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July 31, 2006

Ms. Judith Deel
State Historic Preservation Office
P.O. Box 176
Jefferson City, MO 65102

RE: Phase I Cultural Resources Investigation of the Missouri Portion of the Keystone Pipeline Project Corridor, Audrain, Montgomery, Lincoln, and St. Charles Counties, Missouri; SHPO Log No. 040-BN-06; ARG CRM 1493.

Dear Ms. Deel:

I am writing to update you on the status of the above referenced project. As of mid-July, American Resources Group had completed the archaeological survey of approximately 33.7 miles (43 percent) of the 78 miles of pipeline-construction corridor selected for survey; unfortunately, the geomorphological investigation has not yet been initiated. We are planning to resume survey of the project corridor after the crops have been harvested, and will complete the survey as soon as access to all of the unexamined portions of the corridor has been obtained. As we agreed in our phone conversation yesterday, we will soon prepare a progress report describing the results of the survey completed to date, and will submit additional progress reports following the survey of portions of the corridor for which landowner permission has not yet been granted. It is further agreed that upon completing the survey of the entire project corridor, a full technical report describing the results of the survey within the context of the environmental and cultural historical setting of the region will be prepared.

To date, we have identified 21 archaeological sites within the 200-foot-wide survey corridor, including 18 prehistoric sites and three historic sites (see attached table). A preliminarily assessment of site significance suggests that 11 of the 21 investigated sites are potentially eligible for National Register listing. Each of the seven potentially eligible sites is a minimally disturbed prehistoric site presenting evidence of having been intensively occupied. We will be recommending that Phase II test excavations be conducted at the 11 potentially eligible sites to formally evaluate their National Register eligibility if site avoidance is not feasible.

I appreciate your giving us the latitude to begin the Phase II testing of potentially eligible sites prior to finishing the survey should our client decide that the project schedule makes that necessary. In the event that an expedited testing program does prove necessary, I will send you

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a more detailed description of the sites to be tested and a summary of our proposed methods before beginning the investigations. If the Phase II investigations should be conducted prior to the preparation of the Phase I technical report, then we will plan on combining the survey and testing results in a single report.

If you have any questions or concerns regarding this project, please do not hesitate to call. Thank you.

Sincerely,

Steve Titus

Steve Titus
President

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copied: Kim Munson, ENSR

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