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March 10, 2009

Mr. Patrick J. Fahn

600 E. Boulevard

Dept. 408

Bismarck, North Dakota 58505-0480

Dear Mr. Fahn,

I have been contacted by my client, Jim Belanus, who has been directed by Dennis Markusen of Kadrmas, Lee & Jackson, Inc., to send you a complete listing of concerns as to the items that needed to be resolved in this matter. Back on December 4th, I did contact the attorneys for the pipeline people, namely Todd Kranda and Larry DuBois as to our concerns and things that had yet to be done. Also at that time we had provided them with concerns that had been addressed to Dennis Markusen. Therefore, I am providing you with the December 4th letter, which is three pages long and a two page summary compiled by Dennis Markusen just prior to that on November 21st.

Since that time I have heard nothing from Todd Kranda or Mr. DuBois out of Cavalier, North Dakota. My client has had no contact by anybody from the pipeline, except for an individual claiming to be contacting him with the offer of settlement as to crop damages. Later on that agent did not follow up nor did the agent put the offer in writing. My client is under the understanding in reading the documents on the website that crop damage is suppose to be at the compensation rate of 225% of the actual damages. This apparently is what they agreed to at the time they got permission from PSC to put the pipeline in. However, now, almost a year later from their start date, they have provided no compensation whatsoever.

This company, although they promised a number of things, did not even maintain the weed control on the spoil piles along the pipeline project. In the first part of August, I went out north of town and there were giant rag weeds that were at least five to six feet tall that completely covered the spoil piles to such an extent, that they looked almost like a forest that went "kitty corner" across all the quarters. There was no attempt by anybody to spray these piles or maintain any noxious

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Letter and Landowner List of Concerns

Jim Belanus

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weed control. At the time I saw the weeds, they were going to seed. There is no possible way to determine the long term damage suffered by the farmers for all these additional noxious weed seeds being blown around the fields on both sides of the pipe line.

In the fall of last year, I did receive a call from either Todd Kranda or somebody out of his office, who indicated that Keystone was going to send somebody out and do something about the weeds. However, at that time I told him that they were doing something that was actually a waste of time, since the weeds had already been blown around. The best thing they could do at that time was to put the dirt back in the trench. However, I don't even think that has been done and there has been no "link up" on the north side of the pipeline in North Dakota, since nothing has come down from Canada, as of yet. Therefore, most of these trenches are going to stay open with the spoil piles on them for probably another year.

I trust that this letter and this information can be utilized so that the promises given by Keystone Pipeline can now be required by the state to be honored. At this point in time, we are left with the only alternative of probably proceeding with a civil action to see that our damages are paid and their promises are kept in a timely manner.

Thanking you for whatever assistance you can be in regards to seeing that the citizens of North Dakota are protected from such a corporation, I am,

Sincerely yours,



DUANE H. SCHURMAN

DHS:sac
Enc.

cc: Dennis Markusen
Jim Belanus

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December 4, 2008

Mr. Todd D. Kranda

Kelsch, Kelsch, Ruff & Kranda

Attorneys at Law

103 Collins Avenue, P.O. Box 1266

Mandan, North Dakota 5854-7266

RE: TransCanada Keystone Pipeline, LP vs. Jim Belanus, et al.

Your File No. 11815A

Civil No. 10-08-C-18

Dear Mr. Kranda,

On November 4, 2008, I was requested by my client, James Belanus, to write to the two of you in regards to problems he was having with TransCanada or their subcontractors. The original of that letter is enclosed for your reference.

I did not send this letter out on November 4, since I wanted my client to read it. He also wanted to wait, since it was his understanding that subcontractors were meeting with him as well as other officials on behalf of TransCanada, to hopefully work out some of the problems.

Since that date, Mr. Belanus did meet with Bill Laffoon, who is the resident construction supervisor, as well as a representative by the name of Dennis Markusen apparently representing the Public Service Commissioner out of the Kadrmas Lee & Jackson office in Grafton, North Dakota. It was agreed at that time that all of Jim Belanus's concerns should be reduced to writing and provided to TransCanada, apparently through their attorneys. Therefore, Jim Belanus came into my office the first part of this week and mentioned the following things that need to be addressed to complete the promises made by TransCanada in their stipulation.

First of all, it should be pointed out that these items should have been rectified prior to November 1st of this year and were not. Of course, there is no guarantee as to when these matters are going to be cleared up and what compensation should be paid to Mr. Belanus for the delay in having these addressed. However, a list of the items that need to be corrected or that were not done as promised are as follows:

1. The trees that were removed from his property were cut down but have not been cut up and stacked in the farmstead as originally agreed in the stipulation. Also, for some reason the subcontractor, even though it was promised by TransCanada that they would be given a copy of the agreement, did not do any chips. Instead they put all the branches and the stumps through a grinder leaving piles of dirt and finely ground up sawdust mixed together. I am not sure exactly

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what Mr. Belanus was suppose to do with this pile, that was left apparently at the easement site, but he was hoping to utilize the chips which is now impossible for him to do at the present time.

2. There were new REA poles placed on the north, south and in the pasture and the old poles were left in his fields as well. There should be no more poles left on the property than what was originally there and in the same general location.

3. There was an improperly bored pipe that was placed on his property and supposedly was going to be sealed with grout (cement). He has not been compensated for that additional pipe and he wants to be guaranteed that it was filled as promised. However, this nonused pipeline got covered up before he could assure himself that the pipe itself was sealed with grout. He also feels he should be compensated for the extra pipe in the ground at this time.

4. The contractor also made no attempt to restore the land to its original condition. The pasture is not leveled out, and all that was done was that a cat went over the area and tried to level it off somewhat. Seed was then spread on top. It was his understanding that the pasture will be leveled out, that it would be resmoothed and seeded with a drill, with the original grass seed that was in his pasture. This was to include not only the area of the pipeline, but also the temporary road and "blow out" areas on the field. I am assuming that the land will be releveled, reseeded with a drill with the original grass seed and some other grain crop, such as oats, that would help keep the land from washing or blowing while the grass is reestablished in the pasture. Also, the restored land for the pipeline, as well as the road, should be covered with straw and "crimped" in as originally intended.

5. There was "overhead jumper" in the pasture for the electrical line, which apparently got broken and had been replaced by plastic pipe, which was not as high as the original "overhead jumper", nor was it as wide. At the present time, Mr. Belanus indicates that he is able to get a pickup underneath this "overhead jumper" for the electrical fence, but no longer can he drive his tractor through that gate. It is his request that there be a new overhead jumper put in that is 15 feet to 20 feet high and approximately 16 feet wide so that his farm implements such as a tractor can get underneath the "overhead jumper" as before.

6. It was also pointed out to the inspectors that the subcontractors left gates opened, which was detrimental to the renter, as well as did not leave an approach on top of the hill to allow Mr. Belanus to get to his hay ground without going all away around to the highway and come in from the south. Also, there was no compensation for the crop damage that had been done to his crop at the present time, nor have the trees that were promised to have been planted to replace the trees taken out, have not been planted either. It is Mr. Belanus's wish that this replanting be done at the proper time, early in the spring so that the trees will survive the planting. Planting trees any later than April 20 may cause them to burn up on the sandy ground of his pasture. Those trees should be planted by either the North Dakota Forest Service or the local soil conservation office with some input from Mr. Belanus as to the type of the tree and the location of these replacement trees.

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7. Mr. Belanus also has advised me that gravel was hauled onto his tillable field on the north side of quarter to apparently fill in and place some type of bottom as to the trench itself. However, the subcontractors instead of making sure that all gravel was properly pushed into the trench, put the gravel they wanted in the trench and then took their cat and leveled out the remaining gravel piles in either direction spreading gravel all over his field instead of making sure all the gravel went into the trench. Therefore, Mr. Belanus would like to have this gravel properly removed from his tillable land, without removing the replaced top soil.

8. Marker sign with pipe protective devise is in the road right-of-way and is going to be hit with farm machinery or snow-plow and this should be placed in the pasture right on top of the hill in the fence line so it doesn't get hit and the cattle don't rub on it.

I am assuming that you have received a copy of the enclosed e-mail from Dennis Markusen. However, that is also being attached, in case my letter has missed anything that was discussed between Bill Laffoon, Dennis Markusen and Jim Belanus at the time of their meeting back on Friday, November 21.

Awaiting for your prompt reply in how to complete this matter without the need of any further court action, including compensation for the delay in the subcontractors failing to honor your client's contract, I am,

Sincerely yours,


DUANE H. SCHURMAN

DHS (sac)
Enc.

cc: Larry DuBois
Jim Belanus

Teresa Belanus

From: "Dennis Markusen" <dennis.markusen@kljeng.com>
To: "Jim Belanus" <jbb@utma.com>
Cc: "Bill Laffoon" <bill.laffoon@universalensco.com>; "DiTomasso, Dean"
<dditomasso@ensr.aecom.com>
Sent: Friday, November 21, 2008 4:33 PM
Subject: Jim Belanus meeting Erosion Control NE 1/4 24 Fremont Twp. Cavalier County

The following is a summary of a meeting held, on-site in the Jim Belanus pasture located west of Walhalla, ND in the NE 1/4 of section 24, in Fremont township, Cavalier County, ND.

Individuals present include:

Jim Belanus - landowner

Scott Hornung - renter

Bill Laffoon - Construction Supervisor / Universal
Ensco, Inc.

Dean DiTommaso - Lead Environmental Inspector / ENSR

Dennis Markusen - Kadmas, Lee, & Jackson representing the
NDPSC

The above named individuals met on-site at 10:00 a.m. on Friday, November 21, 2008 to discuss concerns Mr. Belanus has regarding the restoration of his land after construction was completed, as well as

issues he had during the pipeline construction on his land in the summer of 2008. We walked a portion of the affected area where Jim showed us some of his concerns. Items discussed included settlement of

pipe trench, soil erosion, debris, duration of construction activity on Jim's land, contractor's carelessness with leaving pasture gates open upon leaving the premises during construction, (this was

corroborated by Scott Hornung, a farmer who rents the pasture from Jim), placement of additional utility poles on Jim's crop, and pasture land, and the lateness of the season when cover crop was finally

seeded along with the condition of the land when the seeding was done. Jim felt the land was very rough and unsuitable for pasture if left as is. Jim did acknowledge that some additional measures taken

after a late September downpour were helpful..but it was too little, too late.

Bill acknowledged that there appeared to be some problems that must be worked out. He asked that Jim draft a list of concerns he wants addressed, and send them by

email to either himself, Bill Laffoon at bill.laffoon@universalensco.com or

to Dennis Markusen at dennis.markusen@kljeng.com.

Bill indicated he would take appropriate action and begin addressing those concerns, once the list is received from Jim Belanus.

summary compiled for the NSPSC by;

Dennis Markusen, PLS

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