



BLACKLEAF PROJECT

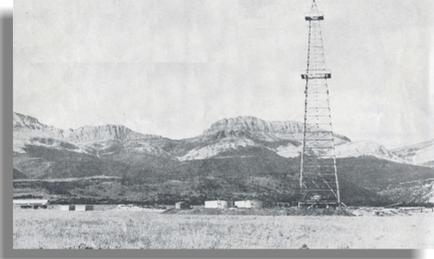
ENVIRONMENTAL IMPACT STATEMENT

SCOPING



LEFT SIDE; LEASING AND FEDERAL UNIT INFORMATION

RIGHT SIDE; REGULATORY, DRILLING AND PRODUCTION INFORMATION



1945 - GENERAL PETROLEUM CORPORATION, #38-3G

Federal mineral leases issued in Blackleaf Area during the 1930's for 1st time.--

Dupuyer Area Natural formed and terminated after obligation well is drilled and plugged.--

Federal mineral leases issued in Blackleaf Area during the 1940's for 2nd time.--

Blackleaf Structure Unit formed and terminated after obligation well drilled and plugged.--

Federal mineral leases issued in Blackleaf Area in early 1950's for 3rd time.--



1958 - NORTHERN NATURAL GAS PRODUCING COMPANY, BLACKLEAF FEDERAL #1-A

U. S. Geological Survey classifies acreage around the 1-A well as a "Known Geologic Structure"--

U. S. Geological Survey classifies acreage around the 1-B well as a "Known Geologic Structure"--

Little Deep Creek Unit formed and terminated after the obligation well is drilled and plugged.--

Texaco acquires the Federal lease from Northern Natural on Dupuyer Creek drainages.--

U. S. Geological Survey classifies the acreage around the Government Pearson #1 as a "Known Geologic Structure"--

Federal lease containing the Texaco, Government Pearson #1 well terminates.--



1962 - TEXACO INC., GOVERNMENT PEARSON #1

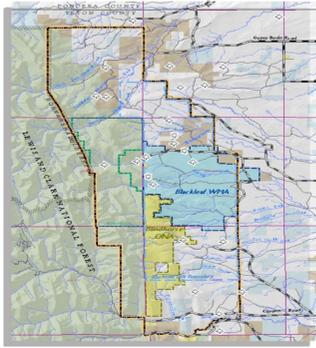
Humble Oil and Refining (Exxon) acquires Federal leases containing Northern Natural 1-A and 1-B wells.--

Federal leases issued in the Blackleaf Area from 1971 through 1975 for the 4th time.--

Federal lease containing the Northern Natural 1-A well terminates.--

Federal lease containing the Northern Natural 1-B well terminates.--

Federal lease containing the "Known Geologic Structure" associated with the Northern Natural 1-B well is reissued with a \$33,000 bonus bid.--



Williams Exploration Company (parent company of Rainbow Resources) applies for the Blackleaf Exploration Unit while drilling the 1-8 well.--

The Blackleaf Unit is formed late in the year after the discovery of the Knowlton Field.--

The Sun River Participating Area 'A', containing the Blackleaf Federal 1-8 and Blackleaf Unit 1-5 wells, is formed for ownership of the Knowlton Field.--

Federal lease MTM 50749 containing the "Known Geologic Structure" associated with the Northern Natural 1-A well is reissued to Williams with a \$720,800 bonus bid.--

The Sun River Participating Area 'B', containing the Blackleaf Unit 1-19 well, is formed for ownership, within the Blackleaf Unit, of the Blackleaf Canyon Field.--

Federal lease MTM 52676 is issued for acreage inside the Forest Service, west of the Pambum Unit; Woods Petroleum Company is the operator of the lease.--

Federal lease MTM 53314 is issued for acreage inside the Forest Service, west of the Blackleaf Unit; Woods Petroleum Company is the operator of the lease.--

The Pambum Unit is formed (just south of the Blackleaf Unit) and terminates after the obligation well is drilled and plugged.--

Federal lease MTM 56565 is issued for acreage inside the Forest Service, west of the Blackleaf Unit, but not contained within MTM 53314; Woods Petroleum Company is the operator of the lease.--

Superior Oil Company becomes the operator of the Blackleaf Unit April 29, 1983.--

Pambum Unit II is formed and terminated after the obligation well is drilled and plugged.--

Federal lease MTM 65308 is issued for acreage north and west of the Blackleaf Unit. Dorothy T. Rutter is awarded the lease which contains the "Known Geologic Structure" associated with the Texaco, Government Pearson #1 well.--

Mobil Exploration and Production, North America merges with Superior Oil Company, Mobil becomes the operator of the Blackleaf Unit September 6, 1986.--

EPS Resources Corporation becomes the operator of the Blackleaf Unit January 27, 1988.--

EPS Resources Corporation files bankruptcy.--

The Woods Petroleum Corporation Federal lease MTM 56565 and MTM 52676 terminate.--

FINA Oil and Chemical Company becomes the operator of the Blackleaf Unit June 20, 1995.--

FINA commits to pursuing the Blackleaf Federal 1-30 APD originally submitted by the Bankruptcy Trustee for the EPS Resources.--

McMahon-Bullington becomes the operator for Federal lease MTM 53314.--

StarTech Energy Corporation purchases Meridian's mineral interest share within the Blackleaf Unit.--

StarTech Energy Corporation becomes the operator of the Blackleaf Unit.--

Federal lease MTM 50749, containing the Blackleaf Federal 1-13 well, terminates.--

Resource Management Associates, LLC becomes the operator of Federal lease MTM 53314.--

Grizzly Resources, Inc. becomes the operator of Federal lease MTM 53314.--

StarTech Energy Corporation purchases the remaining mineral interest in the Blackleaf Unit.--

BLACKLEAF UNIT OPERATORS



- WILLIAMS EXPLORATION (1980-1982)
- SUPERIOR OIL (1982-1985)
- MOBIL EXPLORATION (1985-1987)
- EPS RESOURCES (1987-1994)
- FINA OIL AND CHEMICAL (1994-1996)
- STARTECH ENERGY (1996-PRESENT)

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--Mineral Leasing Act

--Recreation and Public Purpose Act

--California Company (Chevron) drills the Dupuyer Unit #1, U. S. Geological Survey administers the drilling permit

--First seismic surveys conducted in Blackleaf Area in the 1940's and used to formulate the boundaries of the Blackleaf Structure Unit.

--General Petroleum Corporation (Mobil) drill the 38-3G east of the Front Range near Clark Fork Muddy Creek

--Bureau of Land Management created.

--General Petroleum Corporation (Mobil) drills the Blackleaf Structure Unit #1 on U.S. Forest Service along Blackleaf Creek.

--U.S. Geological Survey administers the drilling permit, BLM administers mineral leasing.

--Mineral Development Act

--Gulf Oil Company/Standard Oil Company drills the Teton Knowlton #1 well on fee acreage east of the Front Range along Blackleaf Creek

--Northern Natural Gas Producing Company drills the Blackleaf Federal 1-A Well at the mouth of Blackleaf Canyon.

--Northern Natural Gas Producing Company drills the Blackleaf Federal 1-B well along Muddy Creek.

--Northern Natural Gas Producing Company drills the Blackleaf Federal 1-C well along North Fork Dupuyer Creek.

--Shell Oil Company drills the Little Deep Creek Unit #1, 14-34 well along the South Fork Teton River.

--Texaco Inc. Drills the Government Pearson #1 well along the Middle Fork Dupuyer Creek.

--Land and Water Conservation Act

--Classification and Multiple Use Act

--National Historic Preservation Act

--Texaco plugs the Government Pearson #1 well along the Middle Fork Dupuyer Creek.

--National Trails Systems Act

--Wild and Scenic Rivers Act

--National Environmental Policy Act (NEPA)

--Endangered Species Act

--Exxon plugs the Northern Natural 1-A well at the mouth Blackleaf Canyon.

--Exxon plugs the Northern Natural 1-B well along Muddy Creek.

--Federal Land Policy and Management Act (FLPMA)

--Council of Environmental Quality (CEQ) issues NEPA regulations

--Seismic conducted in the Blackleaf Area.

--Rainbow Resources, Inc. (Williams) submits a notice of staking (NOS) for the Blackleaf Federal 1-30, 1-31, 1-6, 1-7 and the Reynolds 1-19 well sites.

--Rainbow Resources submits an application for permit to drill (APD) for the Blackleaf Federal 1-30 and Blackleaf Federal 1-8 wells.

--Rainbow Resources drills the discovery well for the Knowlton Field, the Blackleaf Federal 1-8. The APD for the 1-30 is never approved.

--Williams Exploration Company drills the obligation well for the Blackleaf Unit, the Blackleaf Unit 1-5 and three other Unit wells, the 1-16, 1-19 and the 2-5.

--Williams Exploration re-enters the plugged Northern Natural 1-A and renames the well the Blackleaf Federal 1-13.

--No well is ever proposed on MTM 52676.

--Multiple wells have been proposed on MTM 53314 but the APD's have never been approved.

--Montana Department of Fish, Wildlife and Parks complete the purchase of surface acreage in the Blackleaf Area and create the Blackleaf Wildlife Management Area.

--Wexpro, Inc. (Mountain Fuel Supply Company) drills the Pambum Unit #1 well one mile north of the North Fork Teton River.

--Production facilities and pipelines are installed and gas production takes place from Blackleaf Federal 1-8 and Blackleaf Unit 1-5 wells.

--APD permitting authority transferred from U.S. Geological Survey to Minerals Management Service (MMS).

--First gas sales from the Blackleaf Unit takes place in late 1982.

--Celsius Energy Company (Mountain Fuel Supply Company) drills the Pambum Unit II #1 well along the North Fork Teton River.

--Superior Oil Company drills the Blackleaf Unit 5-1 well along Blindhorse Creek.

--BLM issues the Headwaters Resource Management Plan/EIS and subsequent Record of Decision.

--Four Outstanding Natural Areas (ONAs) on the Rocky Mountain Front, including the Blindhorse ONA within the Blackleaf Area, are designated by the BLM.

--The application for permit to drill (APD) is approved by BLM for Woods Petroleum Company's Volcanos Reef #1 at the mouth of Muddy Creek canyon. Operator not given approval to produce well until the proposed Blackleaf EIS is complete.

--BLM, Forest Service and Montana Department of Fish, Wildlife and Parks agree to conduct Blackleaf Environmental Impact Statement. All exploratory and development drilling in the Blackleaf Area is suspended.

--BLM grants a suspension of the auto-contraction provision of the Blackleaf Unit Agreement until the Blackleaf EIS is complete.

--Gas compression is added at the Blackleaf Unit to improve gas delivery in December 1985. The compressor engine uses propane for fuel.

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--Gas compression is added at the Blackleaf Unit to improve gas deliverability in December 1985. The compressor engine uses propane for fuel.

--BLM grants a suspension of lease rental payments for MTM 52676, MTM 53314 and MTM 65308 until the Blackleaf EIS is completed.

--EPS Resources Corporation installs production equipment and gathering lines to produce the Blackleaf Federal 1-13 and the Blackleaf Unit 1-19 wells into the existing Blackleaf Gathering System.

--EPS Resources Corporation drills and plugs the Government Rutter 22-1 well just outside the Blackleaf Unit Boundary.

--Draft Blackleaf EIS is published.

--Gas production from the Blackleaf Unit is shut in due to inability to meet required gas contract volumes. The four producing wells from the Blackleaf Area have cumulative production of 7.0 billion cubic feet (BCF) of natural gas.

--Final Blackleaf EIS published but no Record of Decision issued.

--BLM lifts the suspension of lease rental payments for MTM 52676, MTM 53314 and MTM 65308 and the suspension of the auto-contraction provision of the Blackleaf Unit Agreement.

--The Bankruptcy Trustee for the EPS Resources Corporation submits an APD for the Blackleaf Federal 1-30, the same location previously proposed by Rainbow Resources in 1979.

--BLM suspends the auto-contraction provision of the Blackleaf Unit Agreement until a Record of Decision (ROD) is issued for the Blackleaf EIS. 32 days remain before the auto-contraction provision deadline.

--No action is taken on the approval of the application for permit to drill the Blackleaf Federal 1-30.

--McMahon-Bullington submits an APD for the Blackleaf Federal 1-24 along Muddy Creek and the Blackleaf Federal 1-2 along South Fork Dupuyer Creek.

--BLM grants suspension of operations and production for Federal lease MTM 53314 during the time period required to review the APD's. Two years and ten months remain on the primary term of the Federal lease.

--FINA Oil and Chemical Company plugs the Blackleaf Federal 1-13 well.

--The Dorothy Tripp Rutter Trust submits an APD for the Rutter Federal 1-26 well (located at the old Texaco well site) along Middle Fork Dupuyer Creek.

--BLM grants suspension of operations and production for Federal lease MTM 65308 during period of time required to review the APD. Two years and six months remain on the primary term of the Federal lease.

--StarTech Energy Corporation plugs the Blackleaf Unit 1-16 well.

--StarTech Energy Corporation submits an APD for the Federal Blindhorse #1 in the Blackleaf Unit. The well site is very close to a site proposed by Rainbow Resources in 1979.

--BLM and Forest Service agree to prepare a new EIS for the Blackleaf Area.

--Grizzly Resources, Inc. Submits APD's for the Blackleaf Federal 1-24 and 1-25 along Muddy Creek on unleased Forest Service surface ground. They also submit a special use permit to the Forest Service. Grizzly Resources also submits APD's for the Blackleaf Federal 1-2 and 2-2 along South Fork Dupuyer Creek.

--Rutter Wilbanks submits an APD for the Federal 1-26 well along Middle Fork Dupuyer Creek at the same site as the Texaco Government Pearson #1 well, drilled in 1962.

--BLM contracts work to conduct inventories in the Blackleaf Area for "old growth forest", amphibians, raptors, aquatic, weeds.

--BLM and Forest Service select Maxim Technologies as the contractor for the Blackleaf Project EIS.

--Grizzly Resources Inc. Resubmits APD's for the Blackleaf Federal 1-24 and 1-25 along Muddy Creek to locate the surface location off Forest Service and on State ground. They also resubmit the APD's for the Blackleaf Federal 1-2 and 2-2 along South Fork Dupuyer Creek to locate the surface location on unleased Forest Service. Grizzly Resources submits a special use permit to the Forest Service.

--BLM returns Rutter Wilbanks APD as administratively incomplete and the suspension of operations and production for Federal Lease MTM 65308 is lifted, effective February 1, 2004.

--BLM returns Grizzly Resources APD's as administratively incomplete and the suspension of operations and production for Federal lease MTM 53314 is lifted, effective February 20, 2004.

--Federal Lease MTM 65308 terminated (Rutter lease).

--BLM publishes Notice of Intent in the Federal Register for the Blackleaf Project EIS April 15, 2004.

HISTORY OF GAS EXPLORATION



1981 - WILLIAMS EXPLORATION COMPANY, BLACKLEAF #1-19