

NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The Henry Fuels Timber Sale is located within Sections 35 & 36, T20N-R25W, on the State's Plains Unit. Approximately 20,808 tons, consisting primarily of Douglas-fir, western larch, and ponderosa pine sawlogs is offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on **December 20, 2010 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 **\$10,560.00**, representing 5% of the minimum bid value 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), or the Unit Office in Plains, MT (406-826-4722).

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

/s/ Shawn Thomas, Chief
Forest Management Bureau
Trust Land Mgmt Division

Publication Dates: November 17, 24, December 1, 8, 2010

TIMBER SALE PROSPECTUS
MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Timber Sale Name: Henry Fuels			
Timber Sale Location: Sections 35 & 36, T20N-R25W			
For specific sale information, contact: Dale Peters			
Phone	406-826-4722	DNRC - Plains Unit PO Box 219 Plains, MT 59859	Plains Unit Office
For copies of the Timber Sale Contract and bid forms, contact:			
Phone	406-542-4300	Forest Management Bureau	DNRC Missoula Office
Phone	406-751-2240	Northwestern Land Office	DNRC Kalispell 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.
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 45 days of notification of sale award. The bond amount will be, at a minimum, **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.

Additional Sale Information:

1. Road construction completion date October 15, 2011 and prior to harvest operations.
2. Harvest Unit completion dates as per Table 3.

Priority 1 harvest units shall be complete before priority 2 harvest units may be entered.

TABLE 3. HARVEST COMPLETION SCHEDULE		
Priority	Unit or Portion of Sale	Completion Date
1	36-3, 36-4, 35-5, 35-6a,35-6b	10/15/12
2	36-1,36-2,36-7	10/15/13

Timber Sale Information Sheet
Montana Department of Natural Resources and Conservation

Timber Sale Cruise Data										
SPECIES	PP	DF	WL	LP	ES	GF	LP-Dead	DF-Dead		TOTAL or AVE
Minimum Bid										\$10.15/ton
Pounds per cubic foot	62.00	61.70	58.33	56.00	57.00	60.00	40.00	40.00		
Estimated tons of sawlogs (5.6" top DIB)	1,934	12,496	3,417	611	349	1,643	277	81		20,808 tons
Estimated tons of other material (pulp, etc)	0	0	0	0	0	0	0	0		0 tons
Gross MBF (Scribner 5.6" top DIB)	371	1,884	840	92	68	319	144	59		3,778 MBF
% Cull and Breakage	15.8	16.1	20.0	18.8	18.2	31.3	67.7	69.9		25.2%
Net MBF (Scribner 5.6" top DIB)	312	1,581	517	74	56	219	47	18		2,824 MBF
Average logs per MBF (16 foot)	14.7	31.2	25.0	41.5	21.9	31.9	69.0	45.3		33.0 logs/M
Average DBH	15.4	9.6	9.7	8.1	11.1	9.8	8.2	12.8		9.7 in.
Average tons per acre harvested in leave-tree marked units	→									52 tons/ac
Average tons per acre harvested in cut-tree-marked units	→									6 tons/ac
Average MBF to cut per acre on the timber sale	→									6.4 MBF/ac
Range of cut trees per acre based on unit cruise	→									2.8→296.5
Calculated Sampling Error: Total cruised volume will fall between	2,504 and 3,144 Net MBF in 9 out of 10 cruises									11.5%
Tons Per Thousand Board Feet										
Contract Value - Estimated tons hauled per thousand Scribner board feet	20,808 estimated tons to a 5.6 inch top / 2,824 Net MBF Scribner to a 5.6 inch top DIB									7.37 tons/MBF

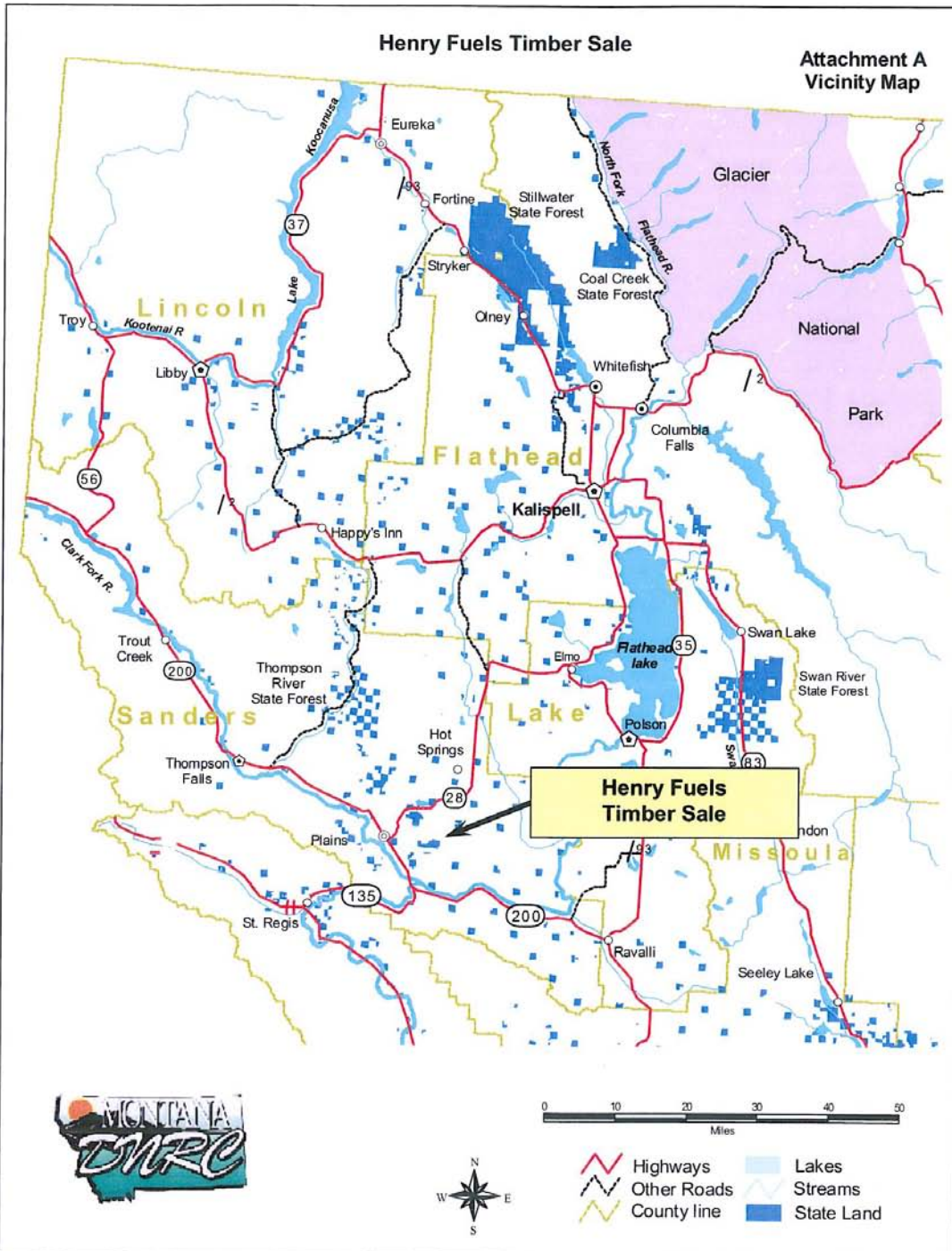
Contract Information		
Contract ending date	7/15/2014	35 months for harvest unit completion; additional 9 months to allow for final road maintenance.
Contract length	44 months	
Operating Season:	Year round, but only when Soil Compaction requirements in Section VII. L.1.	

Timber Sale Information Sheet
Montana Department of Natural Resources and Conservation

Legal description by trust					Unit harvest volume			
Legal description - subdivisions	Section	Twn	Rge	Grant	Unit #	Acres	Est Tons	Est MBF
NW1/4	36	20N	25W	CS	36-3	37	1,767	281
NW1/4	36	20N	25W	CS	36-4	15	716	93
W1/2	36	20N	25W	CS	35-5	18	892	120
E1/2	35	20N	25W	CS	35-5	41	2,028	275
S1/2	35	20N	25W	CS	35-6a	76	2,929	394
SW1/4	36	20N	25W	CS	35-6b	10	656	82
SE1/4	35	20N	25W	CS	35-6b	15	983	124
E1/2	36	20N	25W	CS	36-1	133	8,455	1,091
E1/2	36	20N	25W	CS	36-2	50	2,133	317
N1/2	36	20N	25W	CS	36-7	45	249	47
See <u>Instructions</u> for how to fill in this table								
Totals						440 Ac.	20,808 T	2,824 M

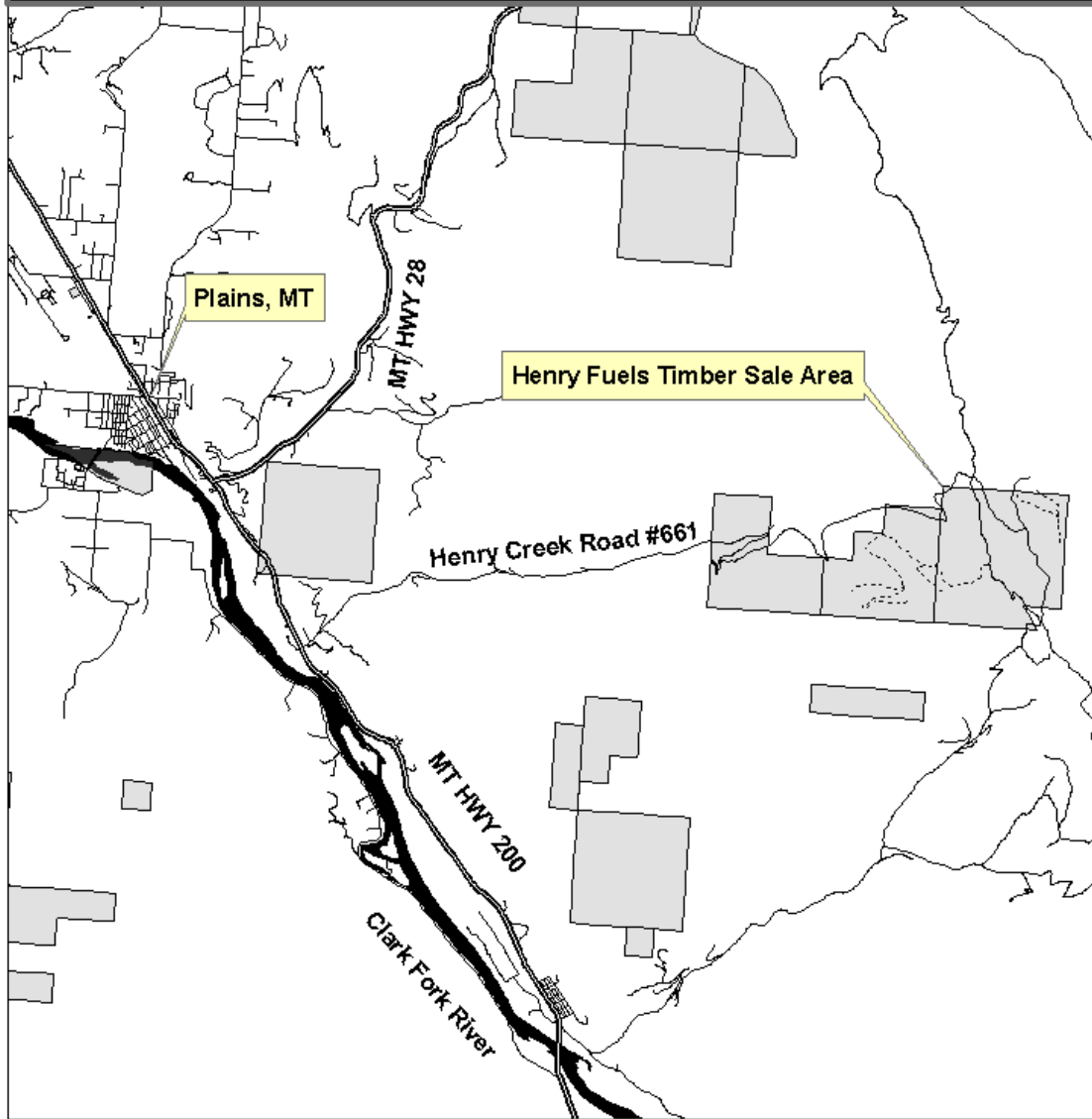
Henry Fuels Timber Sale

Attachment A Vicinity Map



Henry Fuels Timber Sale, Haul Route Map

Sections 35 & 36, T20N R25W

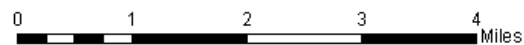


Legend

- DNRC Parcels
- Highways
- Open Roads
- Closed Roads

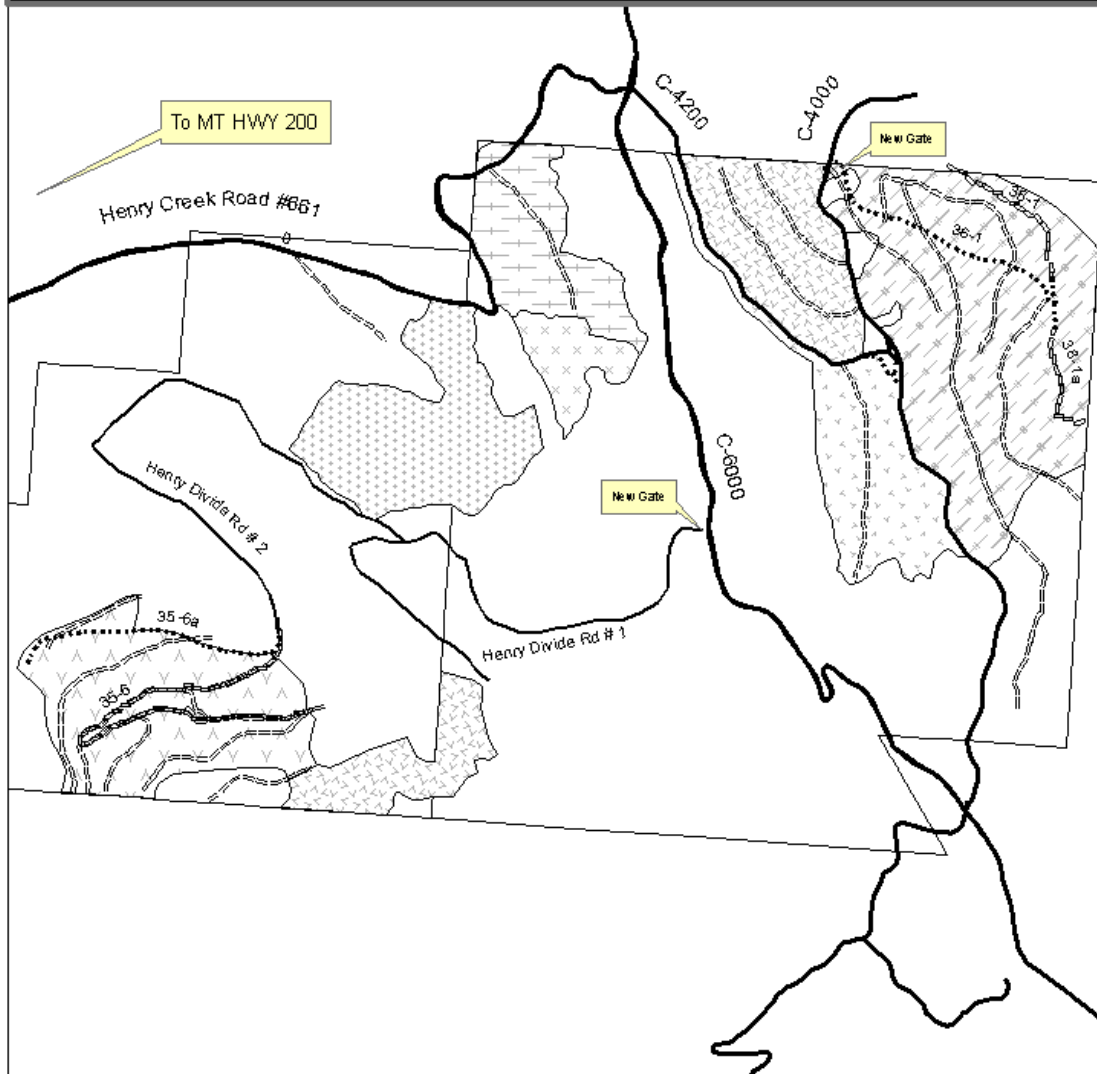
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Henry Fuels Timber Sale, Transportation

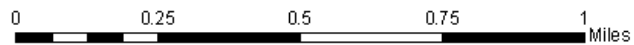
Sections 35 & 36, T20N R25W



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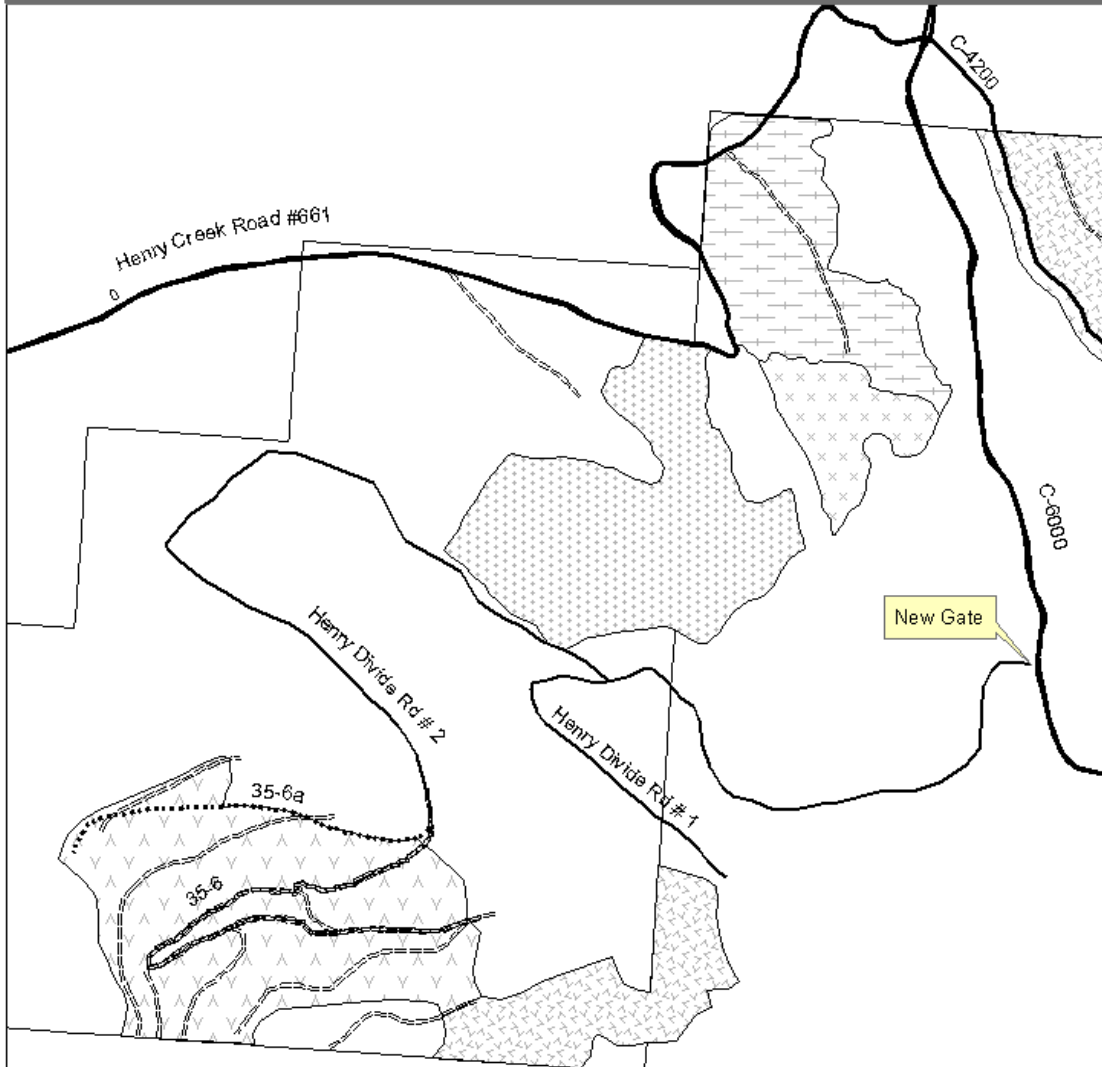
- Conditioning & ROW
- New Construction
- == Reconstruction
- == Old road prisms

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Henry Fuels Timber Sale, Transportation, West

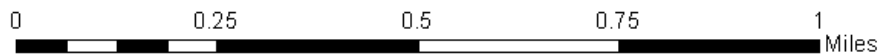
Sections 35 & 36, T20N R25W



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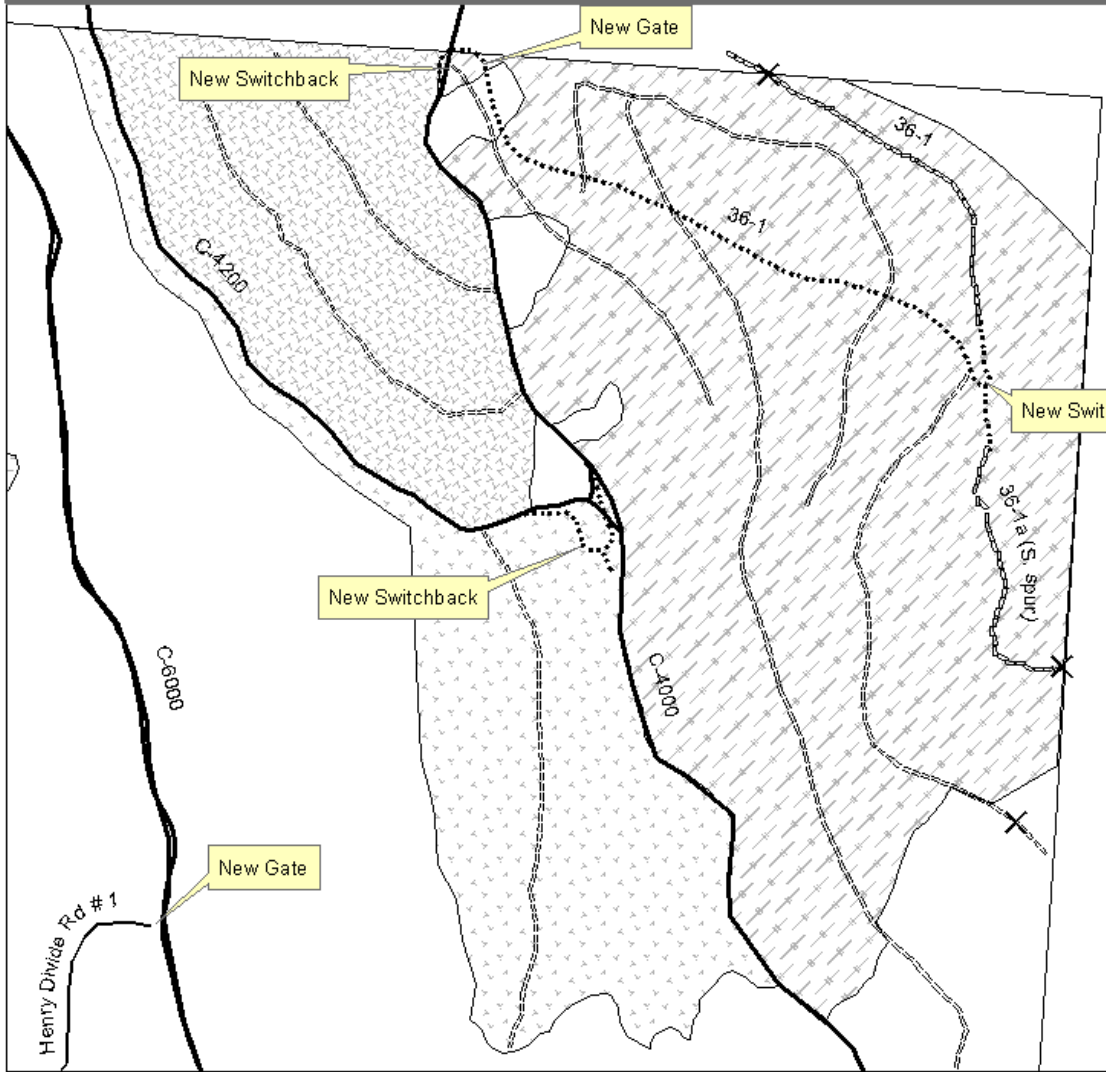
- Conditioning & ROW
- New Construction
- == Reconstruction
- Old road prisms

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Henry Fuels Timber Sale, Transportation, East

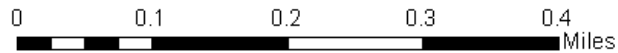
Section 36, T20N R25W



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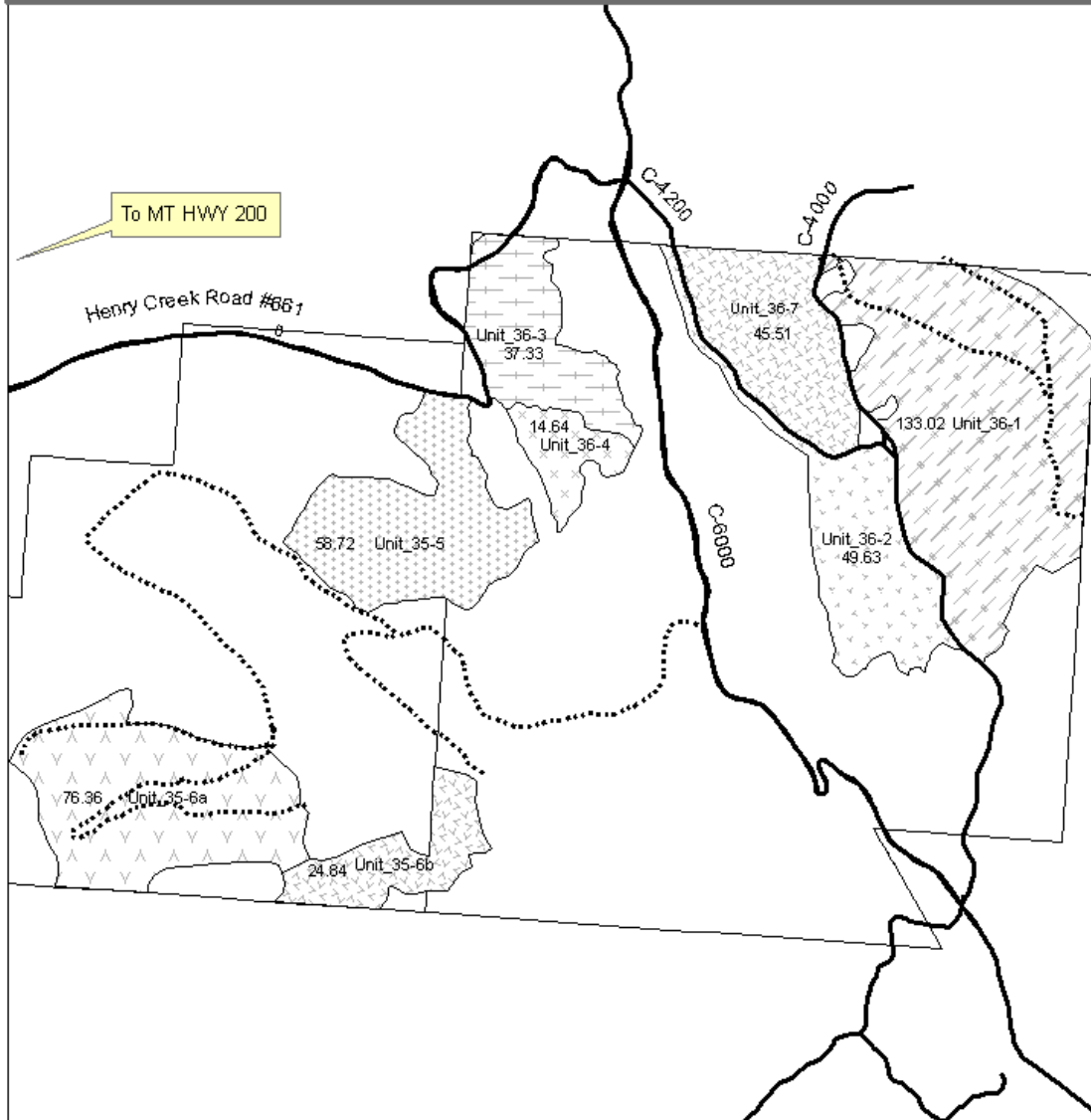
- Conditioning & ROW
- ⋯ New Construction
- Reconstruction
- == Old road prisms
- × Earthen Barricade

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Henry Fuels Timber Sale, Harvest Plan

Sections 35 & 36, T20N R25W



Legend

- Closed Roads
- Open Roads

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