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November 17, 2006

Mr. Terry Steinacher
Nebraska State Historical Society
1500 E. Street
P.O. Box 82554
Lincoln, NE 68501-2554

Re: Keystone Pipeline Project, Nebraska Segment (Jefferson and Gage counties).

Dear Mr. Steinacher:

American Resources Group, Ltd. (ARG), Carbondale, Illinois, conducted a Phase I survey of the Rockies Express Pipeline Project (REX) corridor earlier this year, and reported the results of the survey in a report entitled *A Phase I Cultural Resources Survey of the Nebraska Segment of the Proposed Rockies Express Pipeline Project (REX) Corridor, Perkins, Lincoln, Dawson, Gosper, Phelps, Kearney, Franklin, Webster, Nuckolls, Thayer, Jefferson, and Gage Counties, Nebraska* (Schwegman et al. 2006). The Nebraska State Historic Preservation Office (NE SHPO) subsequently reviewed and accepted the REX survey report, concurring with the site evaluations and management recommendations presented therein. ARG is currently conducting Phase II investigations at one archaeological site identified in the REX project corridor that was evaluated as potentially eligible for listing to the National Register of Historic Places (NRHP), and will be describing the results of the investigation in a report that will be submitted to your office for review early next year. Both the Phase I and the Phase II investigations that ARG carried out within the REX corridor were conducted under the terms of a contract with ENSR International, Fort Collins, Colorado.

The Keystone Pipeline Project is a proposed 1,870-mile-long crude oil pipeline extending from Hardisty, Alberta, to Patoka, Illinois. TransCanada Corporation, the sponsor of the Keystone Pipeline Project, is planning on constructing the Keystone pipeline across Cedar, Wayne, Stanton, Platte, Colfax, Butler, Seward, Saline, Jefferson, and Gage counties, Nebraska. ARG is currently conducting a Phase I survey of the Keystone Pipeline Project corridor through Cedar, Wayne, Stanton, Platte, Colfax, Butler, Seward, Saline, and part of Jefferson counties. However, the survey across the southern 20 miles of this corridor, in Jefferson and Gage counties, was not conducted because the two proposed pipelines will be collocated across this portion of the state and the Keystone construction ROW will be within the previously surveyed REX corridor. In addition, it was determined that this approach would minimize any additional inconvenience to the landowners. The enclosed maps show the

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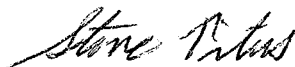
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proposed location of the Keystone construction ROW relative to the REX survey corridor, in Jefferson and Gage counties.

TransCanada Corporation and ENSR International are respectfully requesting that following a review of the enclosed project maps the NE SHPO provide them a formal response indicating whether the previous Phase I survey of the REX corridor satisfies all Section 106 requirements for the Keystone corridor within Jefferson and Gage counties, Nebraska. Any Keystone pipeline construction areas that may fall outside of the previously surveyed REX corridor, including reroutes and other work areas, will be surveyed and included in a separate technical report(s).

Please let me know if you need additional information concerning this project. Thank you in advance for reviewing the project maps at your earliest convenience.

Sincerely,



Steve Titus, President

copy: Kim Munson, ENSR International