

## NOTICE OF SALE

### Department of Natural Resources & Conservation Timber Sale

The Lyons Creek #1 Timber is located within Sections 18 and 20, T14N-R5W, on the State's Helena Unit. Approximately 4,579 tons of Douglas-fir and lodgepole pine sawlogs are offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on **September 5, 2008 at 3:00 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 **\$2,025.00**, 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 **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), or the Central Land Office - Helena Unit, 8001 N. Montana Ave., Helena, MT 59601 (406-458-3500).

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

Publication Dates: August 20 & 27, 2008

**TIMBER SALE PROSPECTUS**  
**MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION**

<b>Timber Sale Name: Lyons Creek #1</b>			
<b>Timber Sale Location: Sections 18 &amp; 20, T14N-R5W</b>			
<b>For specific sale information, contact: Shawn Morgan, Helena Unit Forester</b>			
Phone	406-458-3516	Unit Office: Helena	
<b>For copies of the Timber Sale Contract and bid forms, contact:</b>			
Phone	406-542-4300	Forest Management Bureau	DNRC Missoula Office
Phone	406-458-3500	Deb Barela, Office Manager,	Central 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 **15** days of notification of sale award. The bond amount will be, at a minimum, 20% 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. **A tour of the sale will be conducted. Please contact either Shawn Morgan (406) 458-3516 or D.J. Bakken at (406) 458-3512 for the date and time.**
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. **Pulp Log and Biomass Bids** – When a bid is submitted for pulp logs and/or biomass, the bids will be considered as part of the total bid and the amount bid will be added to other bid items to determine the total bid price. This total bid price will be used when determining the successful bidder. If a bid price is submitted and the bidder is awarded the sale, the removal of these products is mandatory.

<b>TABLE 1: Summary of Sale Specifications</b>			
<b>Sale Data</b>			
139	Net Sale Area (acres)	Part of access agreement.	Miles of road construction
January 1, 2011	Contract ending date	12.61	Miles of road maintenance, during usage
40%	Excavator logging required (% of volume)	N/A	Miles of road reclamation or abandonment
Operating Season: December 1 <sup>st</sup> –August 31 <sup>st</sup> . Slopes >45% in Unit 2 - May 31 <sup>st</sup> – August 31 <sup>st</sup>			
<b>Charges and Appraised Costs</b>			
\$2,025.00	Bid Guarantee (total \$)		
20% of bid value	Performance Bond		
\$10.12	Collected Road Maintenance And Road Use Charges (\$ per ton)		
\$1.32	Collected Forest Improvement Fee (\$ per ton)		
\$1007.38	Quarterly Installment of Forest Improvement Payments (\$ per payment, first 5 payments)		
N/A	Road Development Costs - Appraised Purchaser-Do (total \$)		
\$0.69	Road Maintenance Costs - Appraised Purchaser-Do (\$ per ton)		
N/A	Slash Disposal Costs - Appraised Purchaser-Do (\$ per ton)		
N/A	Timber Stand Improvement Costs - Appraised Purchaser-Do (\$ per ton)		

<b>TABLE 2: Timber Cruise Data and Minimum Bids</b>									
SPECIES	PP	DF	WL	LP	WBP	WF	CE	DD	TOTAL or AVE
Minimum Acceptable Bid									<b>\$7.23/ton</b>
Pounds per cubic foot		61.70		56	56			40	51
Net tons		3049.37		974.97	.44			88.76	4579
Gross MBF		389.98		150.98	5.23			111.79	791.69
%Cull and Breakage		16%		20%	99%			83.3%	35%
Net MBF		329.48		120.6	.05			14.78	514.79
Average logs per MBF		18.57		84.23	14,015			1908	46.6
Average DBH		14.5		8.8	8			19.45	11.8
Average tons per acre									33
Average MBF to cut per acre on the timber sale									3.71
Average cut trees per acre based on unit cruise									124
<b>Calculated Sampling Error (net MBF): 28 %</b>									
The total cruised volume will fall between 372 and 658 thousand net board feet in 9 out of 10 cruises									
<b>Tons Per Thousand Board Feet Conversion Factor = 4579 net tons per 514.79 net MBF = 8.89 tons per MBF</b>									

TABLE 2: Unit Harvest Volume and Harvest Schedule					
Unit	Section	Acres	Estimated Net Tons	Estimated Net MBF	Removal Date
1	20	30	1,007	113	September 1, 2010
2	18	109	3,572	402	September 1, 2010

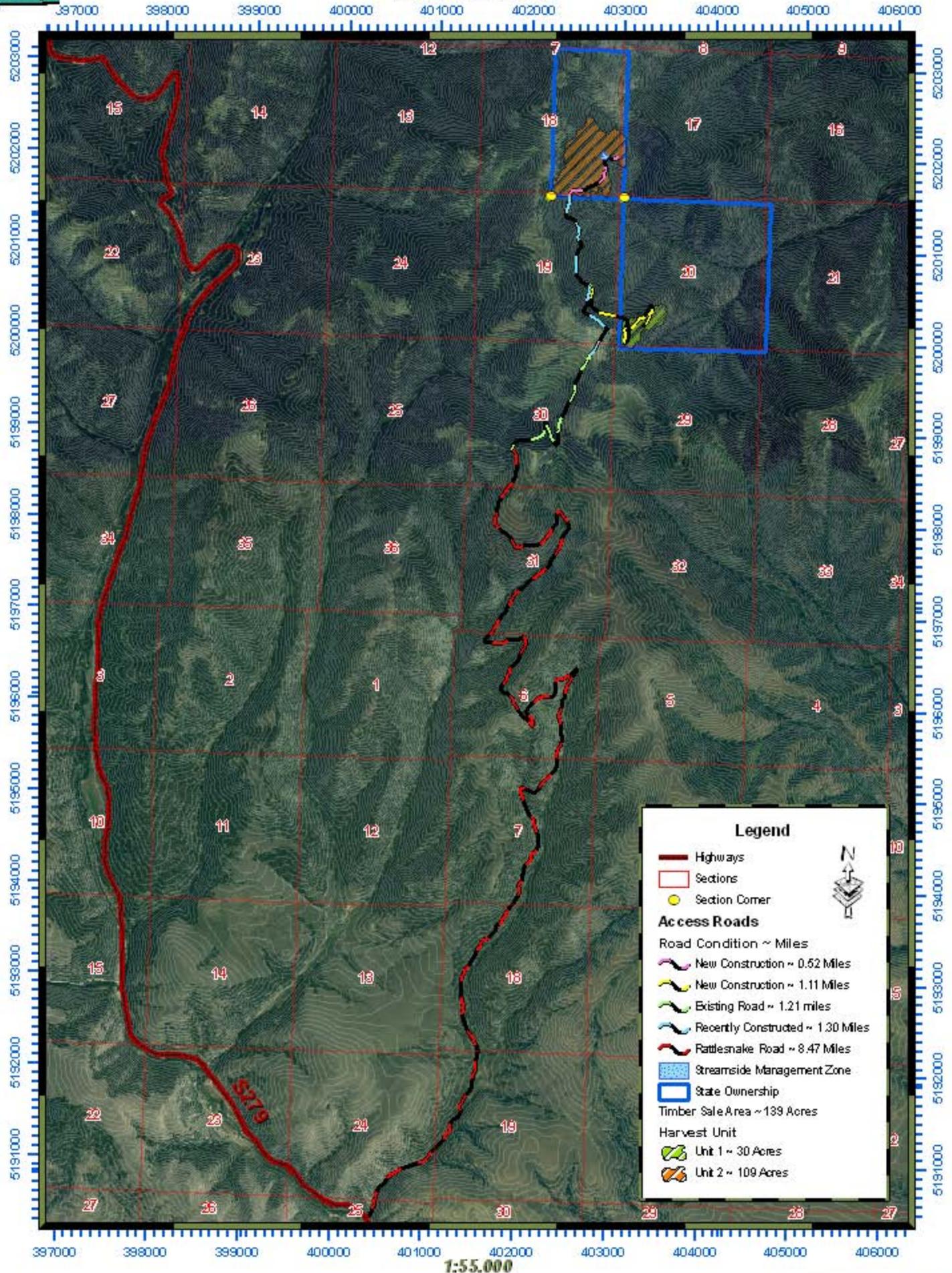
**Note: 35% of sale acreage needs to be removed by September 1, 2009, with the remaining 65% needing to be harvested by September 1, 2010.**

**Additional Sale Information:**

1. Approximately 2,000 tons of pulp material may be purchased if approved by the Forest Officer. Pulp material will be billed at a negotiated rate detailed in a contract modification.
1. Road use payment to Sieben Ranch Co., in the amount of \$46,350.00 is due for the new construction and pre-sale maintenance of access roads to the sale area. A down payment of \$23,175.00 is due within sixty days of the award of this contract, the remaining amount is to be paid within 30 days after completion of the work. In addition a \$1,500.00 mobilization fee may be required as well. Please see Attachment "D" of the contract for more information. Proof of payment is to be sent to DNRC – Helena Unit office.
2. Due to the amount of insect infestation by western spruce budworm, Douglas-fir beetle, and mountain pine beetle, the purchaser is required to follow cutting/marketing guidelines as outlined in Section VII, Logging, Item G, Special Operating Requirements of the contract.
3. It is estimated that 60% of the harvest area could be skidded by ground based equipment, with the remaining 40% being yarded by an excaliner. Yarding equipment may be required to operate from temporary trails with ground based skidders moving wood to established landing areas. Purchaser will be required to obliterate these trails to near slope grade conditions after use with an excavator.
4. Operating period is December 1<sup>st</sup> through August 31<sup>st</sup> annually (restricted during Montana big game hunting season). In Unit 2, on slopes greater than 45%, avoid operations until after May 31<sup>st</sup>.



# Lyons Tractor Timber Sale Access Roads

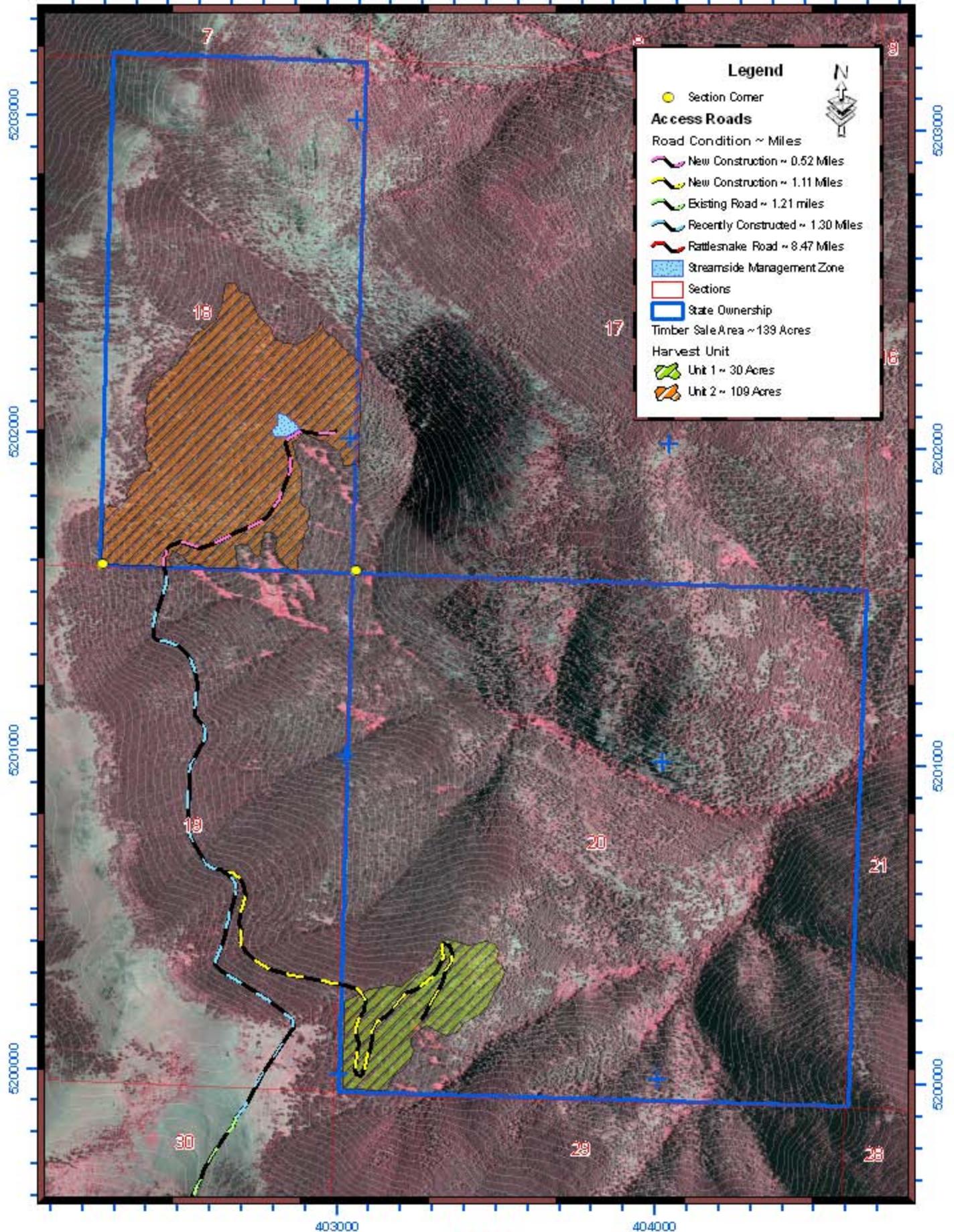




# Lyons Tractor Timber Sale T14N, R5W, Sections 18 & 20

403000

404000



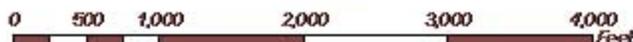
**Legend**

- Section Corner
- Access Roads**
- Road Condition ~ Miles
  - New Construction ~ 0.52 Miles
  - New Construction ~ 1.11 Miles
  - Existing Road ~ 1.21 Miles
  - Recently Constructed ~ 1.30 Miles
  - Rattlesnake Road ~ 8.47 Miles
- Streamside Management Zone
- Sections
- State Ownership
- Timber Sale Area ~ 139 Acres
- Harvest Unit
  - Unit 1 ~ 30 Acres
  - Unit 2 ~ 109 Acres

403000

1:15,840

404000



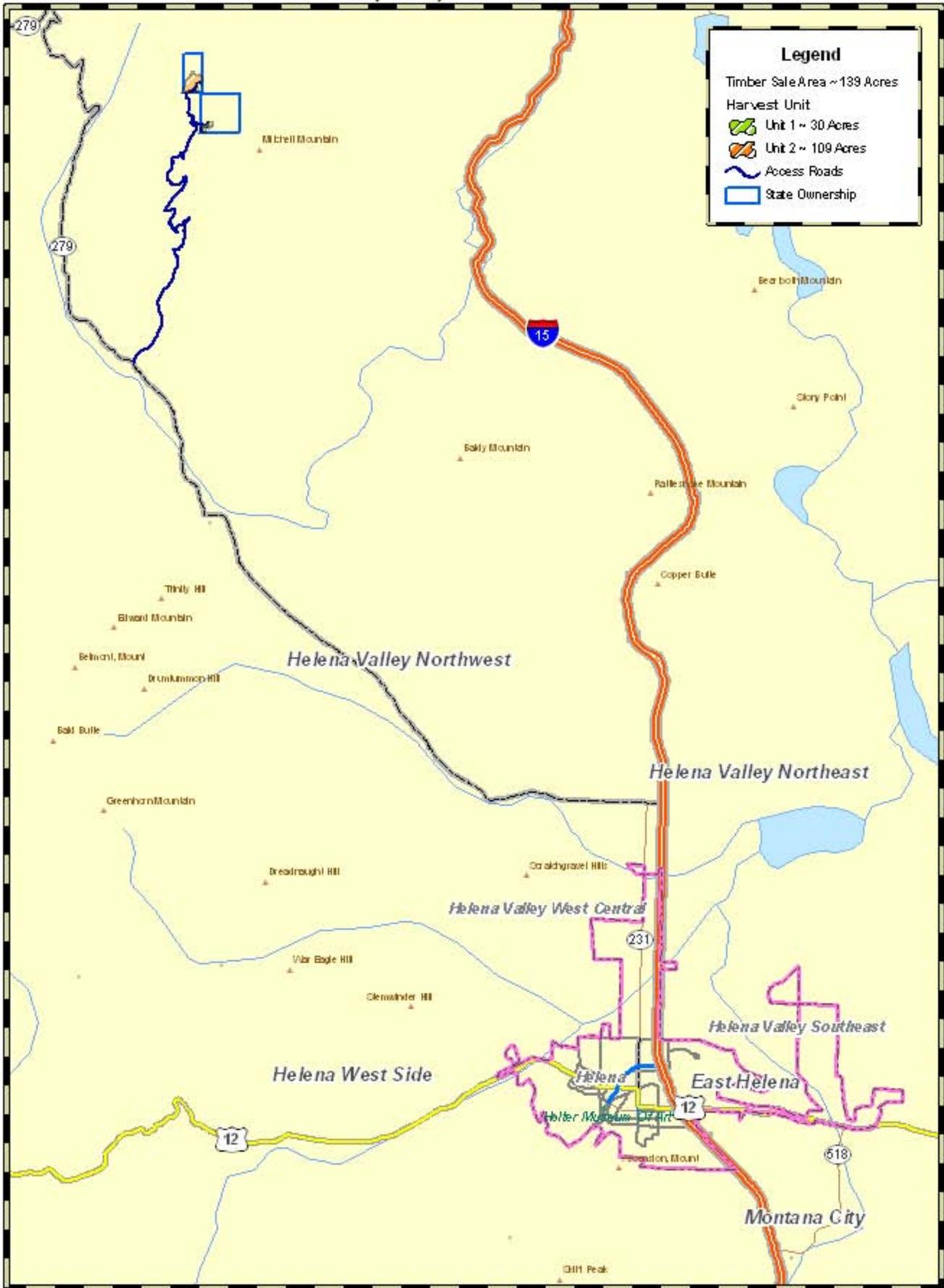
Contour Line Interval ~ 40 feet  
GRID: NAD 1927, UTM Zone 12 North



# Lyons Creek I Timber Sale

## Vicinity Map

T14N, R5W, Sections 18 & 20



**Legend**

- Timber Sale Area ~ 139 Acres
- Harvest Unit
  - Unit 1 ~ 30 Acres
  - Unit 2 ~ 109 Acres
- Access Roads
- State Ownership

1:225,000

