

EXHIBIT 3-A



Manufacturer of Inflatable Packers, Testing Tools, ASR Valves and other products for investigating, controlling and producing the *EARTH'S FLUIDS™*
Phone: (303) 789-1200 • (800) 55-Baski • Fax: (303) 789-0900
Email: info@baski.com • Website: www.baski.com



Date: October 10, 2017

Pages: 7 (including Cover Page)

To: DC Ogan
Zim Industries
(539) 834-1551

From: Nick Hemenway, Engineering
Baski, Inc.

RE: Baski Flow Control Valve (FCV™), Quote# 34228
Monterey, CA

Dear Mr. Ogan,

Thank you for the opportunity to present our equipment for your review.

Included in this quotation is a listing of equipment we propose to supply and a partial listing of what we will not supply. This FCV is the same size as the one that was recently returned to Baski.

Our warranty is enclosed on page 4, and drawings of the FCV™, manual control manifold, and over-the-coupling protectors follow.

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EXHIBIT 3-A

Baski, Inc., Denver, CO

Quotation 34228

October 10, 2017

Flow Control Valve (FCV™), downhole valve for Aquifer Storage and Recovery

We propose to provide the following equipment:

Flow Control Valve

- 1) One Baski patented¹ Flow Control Valve (FCV™); Model FCV-12.75-8.0-12.75-316SS (12" nominal Vertical Turbine Column Pipe), see drawing 22938. The overall length is 120". Baski will thread the FCV™ with vertical turbine pump column threads. This requires 3 couplings and one nipple (24 inches long) be sent to the Baski shop so that we can measure the threads and machine matching thread adapters for the FCV. Two couplings will be returned on the FCV™ as thread protectors, and one will be kept for our records. It is the responsibility of the Customer to supply this material in a timely fashion. Change-overs and extension piping are not required because the Baski FCV™ is supplied with the correct threads and is made to the correct length.

Control Line to the FCV™

- 2) The Flow Control Valve has one control line, running from the inflation manifold to one of the ports on the top of the Flow Control Valve. This tubing is Duplex 2205 stainless steel tubing, 1/4" OD, and hydrostatic tested to 10,000 psi. The inflation manifold is assumed to be within 50 feet of the wellhead. Banding, buckles and over-the-coupling-protectors (OTCP's) are provided for protecting the control line at the couplings of the column pipe (drawing 22406).

Manual Inflation Manifold

- 3) One inflation manifold for manual operation of the FCV, which includes a mechanical pressure gauge, three manual needle valves and one gas diffuser (see attached drawing). This is the same manifold that has been provided for the previous jobs.

Specific equipment and services not supplied includes, but is not limited to, the following:

- Pumps, column piping, and water meters
- PLC controller / SCADA system; hardware, software, and testing
- Transmitters and/or transducers, their cable and dataloggers, either uphole or downhole
- Installation of the FCV™ or control line
- Conduits or other protective enclosure for the control lines from the well head to the inflation manifold
- Well head seals for the control lines coming out of the well
- Nitrogen cylinders
- The check valve below the vertical turbine pump bowls
- Field Services

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Baski, Inc., Denver, CO

Quotation 34228

October 10, 2017

Flow Control Valve (FCV™), downhole valve for Aquifer Storage and Recovery

Pricing and Terms

Pricing is \$70,000 for items 1, 2, and 3. This pricing is FOB destination; subject to our standard terms and conditions and the specified warranty. Pricing is valid for 120 days. Enclosed is a copy of our warranty, which is part of this quotation. Before we start work on this made to order equipment, we would need to review (and accept) your purchase order (PO) and its terms and conditions; get approval of our submittal (if required); and receive a non-refundable payment equal to 50% (\$35,000) of the total PO. After we start work on the order, we estimate it will take 3 months to have the equipment ready to ship. This estimate is based on our current workload. When the equipment is ready to ship, the remaining 50% (\$35,000) of the balance is due. Before shipment, the invoice total, less any payments made must be paid. All schematics are for conceptual purposes and do not necessarily represent the exact design details of equipment which will be supplied. This pricing is based upon the terms and conditions, equipment, and/or services, of this quotation. Other terms, conditions, equipment, and/or services required by Buyer may be cause for withdrawal of this quotation, which is an Offer for Sale.

Thank you for the opportunity to present our equipment for your review. If we can be of further help, please let us know.

Sincerely,

Nick Hemenway
Engineering

NCH encl Warranty, p. 4 of 7; and drawings 22938, Manual Control Manifold, and 22406

EXHIBIT 3-A

Baski, Inc., Denver, CO

Quotation 34228

October 10, 2017

Flow Control Valve (FCV™), downhole valve for Aquifer Storage and Recovery

Warranty

Flow Control Valve¹

FCV™

Baski, Inc.

Denver, CO USA

Seller warrants the products sold hereunder to be free from defects in material workmanship at the date of shipment. **No other warranty, whether express or implied, including any warranty of merchantability or fitness for a particular purpose, shall exist in connection with the sale or use of such products.** All claims under this new warranty must be made in writing and delivered to Seller prior to the expiration of five (5) years from the date of shipment to Purchaser.

Upon receipt of a timely claim, the Seller shall repair, or at its option, replace any part or parts which Seller determines to have been defective at the time of shipment from the Seller; provided, however, that if circumstances are such as to preclude the remedying of warranted defects by repair or replacement, Seller shall, upon return of the goods, refund to Purchaser any part of the purchase price of the goods paid to Seller. Inspection shall be performed at the Seller's plant. Pulling and resetting of the valve, and freight for returning products to the plant for inspection, shall be paid by Purchaser. Valves must be returned in original or equivalent crating to prevent damage in shipping. No returns without authorization.

Abuse, over-pressurization, valve wear from vibrating (unbalanced) pump, misuse, acts of God, aggressive and/or non potable water quality, high levels of chlorine, and excessive temperature are specifically excluded from this warranty.

The foregoing states the sole and exclusive remedy for any breach of warranty or for any other claim based on any defect in, or non-performance of, the products whether sounding in contract, warranty or negligence. In particular, labor and costs associated with pulling and resetting the FCV™ are specifically excluded from warranty. Without limiting the generality of the foregoing, Seller shall under no circumstances be liable for any other charges, labor costs, or any other incidental or consequential loss or damage of any kind or description whatsoever arising out of, or in any way relating to, any such breach of warranty or claimed defect in, or non-performance of, the products.

If chlorine is used in the well, prior to installation or after installation, the chlorine concentration must be less than 200ppm. The well must then be flushed with potable water until the residual concentration of the chlorine is less than 1-1/2 ppm.

May 2003

¹USA pat. no. 5,316,081; 6,273,195

EXHIBIT 3-A

Injection

Monterey Peninsula
Water Management District

BASKI

Baski, Inc.
Denver CO
800-55-BASKI
Injection 34228.dwg

10/17 ©

FCV-12.75-8-12.75-316SS

InFlex™
Flow
Control
Valve

USA Pat.No.s. 5,316,081
6,273,195

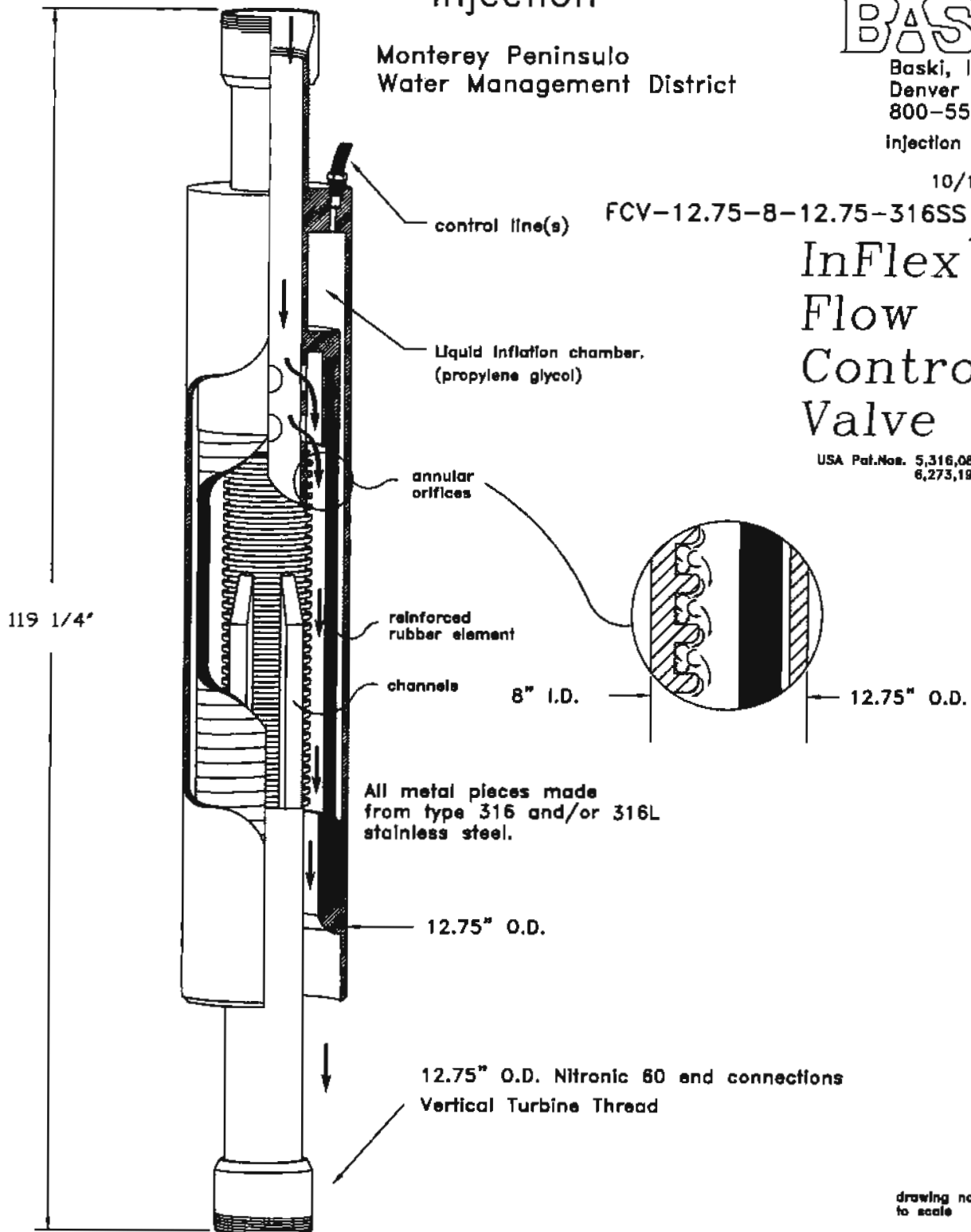
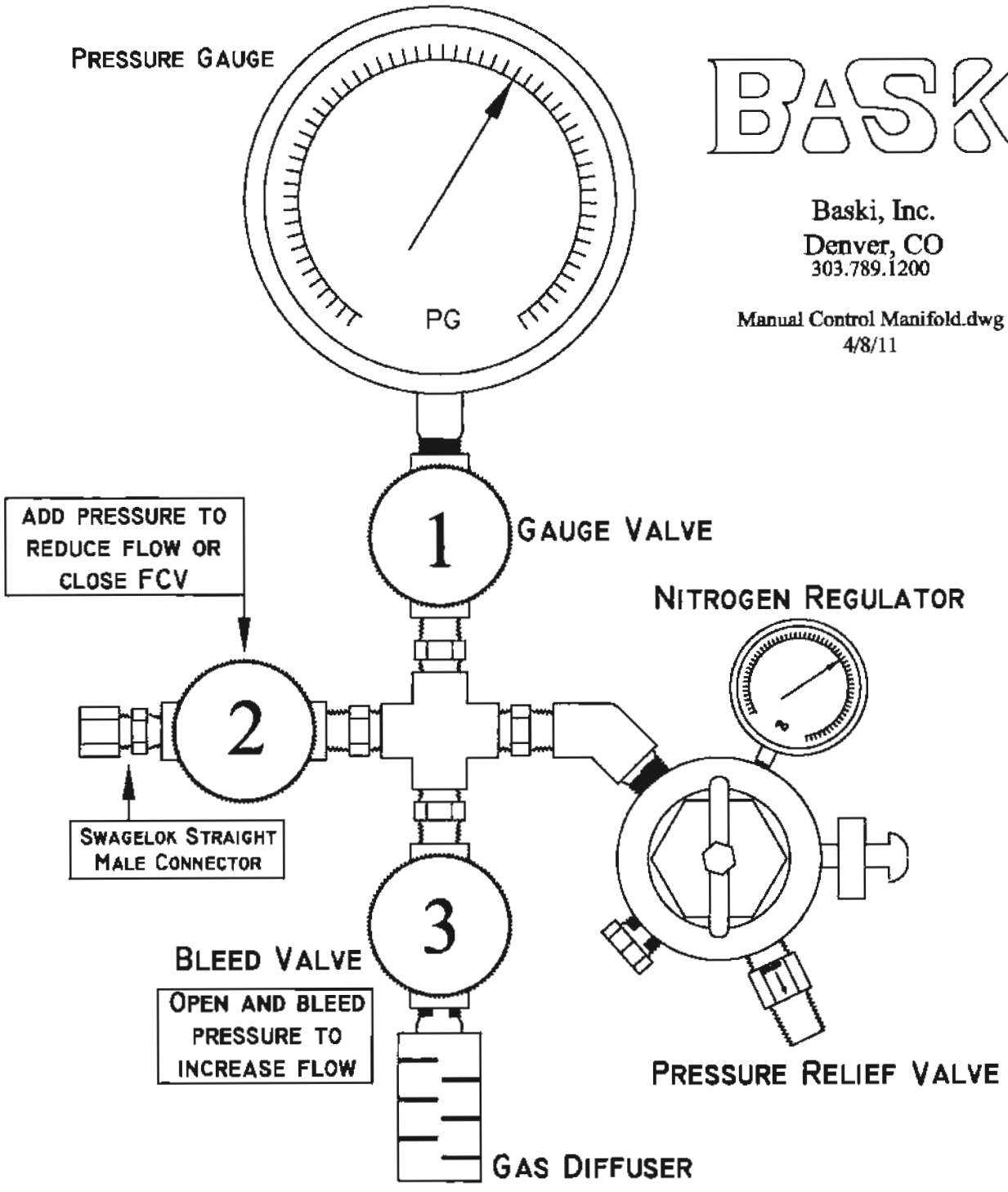


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BASKI

Baski, Inc.
Denver, CO
303.789.1200

Manual Control Manifold.dwg
4/8/11



BASKI

OTCP Schematic.dwg
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Baski, Inc.
Denver, CO
Over The Coupling Protectors™
(OTCP's)

ALL METAL PIECES 316 STAINLESS STEEL

