

Letter of Agreement

November 29, 2022

Jorge A. Herrera  
Chief Executive Officer  
Nopetro Energy  
150 SE 2<sup>nd</sup> Avenue, PH1  
Miami, Florida 33131



**Subject:** Letter Agreement for Indian River Blower Skid Design and Equipment Changes

Dear Mr. Herrera,

This purpose of this letter is to provide an agreement of the design changes and equipment modifications to the Indian River County High Pressure Blower Skid that are being requested by Nopetro Energy (Nopetro). This letter is a revision to the version that was sent on November 1<sup>st</sup>, 2022. This letter takes into consideration the phone call I had with Mr. Steve Josephs on November 15<sup>th</sup>, 2022.

Biogas Engineering (BGE) designed and is supplying certain equipment for Indian River County Solid Waste Disposal District (SWDD). BGE's design incorporated 304SS material in the design. Nopetro's technical staff has suggested to SWDD that they would prefer to have certain parts of the design constructed from 316SS instead of 304SS. BGE discussed the design with Nopetro and the provided support to the reason for the material selection and the confidence that 304SS is sufficient for the design as originally presented. However, based on Nopetro's direction of redesigning piping to 316SS and including coating on equipment that is already in fabrication, BGE has looked further in the cost and schedule implications to the project with SWDD. It is the understanding of the parties involved (SWDD, Nopetro and BGE) that Nopetro would be compensating BGE for these efforts. Along with the efforts mentioned, Nopetro is also asking BGE to include a bypass piping and manual valve in the system so that gas can be redirected so that it does not need to flow through the H2S removal vessels (to be procured by Nopetro).

BGE is presenting to Nopetro a total cost for this effort of \$42,000. This includes the cost to:

- design the bypass piping and the bypass valve,
- redesign of the filter to be constructed from 316SS (to be procured by Nopetro),
- coating the necessary internal parts of the heat exchanger that is being provided by BGE, and
- redesign of the piping that connects the filter and the discharge vessel from 304SS to 316SS.

Note that the heat exchanger is currently in fabrication. Coating of the internals of this equipment will allow for the material to remain as 304SS. BGE will no longer look at making modifications to

Quote: BGE220420-01Evonik Membranes

the discharge vessel and it will stay as uncoated 304SS. Below is a breakdown of the costs, which are only effective until November 22, 2022, due to current fabrication schedule.

Cost Breakdown	Cost	Total
Project Management	\$5,800	
Engineering – by-pass valve	\$1,900	
Engineering – equipment modifications	\$10,300	
Drafting	\$10,500	
Labor		\$28,500
3 <sup>rd</sup> Party Charges- Equipment modifications		\$13,500
<b>Change Order Amount</b>		<b>\$42,000</b>

All parties need to be aware that it is estimated that a three-to-four week delay in the schedule is expected by implementing these changes. The revised delivery date would likely be the first half of March 2023.

BGE proposes that, upon agreement to this letter by Nopetro, and from SWDD (as owner of the equipment that is being changed), that BGE will prepare an invoice for the 100% of the work and submit it to Nopetro. BGE payment terms are 30 days from date of invoice.

Upon full execution of this agreement by both Nopetro and SWDD, BGE will begin drawing changes and work with the equipment fabricator to have the internals of the heat exchanger coated.

If you have any questions, please contact me at 832-314-4418.

Sincerely,



Ryan Rueve  
Operations Manager

**BIOGAS ENGINEERING**

Email: [rrueve@biogaseng.com](mailto:rrueve@biogaseng.com)

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Approvals:

Nopetro Energy

Indian River Solid Waste Disposal District

Jorge Herrera      11/29/2022  
Signature                      Date

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Signature                      Date

CC: Mr. Himanshu Mehta, Managing Director, IRC-SWDD