

ELK WALL TIMBER SALE

NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The Elk Wall Timber Sale is located within Sections 10, 14, & 16, T13N-R14W, on the State's Clearwater Unit. Approximately 20,507 tons of sawlogs consisting primarily of Douglas-fir, ponderosa pine, and western larch sawlogs are offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on **September 23, 2011 at 2:00 p.m.** Bids may be hand delivered or mailed and will be accepted any time prior to the bid opening. **DNRC recommends that bidders contact the Trust Land Management Division (406-542-4300) prior to the bid opening to ensure that your bid has been received.** Bids must be accompanied by a deposit of **\$6,480.00**, representing 5% of the minimum bid of the sale in cashier's check, certified check, bank money order or bank draft to be applied to the stumpage for the successful bidder. Bid bonds will be accepted and, for the successful bidder, will be closed upon execution of the Timber Sale Contract and Timber Sale Bond.

The sale will be awarded to the highest responsible bidder. **Award of the timber sale is conditional upon approval of the timber sale by the State Board of Land Commissioners at their September 19, 2011 meeting.** If the successful bidder is unable to execute the contract within **15** calendar days from the date the sale is awarded, the bid deposit will be retained by the Department as liquidated damages. The right is reserved to reject any or all bids.

Prospective bidders can obtain the sale prospectus, sale contract and bid forms from the Department of Natural Resources & Conservation, Trust Land Management Division, in Missoula (406-542-4300), the Southwestern Land Office, in Missoula (406-542-4200), or the Clearwater Unit office in Greenough, MT. (406-244-2386).

Visit our website at <http://www.dnrc.mt.gov/trust/timber/bids.asp> for upcoming timber sales and bid results.

/s/ SHAWN THOMAS, Chief
Forest Management Bureau
Trust Land Management Division

Publication Dates: August 25, September 1, 8, 15, 2011

TIMBER SALE PROSPECTUS
MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Timber Sale Name:	Elk Wall		
Timber Sale Location:	Sections 10, 14, and 16, T13N-R14W		
For specific sale information, contact: Craig V. Nelson			
Phone	406- 244-2386 (M-Th. 7:00 AM - 5:30PM)		Clearwater Unit Office
For copies of the Timber Sale Contract and bid forms, contact:			
Phone	406-542-4300	Forest Management Bureau	DNRC Missoula Office
Phone	406-542-4200		Southwestern Land Office

General Bidding Information

1. Bids must be submitted on standard Department of Natural Resources & Conservation (Dept) bid forms.
2. Timber will be sold to the highest responsible bidder; however, the Dept reserves the right to reject any or all bids. **Award of the timber sale is conditional upon approval of the timber sale by the State Board of Land Commissioners at their September 19, 2011 meeting.**
3. The Dept recommends that bidders contact the Forest Management Bureau, Trust Land Management Division (406-542-4300) prior to the bid opening to ensure that your bid has been received.
4. A **Bid Guarantee** must accompany all bids and must be in the form of cash, cashiers check, certified check, money order, bank draft, surety bond or irrevocable letter of credit.
5. The Purchaser must submit a **Performance Bond** to the Dept within a maximum of **15** days of notification of sale award. The bond amount will be 15% of the total bid value of the sale. The performance bond may be in the form of cash, irrevocable letter of credit, surety bond or certificate of deposit. The performance bond must be maintained separately from other payments for the duration of the sale contract. See the Timber Sale Contract for additional information.
6. The Purchaser must submit an **Advance Stumpage Payment** prior to cutting any timber. The amount of the advance stumpage payment will be based on the expected harvest rate and the bid value of the stumpage. The advance stumpage payment may be in the form of cash, irrevocable letter of credit, payment bond or certificate of deposit.
7. At rates specified in the Contract, the Purchaser will pay **Forest Improvement Fees** on all sawlog volume. All applicable **Road Use and/or Maintenance fees** will also be paid by the Purchaser in addition to stumpage payments.
8. This sale is being sold based on the gross weight of all species. Minimum price and bid price are on a per ton basis. Unless specified, the price applies to all species, green and dead. Price may vary by product. Billing will be based on gross weight. A weight ticket from a certified scale is required for each load hauled, regardless of product type.
9. The Dept has estimated the net scale merchantable sawlog volume to be available for purchase under this contract. Other products may be part of this sale. All delivered wood will be weighed and billed at per ton bid rates. The Dept recognizes that a percentage of delivered wood may not meet the log manufacturing and recovery standards of the timber sale contract. The actual percentage will vary based on the log manufacturing and recovery specifications of the purchaser and tree conditions in the sale area. The actual delivered weight may vary, resulting in an overrun or under-run of the estimated tonnage. **The Dept strongly recommends that bidders evaluate these effects before bidding.**
10. The Dept does not conduct detailed road appraisals. All appraised costs are gross estimates or averages, provided only to show the relative amount of work required, and not the true market value. **The Dept strongly recommends that bidders make their own estimates based on contract requirements. Cost estimates provided are not guaranteed.**
11. Bidders are encouraged to examine the complete Timber Sale Package and Sale Area prior to bidding. Additional information is available at the phone numbers shown above.
12. Estimates for sale volume, species percents, defect, product class, etc. provided in this prospectus and volume estimates listed in the sale contract **are not guaranteed.**
13. This prospectus is provided for information purposes only. If the prospectus is in error or contradicts the Timber Sale Contract, the contract governs.
14. Non-sawlog Material: The Purchaser may elect to remove non-sawlog material at the rate of \$1.00/ton if approved by the Forest Officer. Non-sawlog material is material that does not meet sawlog specifications as outlined in the contract.

Additional Sale Information:

1. **SKIDDER PILES:** The Purchaser is required to redistribute logging slash by piling a majority of the landing slash in the unit using a grapple skidder. These piles will be at least 8 feet tall and will be piled in a way as to promote burning (higher **NOT** wider). The piles will be placed in larger openings. If another operation is used, it is necessary for the Purchaser to get written approval from the Forest Officer.
2. **OWNERSHIP BOUNDARIES:** Sale boundaries may also be an ownership boundary. Slash must be removed from the harvest boundary at least 5 feet to allow walking down the section line.
3. **SMZ BOUNDARIES:** Some of the unit boundaries may also be SMZ boundaries. NO slash is allowed in the SMZs.
4. **USE OF CAP WALLACE ROAD:** It will be necessary to construct landings on or adjacent to Cap Wallace Road. All landings must be cleared to allow vehicle passage and will be cleaned prior to nightfall. Given the use of road by other owners, etc. landings must be kept clean and piling must be completed by the end of the standard operating time or by date communicated in writing to the Purchaser.
5. **WARNING SIGNS REGARDING NEARBY HARVEST:** It is necessary to have signs that warn potential recreationalists etc. of the harvest and potential danger.
6. **LYNX UNIT:** Unit 1008 must be harvested without damaging smaller trees (seedlings, saplings and pole-sized trees). "Skidder piles" are to be left on skid trails and other open areas NOT on regeneration.
7. **MIX OF GROUND AND SKYLINE WITHIN UNIT:** Given the broken nature of portions of the ground within units 1005, 1403, and 1603, both skyline and ground harvesting are intermixed. Skyline yarding is required in areas over 45% slope. Ground based yarding and mechanical felling is permitted in areas less than 45% slope. The Purchaser must develop a logging operations plan and map. This map must show areas proposed to be logged using ground based harvesting equipment and the location of any excavated skid trails. This logging plan must be approved by the Forest Officer prior to felling timber or skid trail excavation. The Purchaser is required to flag boundaries of areas in which mechanized equipment will be operating. This boundary must be approved by the Forest Officer prior to harvest of the unit.
8. **SLASHING OF LOGGING-DAMAGED TREES REQUIRED:** The Purchaser shall fell all sub-merchantable trees with logging-related root or stem damage, causing lean. The stem shall be completely severed from the stump below the lowest live limb. Maximum stump height shall be 12 inches on the uphill side.
9. **PURCHASER LOPPING REQUIRED:** Purchaser shall buck and delimb all logging slash as required to reduce main stems to within 12 inches of the ground from bottom side, and reduce total slash depth, including branches, to within 18 inches of the ground.
10. **ROAD CONSTRUCTION:** New road construction must be completed by fall of 2011 as described in Attachment B of the contract.
11. **Purchaser must negotiate a price with Lubrecht Experimental Forest and pay for logs cut from road right-of-way on University property.**

Timber Sale Information Sheet
Montana Department of Natural Resources and Conservation

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Timber Sale Cruise Data										
SPECIES	PP	DF	WL	LP	ES	WF	CE	WP	Dead	TOTAL or AVE
Minimum Bid										\$6.32/ton
Pounds per cubic foot	62	62	58	56					40.0	60.6
Estimated tons of sawlogs (5.6" top DIB)	1,766	16,548	885	465					843	20,507 tons
Estimated tons of other material (pulp, etc)	0	260.5	69.1	153.2					98.7	582 tons
Gross MBF (Scribner 5.6" top DIB)	317	2,460	129	45					230	3,181 MBF
% Cull and Breakage	15%	11%	2%	6%					36%	11.9%
Net MBF (Scribner 5.6" top DIB)	270	2,199	127	43					162	2,801 MBF
Average logs per MBF	18.6	22.1	24.1	31.7					25	22.5 logs/M
Average DBH	14.1	13.1	8.9	8					10	12.4 in.
Average tons per acre harvested in leave-tree marked units	→									39 tons/ac
Average tons per acre harvested in cut-tree-marked units	→									0 tons/ac
Average MBF to cut per acre on the timber sale	→									5.3 MBF/ac
Range of cut trees per acre based on unit cruise	→									0
Calculated Sampling Error: Total cruised volume will fall between	2,363 and 3,239 Net MBF in 9 out of 10 cruises									15.7%
Tons Per Thousand Board Feet										
Contract Value - Estimated tons hauled per thousand Scribner board feet	20,507 estimated tons to a 5.6 inch top / 2,801 Net MBF Scribner to a 5.6 inch top DIB									7.32 tons/MBF

Contract Information	
Contract ending date	7/1/2015
Contract length	45 months
Operating Season:	July 1 - February 28

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Logging Information	
% of volume logged by clearcut or seed tree cut	12%
% of volume logged with tractors	77%
% of volume logged by ground lead (jammer)	00%
% of volume logged by skyline	23%
Yarding distance tractor	750 ft.
Yarding distance ground lead	0 ft.
Yarding distance skyline	500 ft.
Estimated haul distance (paved) Pyramid - Seeley Lk	20.0 miles
Estimated haul distance (unpaved)	7.0 miles

Purchaser fees and estimated costs	
Forest Improvement fee perMBF	\$31.31/MBF
Forest Improvement fee per ton	\$4.28/ton
Forest Improvement fee estimated total	\$87,769.96
Forest Improvement fee quarterly installment	\$14,628.33
Estimated Purchaser-do FI total \$	\$12,005
Estimated Purchaser-do FI per ton	\$0.59/ton
Estimated Purchaser-do slash disposal work total	\$0.00
Estimated Purchaser-do slash disposal work per ton	\$0.00/ton
Bid Guarantee (total \$)	\$6,480.00
Performance Bond	15% of bid value

Road development and maintenance fees and estimates	
Estimated development cost total	\$121,046
Estimated development cost per ton	\$5.90/ton
Estimated development cost perMBF	\$43.22/MBF
Estimated State road maintenance cost total	\$1,080.00
Estimated State road maintenance cost per ton	\$0.05/ton
Private road maintenance charges per ton	\$0.00/ton
USFS road maintenance charges per ton	\$0.00/ton
Miles of road construction	5.5 miles
Miles of road reconstruction	0.2 miles
Miles of road with site improvements	5.0 miles
Miles of road reclamation or abandonment	0.0 miles
Miles of road maintenance and blading	10.8 miles

Unit harvest volume				
Unit #	Acres	Est Tons	Est MBF	Harvest date
1005	58.1	2,134	282	February 28, 2015
1006	8.4	310	41	February 28, 2015
1007a	12.4	454	60	February 28, 2014
1007b	78.1	2,868	380	February 28, 2014
1008	22.7	391	50	February 28, 2014
1009	10.4	383	51	February 28, 2014
1401	87.7	3,223	426	February 28, 2014
1402	6.5	286	41	February 28, 2015
1403	17.1	628	83	February 28, 2015
1404	7.9	347	49	February 28, 2015
1405	45.7	2,021	287	February 28, 2013
1406a	16.6	733	104	February 28, 2013
1406b	3.6	160	23	February 28, 2013
1407	45.4	2,008	285	February 28, 2012
1601	84.9	3,751	532	February 28, 2013
1602	9.5	351	46	February 28, 2015
1603	12.5	459	61	February 28, 2015

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Montana Department of Natural Resources and Conservation

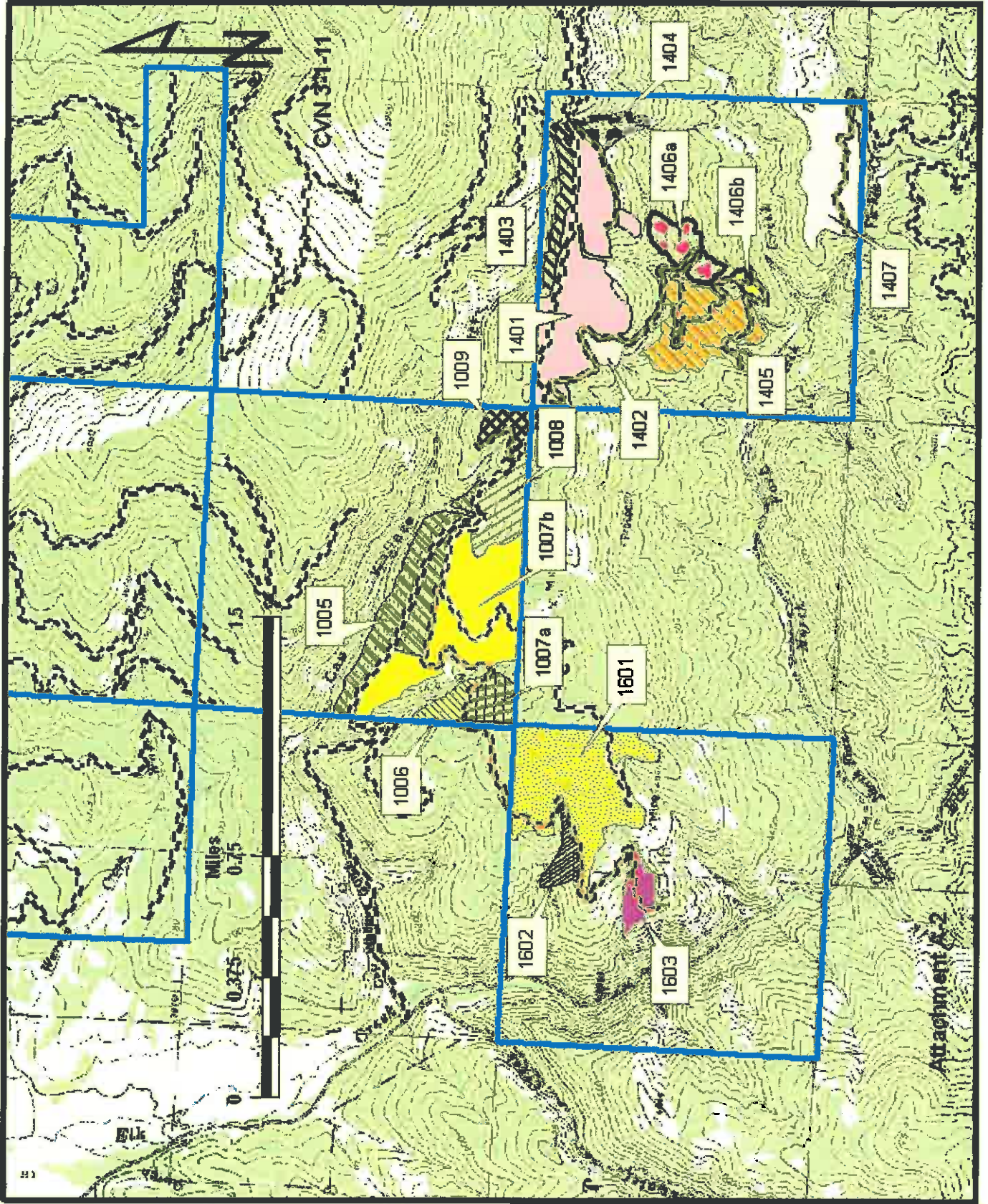
	528 Ac.	20,507 tons	2,801 MBF	
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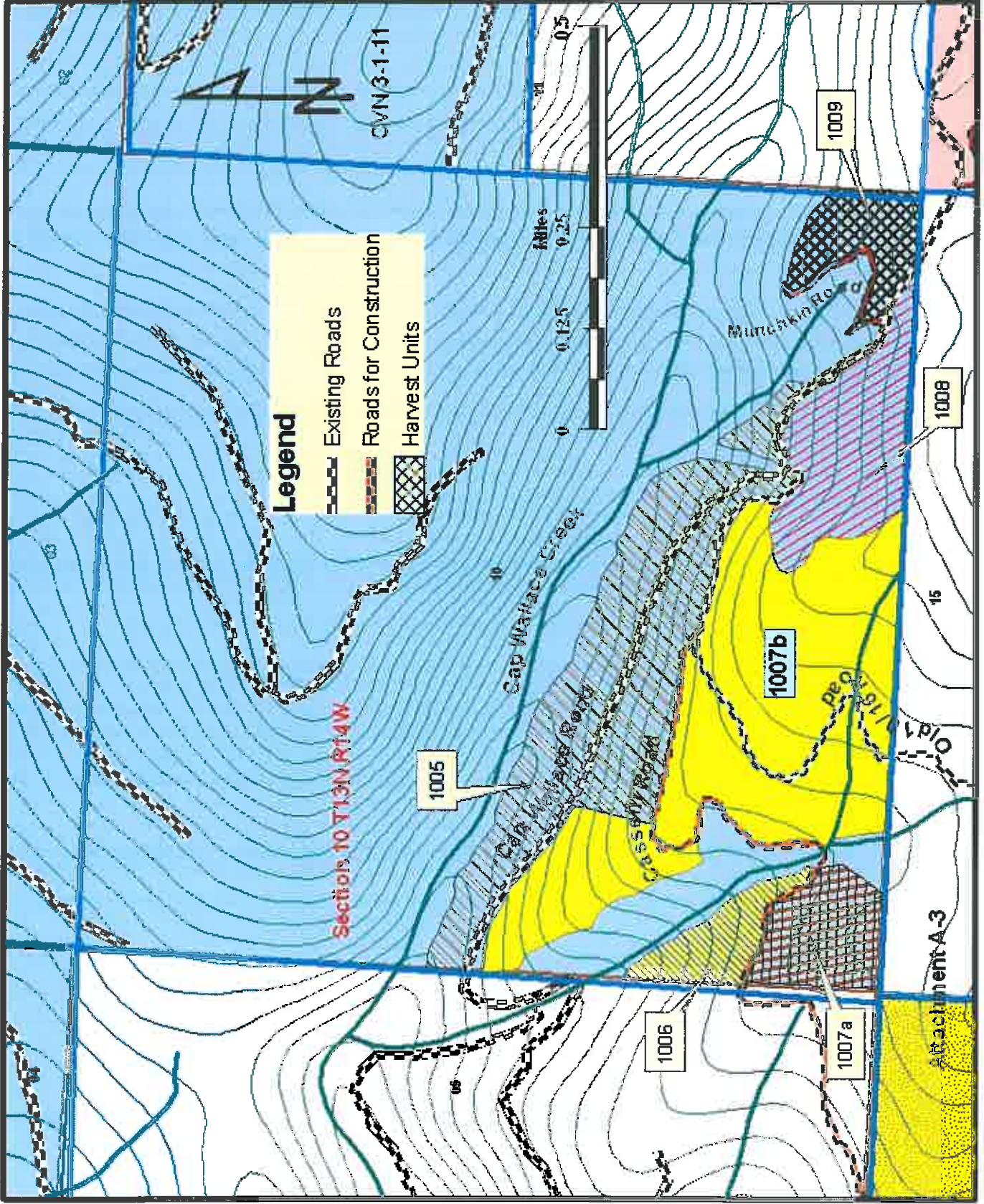
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Legal description by trust					Unit harvest volume			
Legal description - subdivisions	Section	Twn	Rge	Grant	Unit #	Acres	Est Tons	Est MBF
S1/2	10	13N	14W	P.B.	1005	58.1	2,134	282
SW1/4	10	13N	14W	P.B.	1006	8.4	310	41
SW1/4	10	13N	14W	P.B.	1007a	12.4	454	60
S1/2	10	13N	14W	P.B.	1007b	78.1	2,868	380
SE1/4	10	13N	14W	P.B.	1008	22.7	391	50
SE1/4	10	13N	14W	P.B.	1009	10.4	383	51
N1/2	14	13N	14W	P.B.	1401	87.7	3223	426
NW1/4	14	13N	14W	P.B.	1402	6.5	286	41
N1/2	14	13N	14W	P.B.	1403	17.1	628	83
NE1/4	14	13N	14W	P.B.	1404	7.9	347	49
W1/2	14	13N	14W	P.B.	1405	45.7	2021	287
NE1/4SW1/4, SW1/4NE1/4	14	13N	14W	P.B.	1406a	16.6	733	104
SW1/4	14	13N	14W	P.B.	1406b	3.6	160	23
SE1/4	14	13N	14W	P.B.	1407	45.4	2008	285
NE1/4	16	13N	14W	C.S.	1601	84.9	3751	532
NE1/4	16	13N	14W	C.S.	1602	9.5	351	46
N1/2	16	13N	14W	C.S.	1603	12.5	459	61
See Instructions for how to fill in this table								
Totals						528 Ac.	20,507 T	2,801 M

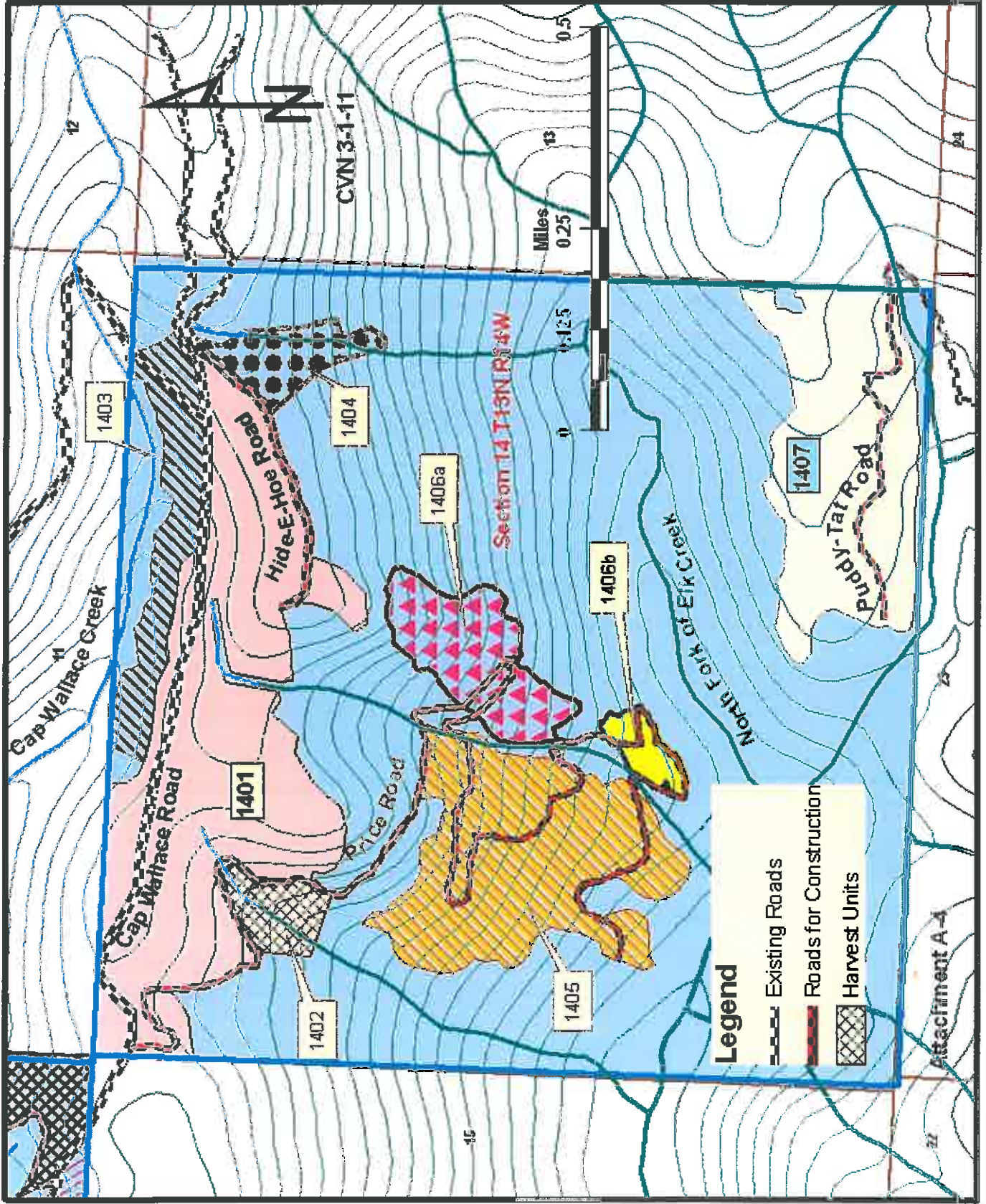
ELK WALL T.S. SALE MAP



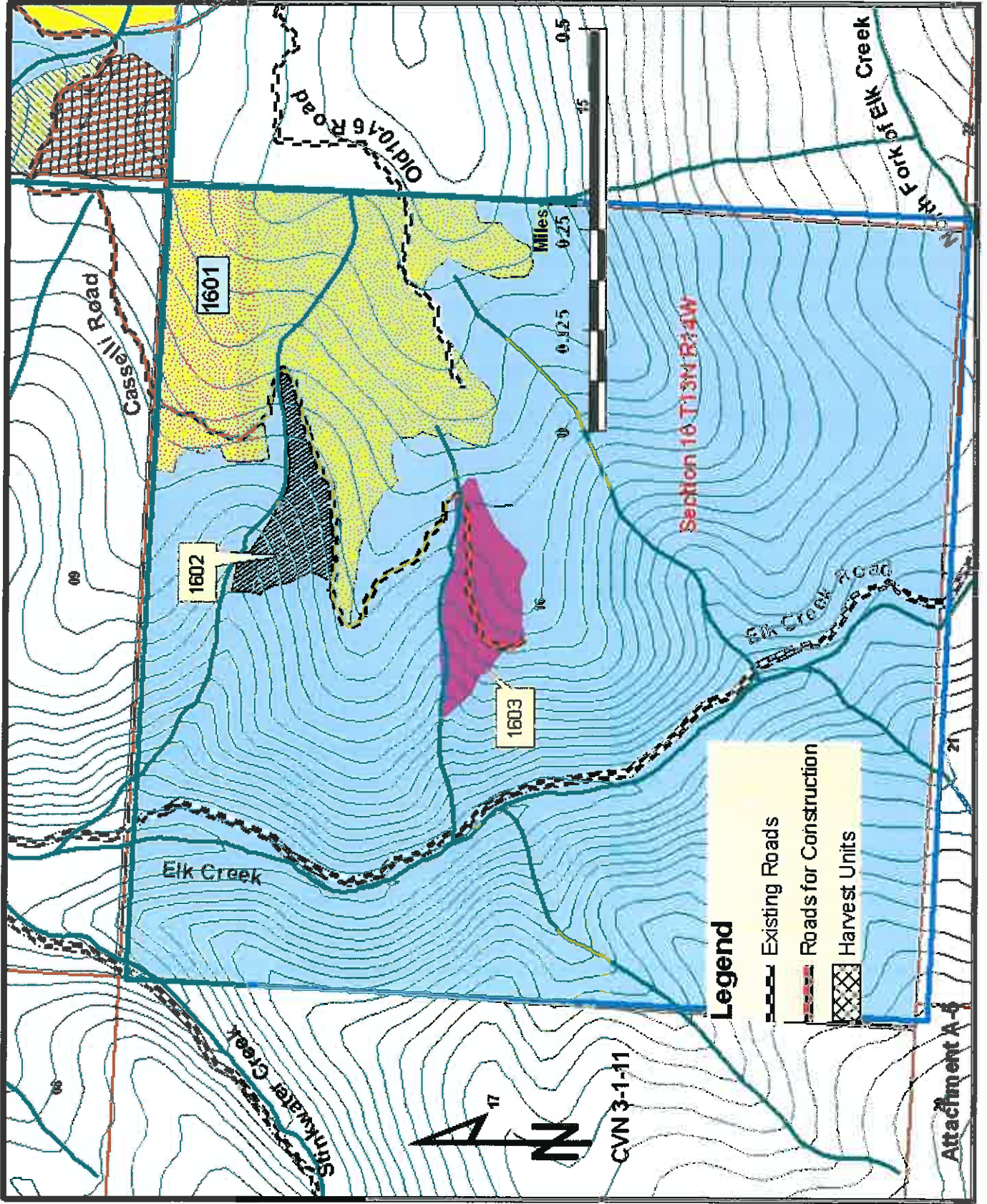
**ELK WALL T.S.
SEC. 10 T13N R14W**



**ELK WALL T.S.
SEC. 14 T13N R14W**



**ELK WALL T.S.
SEC. 16 T13N R14W**



CVN 3-1-11

Attachment A-4