. SN may, nevertheless, contact you as well with respect to margin deficiencies in your account(s).

4. SN shall maintain books and records relating to the settlement and clearing of cash and securities transactions in your SN account. To the extent SN provides execution services for Capital West (see paragraph 2 above) it will maintain records relating to execution. All other books and records, including information regarding your personal financial information and investment objectives, records relating to orders to purchase or sell securities and communications between you and Capital West, including correspondence and documents relating to advertising and promotion will be maintained solely by Capital West.
5. SN shall be responsible for holding and safekeeping your money, funds and securities. You may deliver money and securities to SN or Capital West for deposit to your SN account, provided, however, that SN shall only be responsible for holding and safekeeping your money, funds and securities from the time they are actually received by SN from you or Capital West. For purposes of SEC Financial Responsibility Rules and the Securities Investor Protection Corporation Act (SIPC), the customers are the responsibility of SN.
6. SN is responsible for providing you with written confirmation of each transaction entered for your account. SN is also responsible for providing you with at least a quarterly summary of the status of your SN account that will list your securities and cash positions, margin debt and open options positions, if applicable.
7. In addition, as part of its clearing settlement services, SN will (a) collect from or pay to third parties money due to or from you for securities transactions in your SN account; (b) receive from third parties, or deliver to third parties, securities purchased or sold, as the case may be; (c) collect and pay to you dividends or interest due on securities held in your SN account in SN's name (street registration) and charge your SN account for interest or dividends improperly credited to your account; (d) on your instruction, process exchange, rights and tender offers with respect to securities in your SN account and (e) in the case of an account which trades in listed securities options, allocate assignment or exercise notices or execute notices to exercise, as the case may be.

Unless SN receives a written communication to the contrary, your understanding of and agreement with the clearing arrangement as described in this letter is mutually acknowledged.

We appreciate the opportunity to be of service. Capital West should be able to answer any questions you may have respecting your accounts. If, however, you have questions concerning those areas for which SN is responsible, which Capital West cannot answer, please feel free to contact SN at the following address:

Stifel, Nicolaus & Company, Incorporated  
Attention: Correspondent Department  
500 No. Broadway  
St. Louis, Missouri 63102

COMMERCIAL PLEDGE AGREEMENT

Principal	Loan Date	Maturity	Loan No.	Call
\$1,000,000.00	11-21-1995	05-21-1997	0407108800	220111

Collateral	Account	Officer	Initials
28		DMS	

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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.

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Borrower: SBL Corporation	Lender: BancFirst
(TIN: 73-1477865)	Oklahoma City
16 South Pennsylvania	101 North Broadway
Oklahoma City, OK 73107	P. O. Box 26788
	Oklahoma City, OK 73126

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THIS COMMERCIAL PLEDGE AGREEMENT is entered into between SBL Corporation (referred to below as "Grantor"); and BancFirst (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.

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 Proceeds thereof:

500000.000 shares of LSB Industries, Inc. ("LSB") common stock and any and all other shares of LSB Common Stock and LSB's \$3.25 Convertible Exchangeable Class C Preferred Stock, Series 2 ("LSB Preferred Stock") hereafter acquired by the Borrower using proceeds of the Note.

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.

Event of Default. The words "Event of Default" mean and include the Events of Default set forth in the Loan Agreement, dated November 21, 1995, between the Borrower and Lender ("Loan Agreement").

Grantor. The word "Grantor" means SBL Corporation, its successors and assigns.

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

Proceeds. The word "Proceeds" means all present and future proceeds, 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, subscriptions, 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.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note, including all principal and interest, together with all other indebtedness and costs and expenses for which Grantor is responsible under this Agreement or under any of the Related Documents.

Lender. The word "Lender" means BancFirst, its successors and assigns.

Note. The word "Note" means the note or credit agreement dated November 21, 1995, in the principal amount of \$1,000,000.00 from Grantor 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.

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 or as set forth in the Loan 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 or the Loan 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, and its certificate or articles of incorporation and bylaws do not prohibit any term or condition of this Agreement.

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, except as otherwise provided in the Loan Agreement:

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.

Proceeds from the Collateral. After the occurrence of an Event of Default that is continuing, Lender may receive all 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 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. All cash dividends paid in connection with the Collateral may be retained by the Borrower, except if there is an Event of Default that is continuing.

Application of Cash. At Lender's option, Lender may apply any cash, whether included in the Collateral or received as 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 Proceeds or other property (except cash dividends) due and to become due under the Collateral, and Grantor authorizes and directs that Obligors, if Lender exercises such option, to pay and deliver to Lender all 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. After the occurrence of an Event of Default that is continuing, 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 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 on 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 any security interest granted in this Agreement. This is a continuing Security Agreement and will continue in effect until the Indebtedness is paid in full.

**EXPENDITURES BY LENDER.** Except as otherwise provided in the Loan Agreement, 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 may also (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 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.** If an Event of Default occurs under the Loan Agreement, such shall constitute an Event of Default under this Agreement.

**RIGHTS AND REMEDIES ON DEFAULT.** If an Event of Default occurs under this Agreement, and may be continuing, 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 Grantor would be required to pay, immediately due and payable, without notice of any kind to 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 Grantor is an affiliate of the issuer of the securities, Grantor agrees that 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 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 Grantor to Lender, with any excess funds to be paid to Grantor as the interests of Grantor may appear. Grantor 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, Grantor agrees upon Lender's request to submit it 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. Grantor agrees to pay upon demand all of Lender's costs and expenses, including reasonable attorneys' fees and Lender's reasonable legal expenses, incurred in connection with the enforcement of this Agreement. Lender may pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and reasonable 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. 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.

Notices. All notices required to be given under this Agreement shall be given in writing, may be sent by telefacsimile, 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 Grantor will constitute notice to all Grantors. For notice purposes, Grantor agrees to keep Lender informed at all times of 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.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS PLEDGE AGREEMENT, AND GRANTOR AGREES TO ITS TERMS. THIS AGREEMENT IS DATED NOVEMBER 21, 1995.

GRANTOR:

SBL Corporation

/s/ Barry H. Golsen

By: Barry H. Golsen, Vice President

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SHAREHOLDER S AGREEMENT

THIS AGREEMENT made effective the 1st day of December, 1995, by and among Sylvia Golsen ("Shareholder and the member of Group 1") and SBL Corporation ("Shareholder and the member of Group 2").

WHEREAS, the Shareholder owns stock of LSB Industries, Inc. ("LSB") and SBL Corporation ("SBL") (collectively referred to as the "Shares"); and

WHEREAS, the Shareholders desire to promote and protect their mutual interest by imposing certain restrictions and obligations on the Shares owned or to be acquired by the Shareholders or upon the sale of the Shares by the Shareholders.

WHEREAS, the parties shall be designated as follows:

Group 1

Sylvia Golsen

Group 2

SBL Corporation

NOW, THEREFORE, for mutual promises and adequate consideration, the parties desire to and do hereby enter into the following agreement.

1. Restriction on Transfer of Shares by Group 1. No Shareholder in Group 1 or transferee of a Shareholder in Group 1, or the estate or heirs of any Shareholder in Group 1 or transferee thereof, shall dispose or transfer any of Shares to any person or entity not in Group 1 without Group 2 Shareholders' prior written consent, unless all such Shares are first offered for sale to each of the Shareholders in Group 2 in the manner provided below. Any purported transfer or disposition of Shares in violation of the terms of this Agreement shall be null and void.

Every such offer shall be made in writing, and shall state that the Group 1 offeror offers to sell all (or a portion of) the shares of LSB or SBL held or owned by him to the Shareholders in Group 2. A copy of such offer shall be sent by certified mail, return receipt requested, to each of the parties to this Agreement who are then Shareholders in Group 2.

2. Purchase Price. For the purposes of this Agreement, the purchase price of shares sold to Group 2 pursuant to the terms set forth herein shall be as follows:

a. In the case of a sale of shares by Shareholder in Group 1 to Group 2 due to involuntary transfer or legal proceedings, including divorce, within the ten (10) years following the effective date of this Agreement, the purchase price of the shares from the disposing party shall be their book value as shown by the balance sheet of the corporation as at the close of the calendar year preceding the date of offer subject to the definition of the term "book value" hereinafter set forth, less an amount equal to any investment in the corporation made by Shareholders in Group 2, less any amounts owed by Group 1 to any members of Group 2 and less a discount of 30%.

b. In the case of a sale by Shareholder in Group 1 for any reason after ten (10) years from the effective date of this Agreement, the purchase price of the shares shall be their "fair market value", the determination of which will be made pursuant to the terms hereinafter set forth.

c. Notwithstanding any other provision herein, the value of LSB shares held by any of the parties hereto shall be the average daily closing price of LSB shares on the NYSE or successor national quotation service during the previous twelve months prior to the date for which a value is being determined, less a discount ("haircut") of 30%. For the purpose of this calculation, only business days shall be used to determine price and the number of days to be considered.

### 3. Definition of Book Value

a. For the purposes of this Agreement, the book value of the shares shall be determined by the corporation's regular certified public accountant, pursuant to the provisions of GAAP; however, there shall be no allowance of any kind shall be made for the corporations' goodwill, trade name, or intangible assets.

b. Notwithstanding any other provision herein, the value of LSB shares held by any of the parties hereto shall be the average daily closing price of LSB shares on the NYSE or successor national quotation service during the previous twelve months prior to the date for which a value is being determined, less a discount ("haircut") of 30%. For the purpose of this calculation only business days shall be used to determine price and the number of days to be considered.

The book value so determined by the certified public accountant shall be binding and conclusive on all parties.

### 4. Definition of Fair Market Value.

a. For purposes of this Agreement, the fair market value of the SBL shares shall be determined to be the price at which the shares could be sold to a non-interested third party taking into account a discount ("haircut") for a minority interest, if applicable. This determination shall be made by a certified appraisal service or accountant selected by the Shareholders in Group 2.

b. Notwithstanding any other provision herein, the value of LSB shares held by any of the parties hereto shall be the average price of LSB shares on the NYSE or successor national quotation service during the previous twelve months prior to the date for which a value is being determined, less a discount ("haircut") for restricted stock of 30%. For the purpose of this calculation only business days shall be used to determine price and the number of days to be considered.

5. Payment of Purchase Price. The purchase price of the shares shall be paid in cash or a note over a period of five (5) or more years as determined by the parties.

6. Option to Purchase Shares. Each shareholder entitled to purchase shall have a period of ninety (90) days from the time of such offer to accept all or part of such offer. The acceptance shall be in writing.

7. Failure to Exercise Option. If any of the Shares so offered for purchase by Shareholder in Group 1 are not accepted by Shareholders in Group 2 within the period of time prescribed herein, the provisions of this Agreement shall thereafter no longer apply to the offerors unaccepted shares; provided, however, that if the unaccepted shares are not sold to another party, then the provisions of this Agreement will continue to apply to such shares. If, however, a shareholder thereafter acquires any additional SBL or LSB shares, such shares shall be subject to all the provisions of this Agreement.

8. Endorsement on Share Certificate. All shares of SBL and LSB issued and delivered to Sylvia Golsen or held by Sylvia Golsen shall have endorsed thereon the following statement:

"The shares represented by this certificate are subject to the rights and limitations of an agreement dated December 1, 1995, between Sylvia Golsen and SBL Corporation."

Even if this endorsement is not made, the terms and conditions of this Agreement shall still remain in effect.

9. Binding Effect. This Agreement shall bind the parties hereto, and their respective heirs, administrators, executors, successors, and assigns any person or entity who purchases shares from a Shareholder, provided that if the Shareholders in Group 1 dispose of their shares to a party that is not a member of Group 2, then the transferee of the shares will be bound by this Agreement unless the Shareholders in Group 2 agree to waive the provisions hereof in writing prior to such transfer.

10. Notices. All notices under this Agreement shall be mailed to the parties at the following addresses:

Name	Address
Sylvia Golsen	1299 Glenbrook Terrace Oklahoma City, OK 73116
SBL Corporation	P.O. Box 705 Oklahoma City, OK 73107

Any party may change his mailing address by serving written notice of such change and of such new address on all other parties.

11. Entire Agreement. This Agreement supersedes all agreements previously made between the parties relating to its subject matter. There are no other understandings or agreements between the parties regarding the matters covered herein. This Agreement may only be amended by a writing signed by those parties agreeing to such amendment.

12 Non-Waiver. No delay or failure by a party to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.

13. Headings. Headings in this Agreement are for convenience only and shall not be used in interpret or construe its provisions.

14. Governing Law. This Agreement shall be construed in accordance with, and governed by, the laws of the state of Oklahoma.

15. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original.

16. Severability. If any part of this Agreement shall be held unenforceable, the rest of this Agreement will nevertheless remain in full force and effect.

17. Specific Enforcement. The parties hereto hereby declare that it is impossible to measure in money the damages which will accrue to a party hereto or to any of its or his successors, heirs, personal representatives, or permitted assigns by reason of a failure to perform any of the obligations under this Agreement and agree that the terms of this Agreement shall be, specifically enforceable in equity. If any party hereto or its or his successors, heirs, personal representatives, or permitted assigns institutes any action or proceeding to specifically enforce the provisions hereof, any person against whom such action or proceeding is brought hereby waives the claim or defense therein that such party or personal representative has an adequate remedy at law, and such person shall not urge in any action or proceeding the claim or defense that such remedy at law exists. It is, therefore, agreed that in the event that any breach or threatened breach by any of the Shareholders of any of the terms and conditions set forth herein, any of the other parties hereto shall be entitled, in addition to any and all other rights and remedies which it or they may have in law or in equity, to apply for and obtain injunctive relief requiring the defaulting party or party threatening to default to be restrained from any such breach, threatened breach or to refrain from a continuation of any actual or threatened breach.

18. Securities Law Compliance. Notwithstanding any other provision hereof, no transfer shall be permitted or is intended to be permitted hereby which would require any party to file any registration statement under the Securities Act of 1933, as amended, or any state's securities laws.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement and intend such Agreement to be in full force and effect the 1st day of December, 1995.

/s/ Sylvia Golsen  
-----  
SYLVIA GOLSEN

SBL CORPORATION

/s/ Steven J. Golsen

By:-----

Steven J. Golsen, Vice President

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SHAREHOLDER'S AGREEMENT

THIS AGREEMENT made effective the 1st day of December, 1995, by and among Jack E. Golsen ( Shareholder and the member of Group 1") and Sylvia Golsen and SBL Corporation ("Shareholders and the members of Group 2").

WHEREAS, the Shareholder owns stock of LSB Industries, Inc. ("LSB") and SBL Corporation ("SBL") (collectively referred to as the "Shares"); and

WHEREAS, the Shareholders desire to promote and protect their mutual interest by imposing certain restrictions and obligations on the Shares owned or to be acquired by the Shareholders or upon the sale of the Shares by the Shareholders.

WHEREAS, the parties shall be designated as follows:

Group 1

Jack E. Golsen

Group 2

Sylvia Golsen  
SBL Corporation

NOW, THEREFORE, for mutual promises and adequate consideration, the parties desire to and do hereby enter into the following agreement.

1. Restriction on Transfer of Shares by Group 1. No Shareholder in Group 1 or transferee of a Shareholder in Group 1, or the estate or heirs of any Shareholder in Group 1 or transferee thereof, shall dispose or transfer any of Shares to any person or entity not in Group 1 without Group 2 Shareholders' prior written consent, unless all such Shares are first offered for sale to each of the Shareholders in Group 2 in the manner provided below. Any purported transfer or disposition of Shares in violation of the terms of this Agreement shall be null and void.

Every such offer shall be made in writing, and shall state that the Group 1 offeror offers to sell all (or a portion of) the shares of LSB or SBL held or owned by him to the Shareholders in Group 2. A copy of such offer shall be sent by certified mail, return receipt requested, to each of the parties to this Agreement who are then Shareholders in Group 2.

2. Purchase Price. For the purposes of this Agreement, the purchase price of shares sold to Group 2 pursuant to the terms set forth herein shall be as follows:

a. In the case of a sale of shares by Shareholder in Group 1 to Group 2 due to involuntary transfer or legal proceedings, including divorce, within the ten (10) years following the effective date of this Agreement, the purchase price of the shares from the disposing party shall be their book value as shown by the balance sheet of the corporation as at the close of the calendar year preceding the date of offer subject to the definition of the term "book value" hereinafter set forth, less an amount equal to any investment in the corporation made by Shareholders in Group 2, less any amounts owed by Group 1 to any members of Group 2 and less a discount of 30%.

b. In the case of a sale by Shareholder in Group 1 for any reason after ten (10) years from the effective date of this Agreement, the purchase price of the shares shall be their "fair market value", the determination of which will be made pursuant to the terms hereinafter set forth.

c. Notwithstanding any other provision herein, the value of LSB shares held by any of the parties hereto shall be the average daily closing price of LSB shares on the NYSE or successor national quotation service during the previous twelve months prior to the date for which a value is being determined, less a discount ("haircut") of 30%. For the purpose of this calculation, only business days shall be used to determine price and the number of days to be considered.

3. Definition of Book Value.

a. For the purposes of this Agreement, the book value of the shares shall be determined by the corporation's regular certified public accountant, pursuant to the provisions of GAAP; however, there shall be no allowance of any kind shall be made for the corporations' goodwill, trade name, or intangible assets.

b. Notwithstanding any other provision herein, the value of LSB shares held by any of the parties hereto shall be the average daily closing price of LSB shares on the NYSE or successor national quotation service during the previous twelve months prior to the date for which a value is being determined, less a discount ("haircut") of 30%. For the purpose of this calculation only business days shall be used to determine price and the number of days to be considered.

The book value so determined by the certified public accountant shall be binding and conclusive on all parties.

4. Definition of Fair Market Value.

a. For purposes of this Agreement, the fair market value of the SBL shares shall be determined to be the price at which the shares could be sold to a non-interested third party taking into account a discount ("haircut") for a minority interest, if applicable. This determination shall be made by a certified appraisal service or accountant selected by the Shareholders in Group 2.

b. Notwithstanding any other provision herein, the value of LSB shares held by any of the parties hereto shall be the average price of LSB shares on the NYSE or successor national quotation service during the previous twelve months prior to the date for which a value is being determined, less a discount ("haircut") for restricted stock of 30%. For the purpose of this calculation only business days shall be used to determine price and the number of days to be considered.

5. Payment of Purchase Price. The purchase price of the shares shall be paid in cash or a note over a period of five (5) or more years as determined by the parties.

6. Option to Purchase Shares. Each shareholder entitled to purchase shall have a period of ninety (90) days from the time of such offer to accept all or part of such offer. The acceptance shall be in writing.

7. Failure to Exercise Option. If any of the Shares so offered for purchase by Shareholder in Group 1 are not accepted by Shareholders in Group 2 within the period of time prescribed herein, the provisions of this Agreement shall thereafter no longer apply to the offerors unaccepted shares; provided, however, that if the unaccepted shares are not sold to another party, then the provisions of this Agreement will continue to apply to such shares. If, however, a shareholder thereafter acquires any additional SBL or LSB shares, such shares shall be subject to all the provisions of this Agreement.

8. Endorsement on Share Certificate. All shares of SBL and LSB issued and delivered to Jack E. Golsen or held by Jack E. Golsen shall have endorsed thereon the following statement:

"The shares represented by this certificate are subject to the rights and limitations of an agreement dated December 1, 1995, between Jack E. Golsen, Sylvia Golsen and SBL Corporation."

Even if this endorsement is not made, the terms and conditions of this Agreement shall still remain in effect.

9. Binding Effect. This Agreement shall bind the parties hereto, and their respective heirs, administrators, executors, successors, and assigns any person or entity who purchases shares from a Shareholder, provided that if the Shareholders in Group 1 dispose of their shares to a party that is not a member of Group 2, then the transferee of the shares will be bound by this Agreement unless the Shareholders in Group 2 agree to waive the provisions hereof in writing prior to such transfer.



10. Notices. All notices under this Agreement shall be mailed to the parties at the following addresses:

Name	Address
Jack E. Golsen	1299 Glenbrook Terrace Oklahoma City, OK 73116
Sylvia Golsen	1299 Glenbrook Terrace Oklahoma City, OK 73116
SBL Corporation	P.O. Box 705 Oklahoma City, OK 73107

Any party may change his mailing address by serving written notice of such change and of such new address on all other parties.

11. Entire Agreement. This Agreement supersedes all agreements previously made between the parties relating to its subject matter. There are no other understandings or agreements between the parties regarding the matters covered herein. This Agreement may only be amended by a writing signed by those parties agreeing to such amendment.

12. Non-Waiver. No delay or failure by a party to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.

13. Headings. Headings in this Agreement are for convenience only and shall not be used in interpret or construe its provisions.

14. Governing Law. This Agreement shall be construed in accordance with, and governed by, the laws of the state of Oklahoma.

15. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original.

16. Severability. If any part of this Agreement shall be held unenforceable, the rest of this Agreement will nevertheless remain in full force and effect.

17. Specific Enforcement. The parties hereto hereby declare that it is impossible to measure in money the damages which will accrue to a party hereto or to any of its or his successors, heirs, personal representatives, or permitted assigns by reason of a failure to perform any of the obligations under this Agreement and agree that the terms of this Agreement shall be, specifically enforceable in equity. If any party hereto or its or his successors, heirs, personal representatives, or permitted assigns institutes any action or proceeding to specifically enforce the provisions hereof, any person against whom such action or proceeding is brought hereby waives the claim or defense therein that such party or personal representative has an adequate remedy at law, and such person shall not urge in any action or proceeding the claim or defense that such remedy at law exists. It is, therefore, agreed that in the event that any breach or threatened breach by any of the Shareholders of any of the terms and conditions set forth herein, any of the other parties hereto shall be entitled, in addition to any and all other rights and remedies which it or they may have in law or in equity, to apply for and obtain injunctive relief requiring the defaulting party or party threatening to default to be restrained from any such breach, threatened breach or to refrain from a continuation of any actual or threatened breach.

18. Securities Law Compliance. Notwithstanding any other provision hereof, no transfer shall be permitted or is intended to be permitted hereby which would require any party to file any registration statement under the Securities Act of 1933, as amended, or any state's securities laws.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement and intend such Agreement to be in full force and effect the 1st day of December, 1995.

/s/ Jack E. Golsen

/s/ Sylvia Golsen

\_\_\_\_\_  
JACK E. GOLSEN

\_\_\_\_\_  
SYLVIA GOLSEN

SBL CORPOPATION

/s/ Steven J. Golsen

By: \_\_\_\_\_  
Steven J. Golsen, Vice President

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## AGREEMENT TO PLEDGE

DEBTOR(S) NAME AND ADDRESS		DESCRIPTION OF NOTE	NOTE NUMBER	DATE OF NOTE
Buchanan Financial Group, Inc. P.O. Box 705 Okla. City, Okla. 73101			51365	12-30-96
			MATURITY DATE	PRINCIPAL AMOUNT
			12-30-2006	\$966,000.00
CUSTOMER NUMBER	/X/NEW LOAN			OFFICER
5017027	/ /RENEWAL OF LOAN NUMBER:			DG/vs

INTEREST RATE-PER ANNUM	INTEREST PAYABLE
1 1/4 above NY Prime to be adjusted annually	Monthly

## COLLATERAL CATEGORIES

Stock

## PAYMENT TERMS

Payable at \$12,570.11 each month beginning 1-30-97, first to be applied to interest, then to principal, with a final payment of the outstanding principal plus unpaid accrued interest due at maturity.

## DATE COLLATERAL TO BE DELIVERED TO LENDER:

In consideration of the granting of the loan described above to the named Debtor, the Undersigned as of Date of Agreement hereby agrees to pledge to the Lender named herein the following described property, hereinafter called "Collateral", and grants to Lender a security interest in the Collateral. The Collateral shall be delivered to the Lender by the Undersigned promptly and by the date indicated above which date is not later than twenty-one days from Date of Agreement.

## DESCRIPTION OF COLLATERAL

200,000 SHARES OF LSB Industries, Inc. pledged by SBL Corporation

The security interest herein granted secures payment of the subject Note and any and all other liabilities of the Debtor to the Lender, direct or indirect, absolute or contingent, now existing or hereafter arising, all such liabilities hereinafter being called "Obligations."

The Undersigned will pay all expenses and charges in connection with the Collateral and will at all times while the Collateral is in the hands of the Undersigned hold the Collateral separate and distinct from any other property of the Undersigned and will show separation in all of the records and entries of the Undersigned.

Upon the occurrence of an event of default under this Security Agreement or under the terms of any of the Obligations of the Debtor to the Lender or others, the Lender shall have in any jurisdiction wherein enforcement hereof is sought, in addition to all other rights and remedies, the rights and remedies of a secured party under the Uniform Commercial Code, including, without limitation thereto, the right to take possession of the Collateral. The Lender may require the Undersigned to make the Collateral available to the Lender at a place to be designated by the Lender which is reasonably convenient to both parties. Expenses of taking, retaking, holding, selling or the like shall include the Lender's reasonable attorney fees and legal expenses and the Undersigned shall pay such expenses.

No waiver of any rights or powers of the Lender shall be valid unless in writing signed by the Lender. The rights and powers herein given the Lender are in addition to all others howsoever arising.

This Agreement to Pledge is made pursuant to Uniform Commercial Code and is to be interpreted in accordance therewith.

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LENDER NAME AND ADDRESS	SIGNATURES
First Enterprise Bank 3801 NW 122 Okla. City, Okla. 73120	SBL CORPORATION, an Oklahoma corporation
	By: /s/ Sylvia H. Golsen, President

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