

HAYWIRE WALLACE TIMBER SALE

NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The Haywire Wallace Timber Sale is located within Sections 2, 4, and 10, T13N-R14W, on the State's Clearwater Unit. Approximately 26,046 tons of sawlogs consisting primarily of Douglas-fir and ponderosa pine and 1,700 tons of mandatory non-sawlogs (pulp) are offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on **June 1, 2006 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 **\$37,116.00**, 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. If the successful bidder is unable to execute the contract within 45 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. (406-244-5857).

Visit our website at www.dnrc.mt.gov Online Services for upcoming timber sales and bid results.

/s/ David Groeschl, Chief
Forest Management Bureau
Trust Land Management Division

Publication Dates: April 26, May 3, 10, 17, 2006

TIMBER SALE PROSPECTUS
MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Timber Sale Name:	Haywire Wallace		
Timber Sale Location:	3 miles east of Greenough, MT. Sec. 2, 4, & 10, T13N-R14W		
For specific sale information, contact:			
Phone	406-244-5857	Craig V. Nelson	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 DNRC bid forms.
2. Timber will be sold to the highest responsible bidder; however, the Department reserves the right to reject any or all bids.
3. DNRC 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, bank money order, bank draft, surety bond or irrevocable letter of credit.
5. The Purchaser must submit a **performance bond** within 45 days of the sale award. It will amount to 5% or more of the 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.
6. The Purchaser must submit an **advance stumpage payment** prior to cutting any timber. The amount of the advance will be based on the expected harvest rate and the bid value of the stumpage. The advance may be in the form of cash, irrevocable letter of credit, payment bond or certificate of deposit.
7. The Purchaser will pay **Forest Improvement fees** in addition to stumpage payments.
8. The successful bidder must sign an agreement that prohibits exporting State logs.
9. This sale is being sold based on the gross weight of all species. Minimum price and bid price is per ton. The price is for all species, green and dead. Billing will be based on gross weight. A weight ticket from a certified scale is required for every load.
10. The Department has estimated the net scale merchantable sawlog volume to be available for purchase under this contract. All delivered wood will be weighed and billed at per ton bid rates. The Department 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 the tree conditions in the sale area. The actual delivered weight may vary, resulting in an overrun or under-run of the estimated tonnage. DNRC strongly recommends that bidders evaluate these effects before bidding.
11. DNRC 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 its market value. Purchasers should make their own estimates based on contract requirements.
12. Bidders should examine the Timber Sale Contract and sale area prior to bidding. Additional information is available at the phone numbers shown above. **A tour of the sale area for prospective purchasers will not be given. Roads in the area consist of clay material and easily rut. ATV's can also damage the road surface. Please be considerate of the landowners within the area.**
13. Estimated stand data in this prospectus and volume estimates in the sale contract are not guaranteed.
14. This prospectus is provided for information purposes only. If the prospectus is in error or contradicts the Timber Sale Contract, the contract governs.

TABLE 1: Summary of Sale Specifications			
Sale Data			
625	Net Sale Area (acres)	5.9	Miles of road construction
June 30, 2009	Contract ending date	6.3	Miles of road refurbishment
4%	Cable logging required (% of volume)	0.1	Miles of road abandonment (slashing)
Operating Season:		Harvest: July 1 – October 15 and December 1 – February 24	
		Roads: July 1 – October 20	
Charges and Appraised Costs			
\$37,116.00	Bid Guarantee (total \$)		
20% of bid value	Performance Bond		
\$N/A	Collected Road Maintenance And Road Use Charges (\$ per ton)		
\$2.23	Collected Forest Improvement Fee (\$ per ton)		
\$9,680.43	Quarterly Installment of Forest Improvement Payments (\$ per payment, first 5 payments)		
\$93,351.50	Road Development Costs - Appraised Purchaser-Do (total \$)		
\$0.24	Road Maintenance Costs - Appraised Purchaser-Do (\$ per ton)		
\$0.80	Slash Disposal Costs - Appraised Purchaser-Do (\$ per ton)		
\$N/A	Timber Stand Improvement Costs - Appraised Purchaser-Do (\$ per ton)		

TABLE 2: Timber Cruise Data and Minimum Bids									
SPECIES	*BP	DF	LPP	*PP	SAF	WL			TOTAL or AVE
Minimum Acceptable Bid									\$28.50/ton
Gross Cubic Feet (in thousands)	171	658	14	51	1	4			899
% Cull and Breakage	10	8	9	12	5	42			8.9
Net Cubic Feet (in thousands)	153	605	13	45	1	2			819
Pounds per cubic foot	72	62	56	62	55	64			64
Tons	5,512	18,676	358	1,394	32	74			26,046
Gross MBF (Scribner 6" top DIB)	752	2,830	57	254	5	16			3,914
% Cull and Breakage	10	8	9	12	5	42			8.9
Net MBF	674	2,603	52	223	4	10			3,566
Average logs per MBF	21.4	21.8	29.9	12.5	42.6	30.1			21.3
Average DBH	11.17	9.11	6.93	18.32	8.0	6.87			9.36
Average tons per acre harvested in leave-tree marked units									42
Average MBF to cut per acre on the timber sale									5.725
Range of cut trees per acre based on unit cruise									62 – 296 (avg. 120)
Calculated Sampling Error (<i>net</i> MBF): 6.52%									
The total cruised volume will fall between 24,348 – 27,744 tons (3,333.5 - 3,798.5 mbf.) in 9 out of 10 cruises									
Tons Per Thousand Board Feet Conversion Factor = 26,046 net tons per 3,566 net MBF = 7.3 tons per MBF									

*PP = ponderosa pine are generally larger diameter trees, with clear length butt logs, and “yellow pine” characteristics.

*BP = ponderosa pine without clear length butt logs, these trees show “bull pine” characteristics.

TABLE 3: Unit Harvest Volume and Harvest Schedule					
Unit	Section	Acres	Estimated Tons	Estimated Net MBF	Removal Date
0201	2	19	799	109	February 15, 2009
0202	2	55	1,292	177	February 15, 2009
0203	2	4	172	24	February 15, 2009
0204	2	9	404	55	October 14, 2008
0401	4	273	13,245	1,814	October 14, 2008
0402	4	17	836	114	October 12, 2007
0403	4	41	2,017	276	October 12, 2007
1001	10	151	5,904	809	October 14, 2008
1002	10	38	881	121	October 12, 2007
1003	10	18	496	68	October 14, 2008

Additional Sale Information:

1. There is approximately 1,700 tons of non-sawlog material (pulp) that is mandatory for removal under this contract. It will be assigned a stumpage price of \$1.00/ton. No Forest Improvement charges will be assessed for this material. Additional non-sawlog material (optional removal) is available at the assigned stumpage rate.
2. In Unit 1002, excavator piling is required on 38 acres.
3. "Skidder piling" is required on all ground skidded areas to reduce landing slash and return nutrients to the forest.
4. The Purchaser will be responsible for grass seeding approximately 5.9 miles of new road. Once after roadwork and CMP installation have been completed, and potentially again after harvesting has been completed. The Purchaser shall also be responsible for weed spraying approximately 25 miles of haul roads.
5. The Purchaser is required to supply and install 5 (road closure) gates and 1 walk-through gate for access. One road will also be closed using a Kelly hump barricade.
6. The Purchaser shall post warning signs on open roads and control traffic as necessary.
7. Roadwork, including gate installations, is to be completed prior to initiating harvesting activities in those areas. All roadwork within Section 4 (3.3 miles), selected roads and portions within Section 10 (1.07 miles), and all minor roadwork done to roads that access them (3.8 miles) must be completed by October 20, 2006.
8. Some gravel (pit run rock screened 3 inch minus with less than 10% fine material) will be needed to construct roads to DNRC expectations. Although pit run is not found on the sale area, "bull rock" which is also required (1"– 6" size graded with less than 10% fines) is common and can be used.
9. The Purchaser shall be required to furnish and install one 36" CMP and four (4) 18" CMPs. A hydrologist or Forest Officer will need to be present during CMP installation where Commission Road crosses Warren Creek.
10. Moon Road will be buried with slash after its use leaving a small trail on the inside for walking / horse use.
11. Road stabilization fabric will be necessary for construction of a crossing. The length needed will be 200 lineal feet.
12. The Purchaser shall be required to furnish and install seven (7) each twenty-five foot long rubber flapper water diverters.
13. The Purchaser should plan on completing all operations prior to June 30, 2009. There are limited abilities for contract extension due to the terms of the temporary Right-of-Way permit.

TABLE 4: Total Net Cubic Feet (6" top diameter) by Diameter Class and Species (Cut trees)

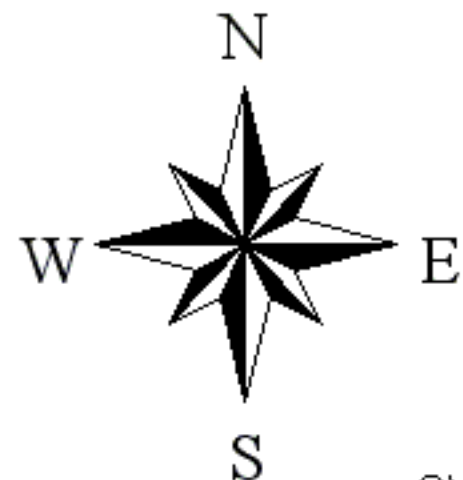
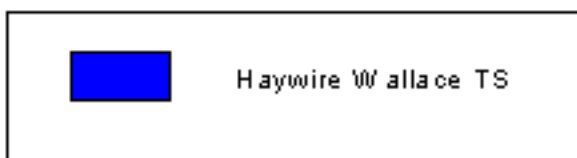
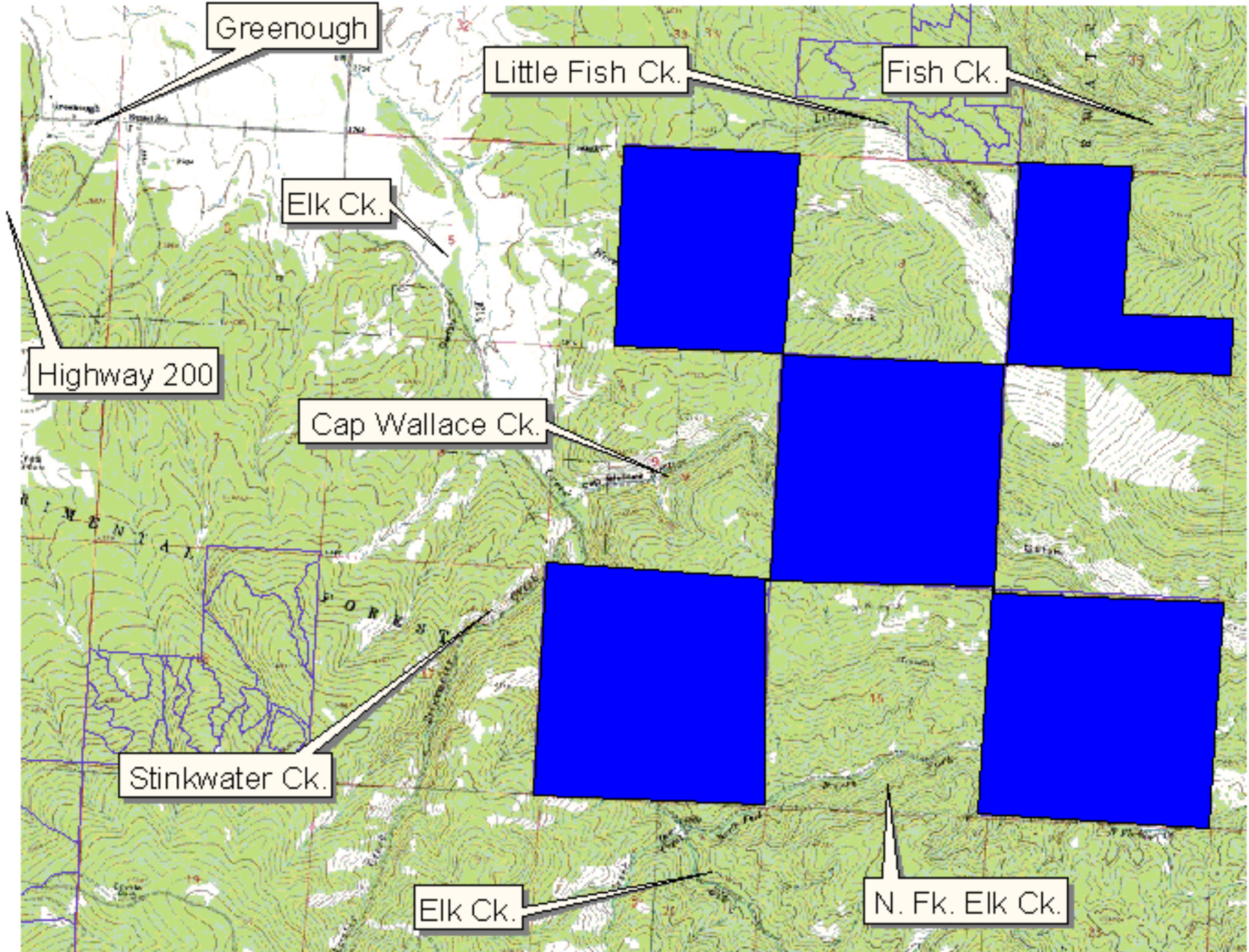
DBH Class	Thousand Cubic Feet								TOTAL
	BP	DF	LPP	PP	SAF	WL			
≥7 and < 9	5	38	5	-	1	2			51
≥9 and < 11	21	97	6	-	-	-			124
≥11 and < 13	21	115	1	-	-	-			137
≥13 and < 15	36	103	-	-	-	-			139
≥15 and < 17	39	86	1	3	-	-			129
≥17 and < 19	22	68	-	12	-	1			103
≥19 and < 21	6	32	-	14	-	-			52
≥21 and < 23	2	33	-	10	-	-			45
≥23 and < 25	2	19	-	2	-	-			23
≥25 and < 27	-	5	-	3	-	-			8
≥27 and < 29	-	4	-	2	-	-			6
29+	-	4	-	-	-	-			4
TOTAL	154	604	13	46	1	3			821

TABLE 5: Total Number of Cut Trees by Diameter Class and Species

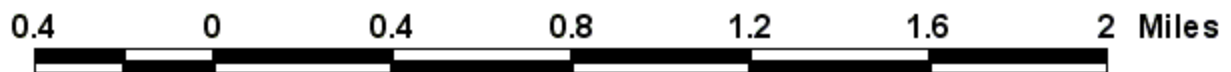
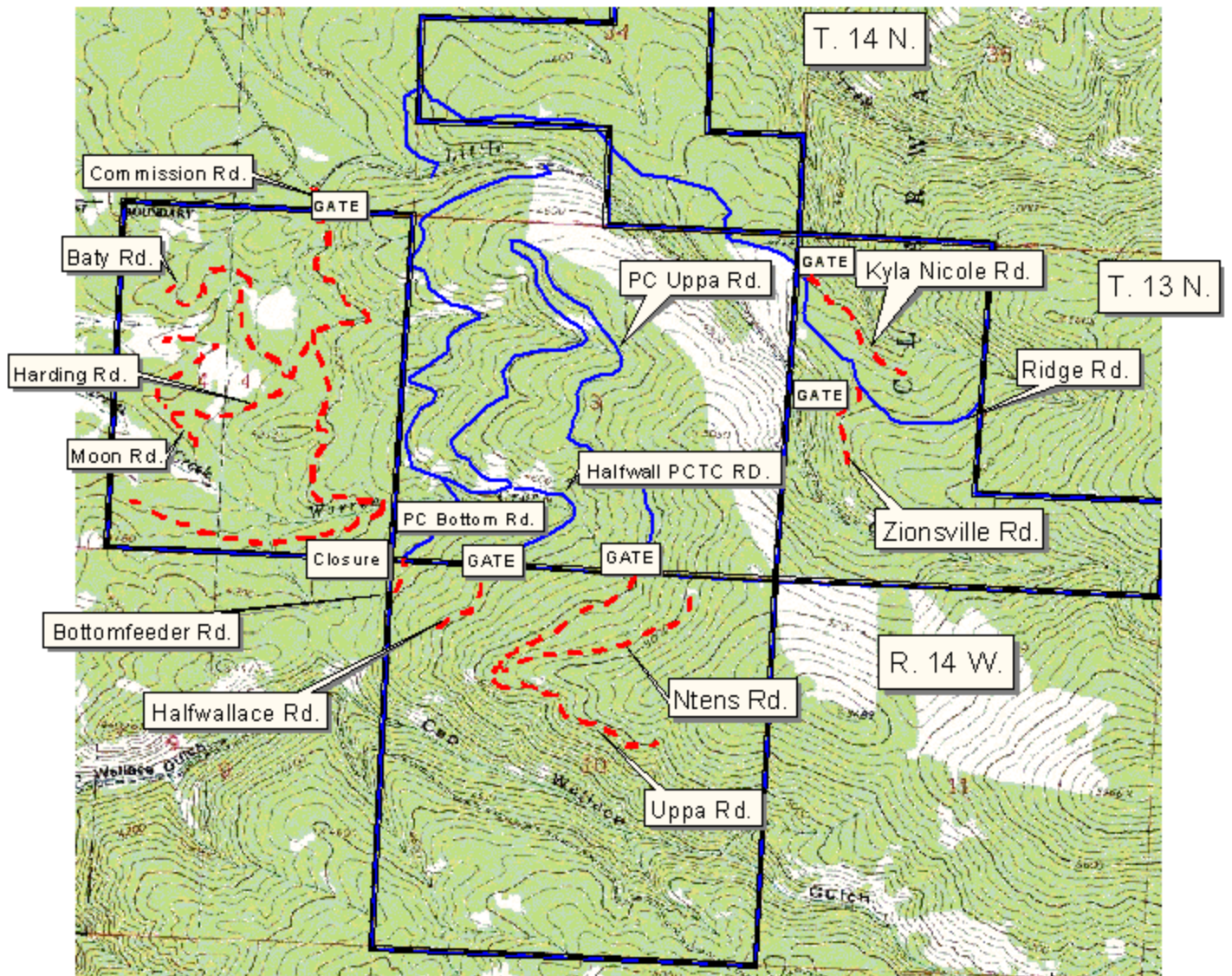
DBH Class	BP	DF	LPP	PP	SAF	WL			TOTAL
≥7 and < 9	1,960	15,388	1,024	-	181	759			19,312
≥9 and < 11	3,275	12,837	545	81	-	-			16,738
≥11 and < 13	1,796	8,563	41	-	-	-			10,400
≥13 and < 15	1,617	5,031	-	16	-	-			6,664
≥15 and < 17	1,264	3,032	26	104	-	-			4,426
≥17 and < 19	532	1,787	-	313	-	33			2,665
≥19 and < 21	114	654	-	301	-	-			1,069
≥21 and < 23	24	576	-	165	-	-			765
≥23 and < 25	18	286	-	20	-	-			324
≥25 and < 27	-	63	-	35	-	-			98
≥27 and < 29	-	42	-	15	-	-			57
29+	-	26	-	-	-	-			26
TOTAL	10,600	48,285	1,636	1,050	181	792			62,544

Vicinity Map

Haywire Wallace TS

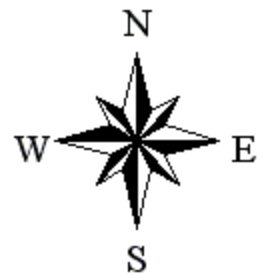


Haywire Wallace T.S. Road Map

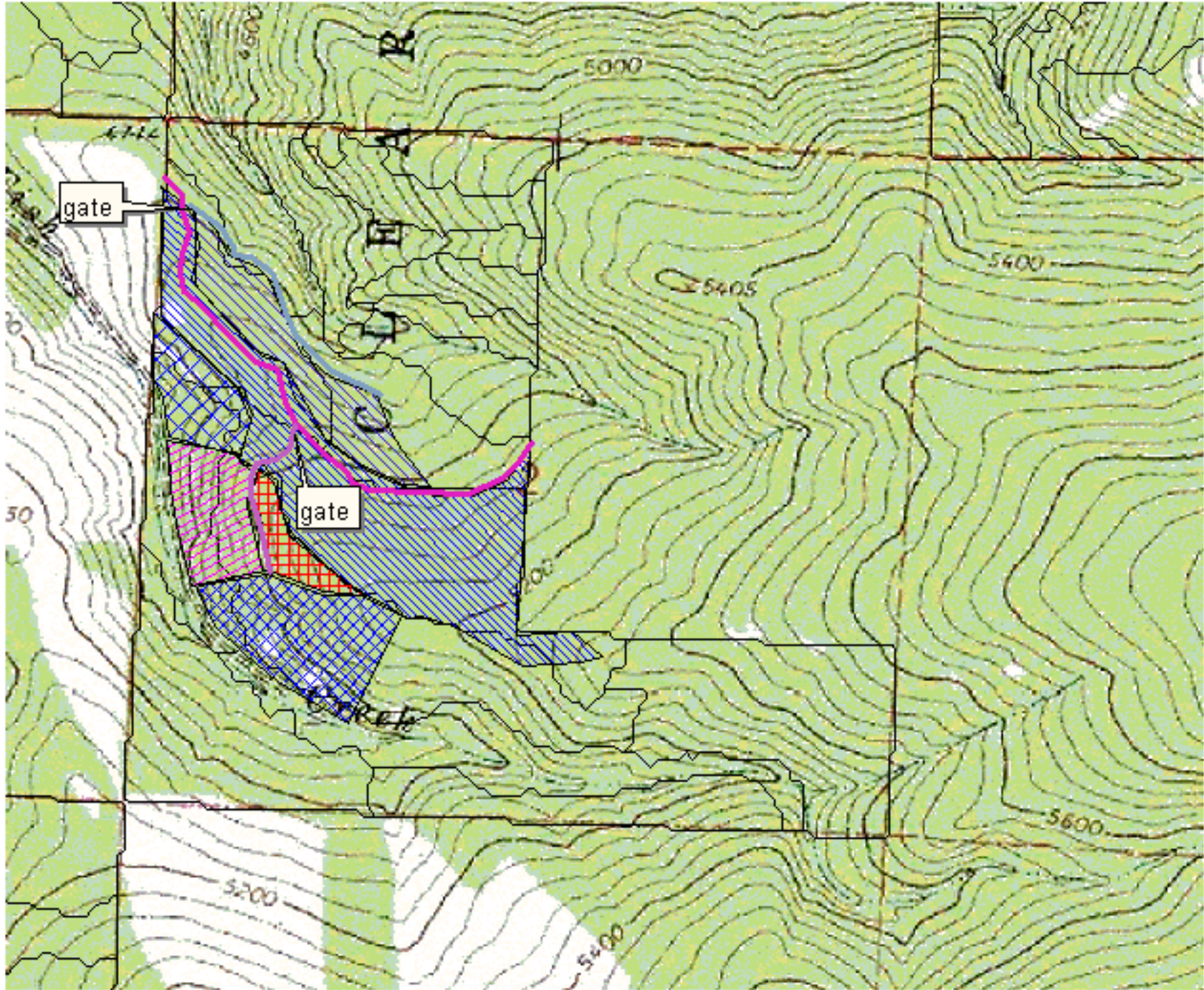


LEGEND

-  DNRC ownership
-  Existing Road
-  New construction

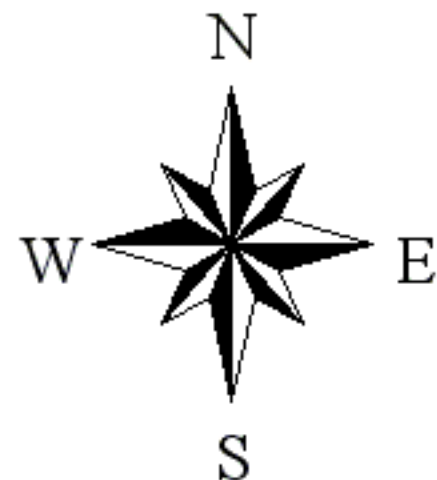


Sec 2

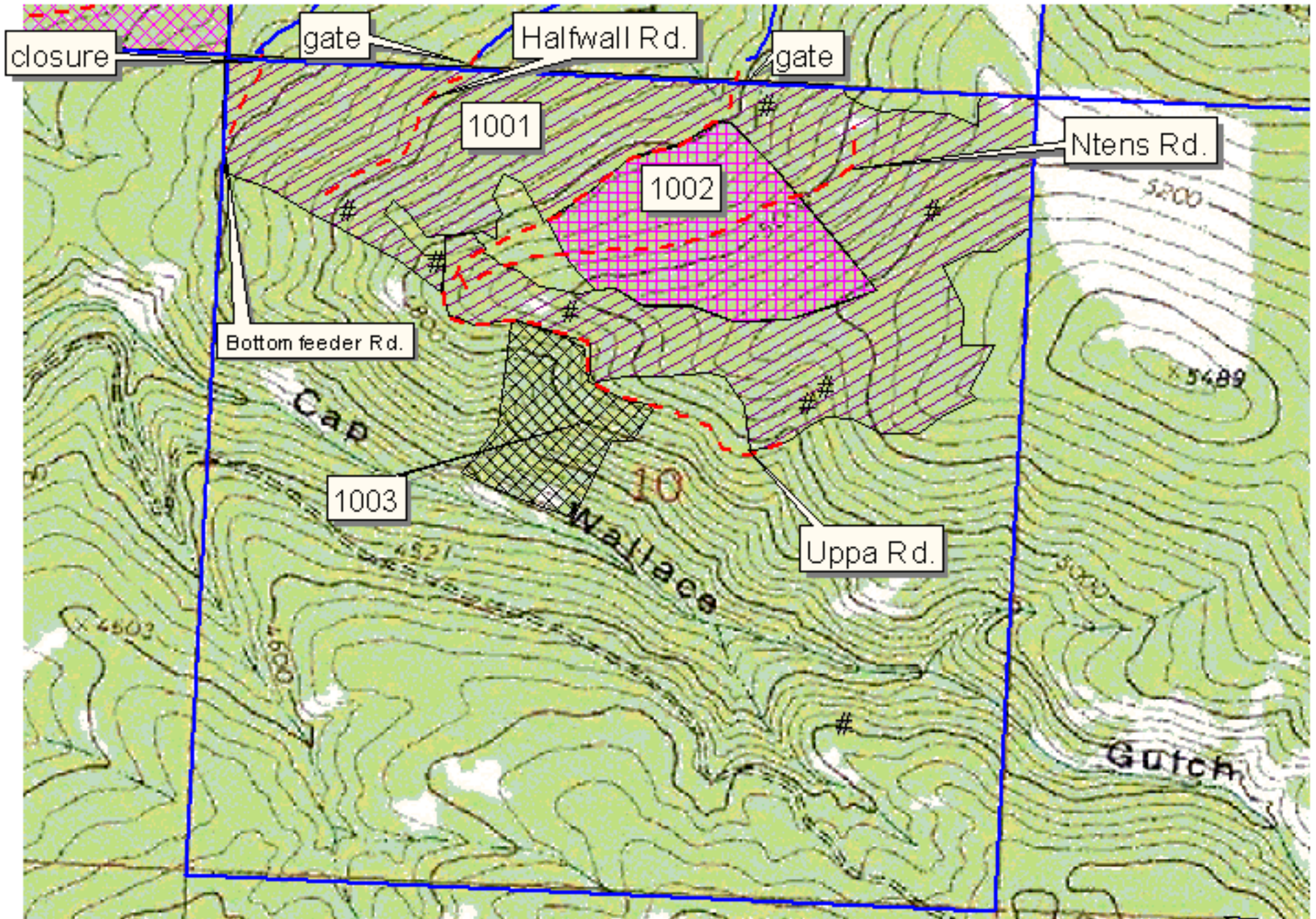


0.4 0 0.4 0.8 Miles

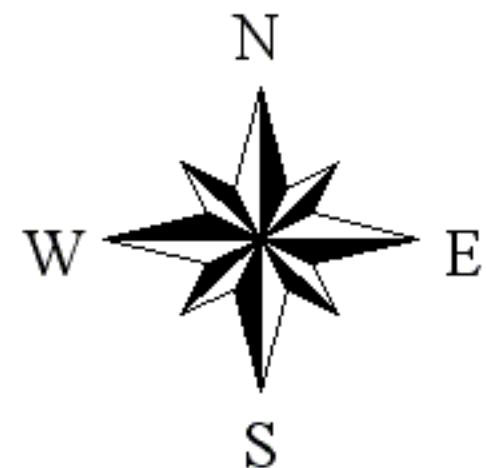
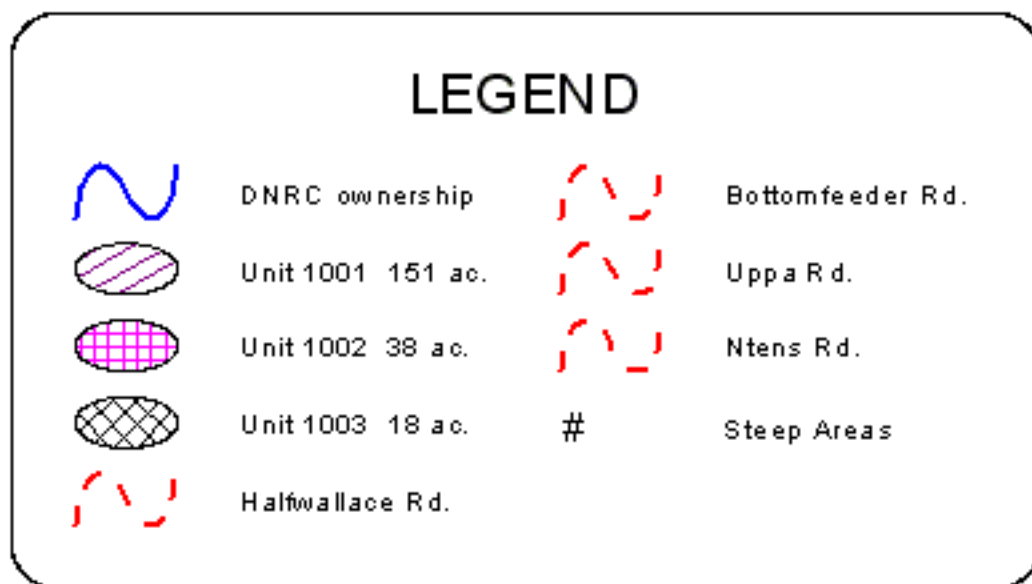
- Ziondraw.shp
- Snewgnd.shp
- Sline2.shp
- Ridgerddraw.shp
- Revisit.shp
- Pctsec2b.shp
- Pctsec2a.shp
- Nicoledraw.shp
- Newground.shp
- Sli poly 08082001 clw.shp



Haywire Wallace T.S. Section 10



T.13N., R.14W. MPM

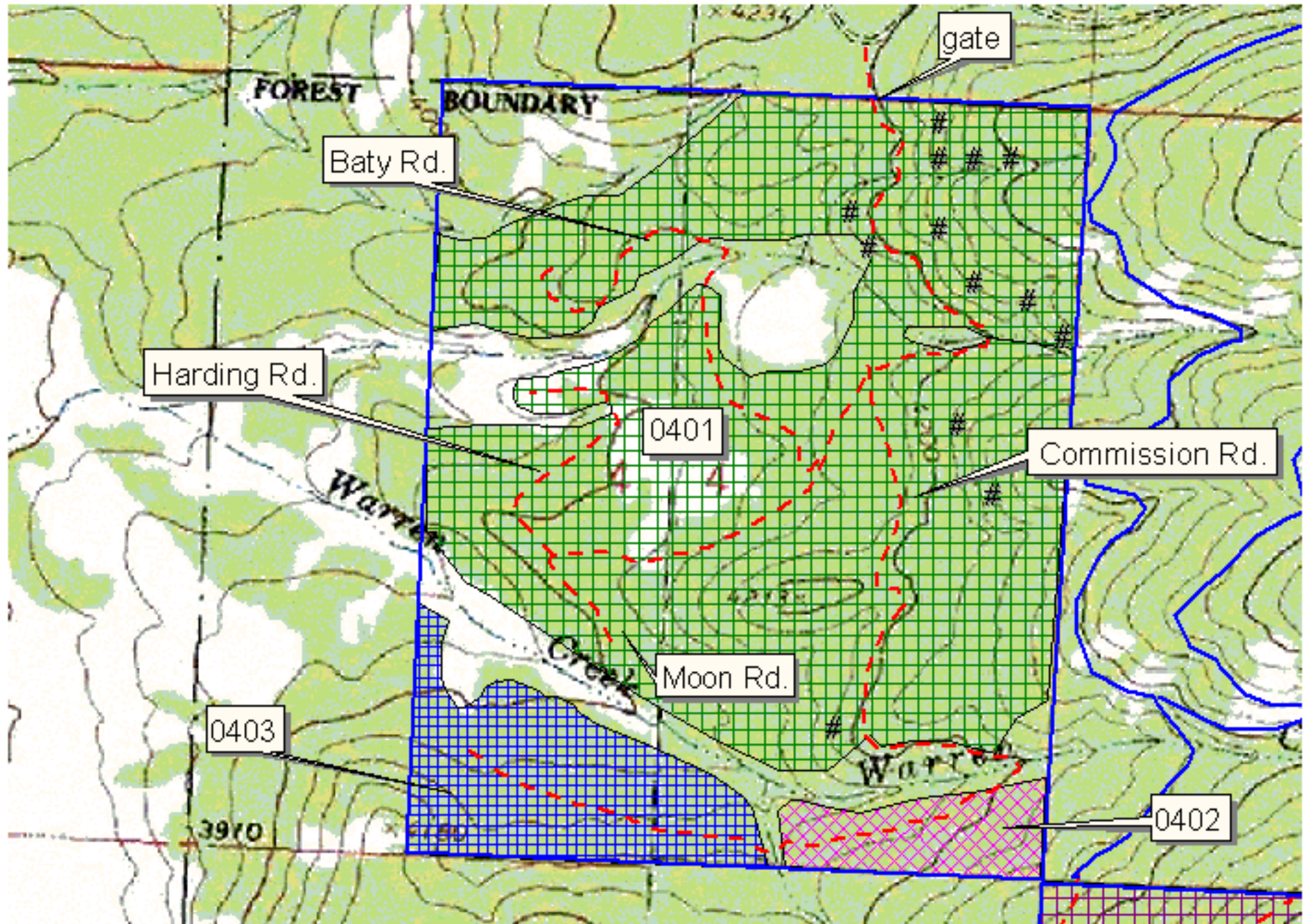


CVN 2-9-06

ATTACHMENT A-5

Haywire Wallace T.S.

Section 4

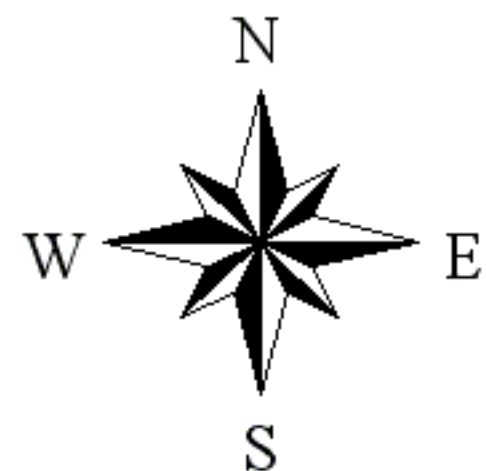


0.3 0 0.3 0.6 Miles

T.13N., R.14W. MPM

LEGEND

- | | | | |
|---|-------------------|--|----------------|
| | DNRC ownership | | Harding Rd. |
| | Unit 0401 273 ac. | | Commission Rd. |
| | Unit 0402 17 ac. | | Baty Rd. |
| | Unit 0403 41 ac. | | Moon Rd. |
| # | Steep Areas | | |



CVN 2-9-06

ATTACHMENT A-4