

## NOTICE OF SALE

### Department of Natural Resources & Conservation Timber Sale

The Mudd Creek Timber Sale is located within Section 18, T22N-R26W, on the State's Plains Unit. Approximately 34,878 tons, consisting primarily of Douglas-fir, lodgepole pine, and grand fir sawlogs is offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on **August 6, 2007 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 **\$30,515.00**, 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), the Northwest Land Office, in Kalispell (406-751-2240), or the Unit Office in Plains, MT (406-826-3851).

Visit our website at <http://www.dnrc.mt.gov> Online Services for upcoming sales and bid results

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

Publication Dates: July 4, 11, 18, 25, 2007

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

|   |              |   |                       |
|---|--------------|---|-----------------------|
| <b>Timber Sale Name: Mudd Creek Timber Sale</b>                       |              |   |                       |
| <b>Timber Sale Location: Section 18, Township 22N, Range 26W</b>      |              |   |                       |
| <b>For specific sale information, contact: David Olsen</b>            |              |   |                       |
| Phone   | 406-826-4723 | DNRC, Plains Unit, PO Box 219, Plains, MT 59859 |                       |
| <b>For copies of the Timber Sale Contract and bid forms, contact:</b> |              |   |                       |
| Phone   | 406-542-4300 | Forest Management Bureau                        | DNRC Missoula Office  |
| Phone   | 406-751-2240 | Northwestern Land Office                        | DNRC Kalispell 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 20% 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** and any special **Road Use and Maintenance fees** in addition to stumpage payments.
8. 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.
9. **The Department has estimated the net scale merchantable sawlog volume to be available for purchase under this contract. All delivered wood is required to be weighed. Payment will be 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 also vary, resulting in an overrun or under-run of the estimated tonnage. DNRC strongly recommends that bidders evaluate these effects before bidding. Cost adjustments and stumpage credits/debits requested by the Purchaser based on actual vs. harvested volumes will not be granted.**
10. **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 are strongly encouraged to make their own estimates based on contract requirements. Cost adjustments and stumpage credits/debits requested by the Purchaser will not be granted when based on actual vs. estimated costs.**
11. Bidders should examine the Timber Sale Contract and sale area prior to bidding. Additional information is available at the phone numbers shown above.
12. Estimated stand data in this prospectus and volume estimates 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.

**TABLE 1: Summary of Sale Specifications**

| Sale Data  |  |       |  |
|--|--|-------|--|
| 557 acres  | Net Sale Area (acres)  | 6.83  | Miles of road construction               |
| October 30, 2010   | Contract ending date   | 10.16 | Miles of road reconstruction/recondition |
| 29%  | Cable logging required (% of volume)   | 0.10  | Miles of road reclamation or abandonment |
| <b>Operating Season:</b> Whenever Soil compaction restrictions can be met. |  |       |  |
| Charges and Appraised Costs  |  |       |  |
| \$30,515.00  | Bid Guarantee (total \$)   |       |  |
| 20% of bid value   | Performance Bond   |       |  |
| \$N/A  | Collected Road Maintenance And Road Use Charges (\$ per ton)   |       |  |
| \$ 2.38  | Collected Forest Improvement Fee (\$ per ton)  |       |  |
| \$ 13,834.94   | Quarterly Installment of Forest Improvement Payments (\$ per payment, first 5 payments)                  |       |  |
| \$ 131,777.00  | Road Development Costs - Appraised Purchaser-Do (total \$)   |       |  |
| \$0.46   | Road Maintenance Costs - Appraised Purchaser-Do (\$ per ton)   |       |  |
| \$   | Slash Disposal Costs - Appraised Purchaser-Do (\$ per ton)   |       |  |
| \$0.50   | Timber Stand Improvement Costs - Appraised Purchaser-Do (\$ per ton) slash logging damaged, Units 2,3& 5 |       |  |

**TABLE 2: Timber Cruise Data and Minimum Bids**

| SPECIES  | PP   | DF    | WL   | LP   | ES  | GF   | SAF  | ROW  | TOTAL or AVE |
|--|------|-------|------|------|-----|------|------|------|--------------|
| Minimum Acceptable Bid   |      |       |      |      |     |      |      |      | \$17.50/ton  |
| Total Estimated tons   | 378  | 25165 | 814  | 1276 | 669 | 1182 | 394  | 5000 | 34878        |
| Gross MBF  | 58   | 3383  | 124  | 149  | 91  | 188  | 64   | 650  | 4707         |
| %Cull and Breakage   | 10.0 | 8.0   | 20.0 | 7.0  | 3.0 | 36.0 | 11.0 | 9.0  | 10%          |
| Net MBF  | 50   | 3102  | 99   | 139  | 88  | 120  | 57   | 591  | 4246         |
| Average logs per MBF   | 20   | 19    | 20   | 24   | 24  | 21   | 20   | 20   | 19           |
| Average DBH  | 12   | 12    | 11   | 9    | 10  | 10   | 12   | 12   | 11           |
| Average tons per acre harvested in leave-tree marked units   |      |       |      |      |     |      |      |      | 63           |
| Average tons per acre harvested in cut-tree-marked units   |      |       |      |      |     |      |      |      | 40           |
| Average Gross MBF to cut per acre on the timber sale   |      |       |      |      |     |      |      |      | 8.16         |
| Range of cut trees per acre based on unit cruise   |      |       |      |      |     |      |      |      | 45-125       |
| <b>Calculated Sampling Error (net MBF): 10 %</b>   |      |       |      |      |     |      |      |      |              |
| The total cruised volume will fall between 4671 and 3821 thousand net board feet in 9 out of 10 cruises      |      |       |      |      |     |      |      |      |              |
| <b>Tons Per Thousand Board Feet Conversion Factor = 34,878 net tons per 4246 net MBF = 8.21 tons per MBF</b> |      |       |      |      |     |      |      |      |              |

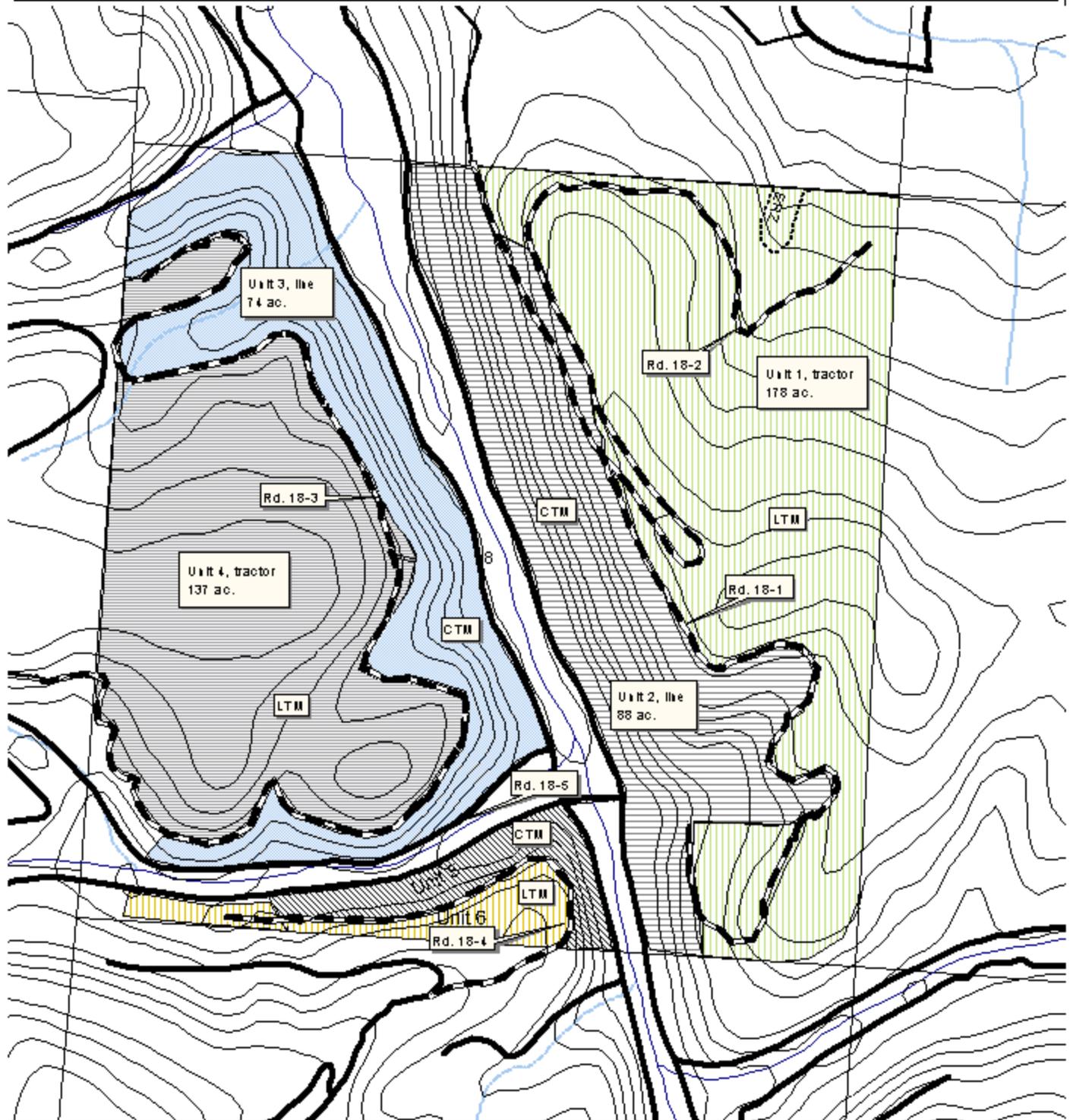
| <b>TABLE 3: Unit Harvest Volume and Harvest Schedule</b> |         |       |                |                   |                  |
|--|---------|-------|----------------|-------------------|------------------|
| Unit   | Section | Acres | Estimated Tons | Estimated Net MBF | Removal Date     |
| 1  | 18      | 178   | 11,302         | 1,443             | October 30, 2010 |
| 2  | 18      | 88    | 2,662          | 317               | October 30, 2010 |
| 3  | 18      | 74    | 4748           | 583               | October 30, 2010 |
| 4  | 18      | 137   | 9432           | 1,111             | October 30, 2010 |
| 5  | 18      | 13    | 746            | 83                | October 30, 2010 |
| 6  | 18      | 11    | 988            | 118               | October 30, 2010 |
| ROW  | 18      | 56    | 5,000          | 591               | Prior to logging |
| <b>TOTAL</b>   |         | 557   | 34,878         | 4,246             | October 30, 2010 |

**Additional Sale Information:**

- 1) Top sizes will be 5.6" for ponderosa pine and 4.6" for all other species.
- 2) Ton volume calculations used in this prospectus are based on cubic volume to a 4.6-inch top (5.6" for PP). Scribner volume calculations are based on a 5.6-inch top size for all species.
- 3) Material other than sawlogs may be purchased if approved by the Forest Officer. Other products will be billed at a negotiated rate detailed in a contract modification.
- 4) Northwestern Land Office has changed its method of estimating road development costs. Contact Plains Unit for more information about appraised costs for this sale.

# Mudd Creek Timber Sale, Harvest Map

Sec. 18, T22N, R26W

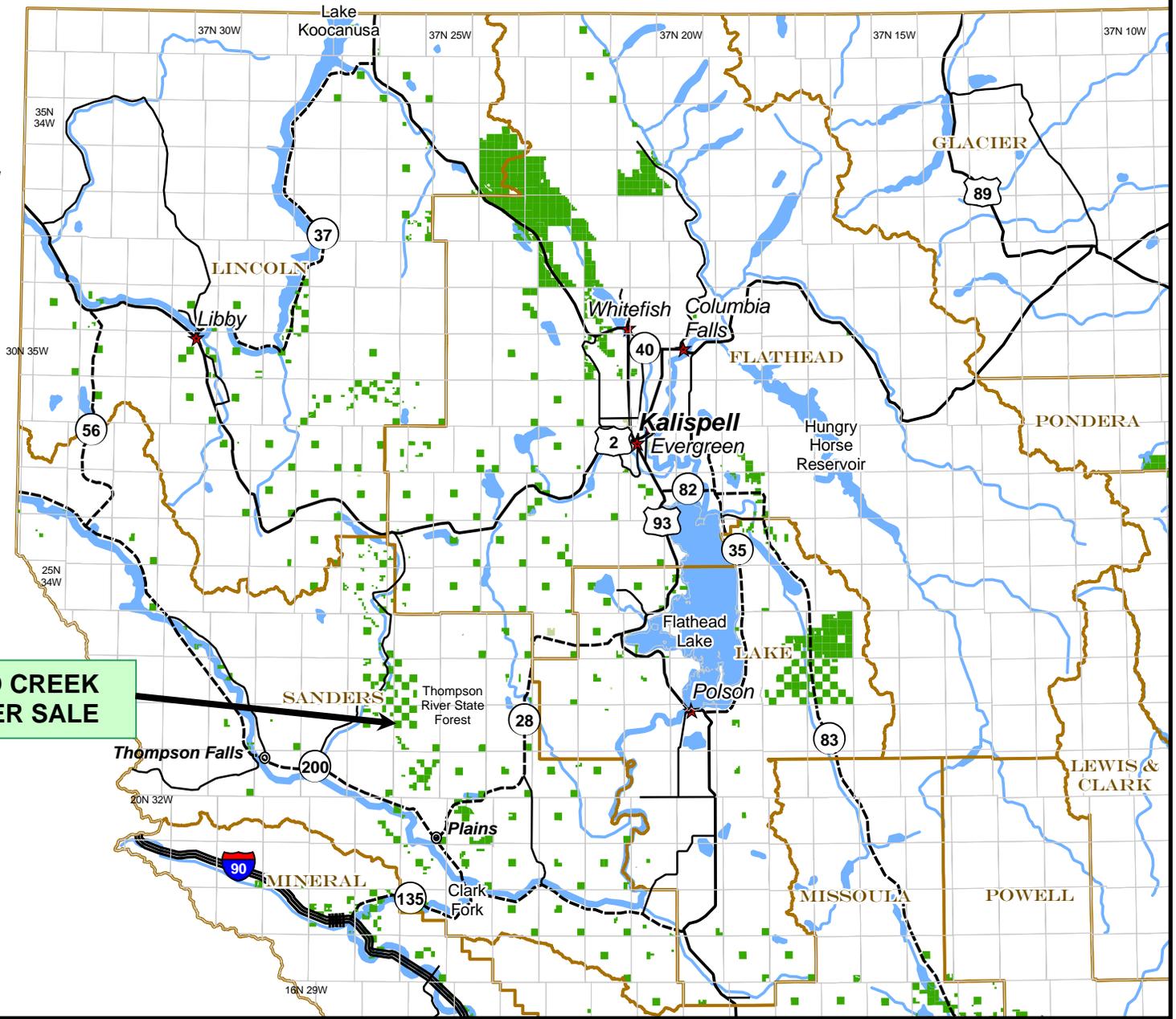


|  |                 |  |                        |
|--|-----------------|--|------------------------|
|  | New Constructed |  | Unit 3, 74 ac.         |
|  | Existing Roads  |  | Unit 4, 137 ac.        |
|  | Unit 1, 178 ac. |  | Unit 5, 13 ac, live    |
|  | Unit 2, 88 ac.  |  | Unit 6, 11 ac, tractor |

Montana DNR  
 Trust Land Management Division  
 Northwestern Land Office  
 Plains Unit

0.1 0 0.1 0.2 0.3 Miles  
 1 : 12,092 1 inch = 0.19 miles

# Attachment A Vicinity Map MUDD CREEK TIMBER SALE SECTION 18, T22N, R26W

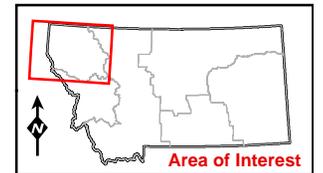


**MUDD CREEK  
TIMBER SALE**



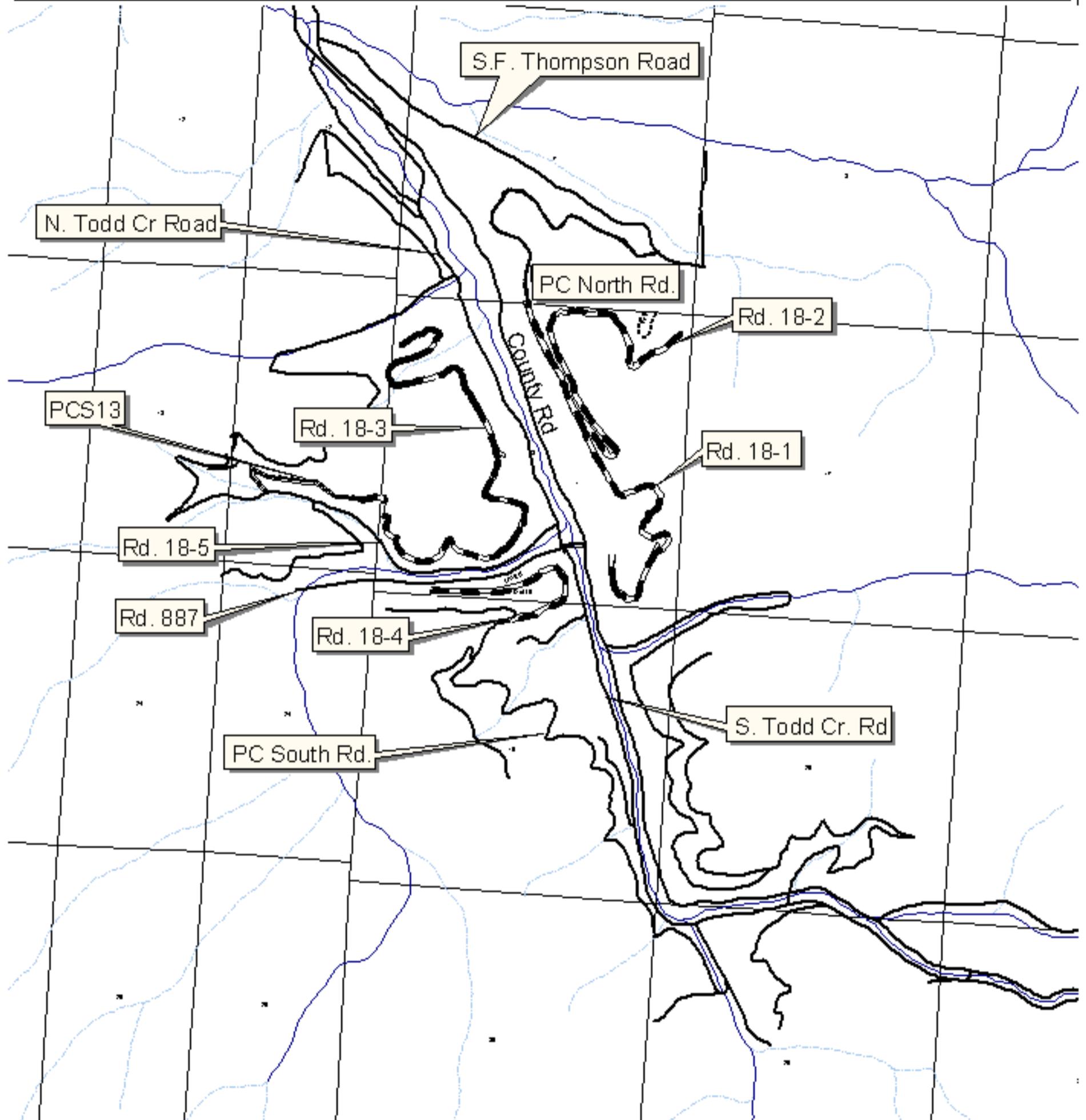
|  |                    |  |                |  |                         |
|--|--------------------|--|----------------|--|-------------------------|
|  | Interstate Highway |  | Rivers         |  | Lakes                   |
|  | U.S. Route         |  | City           |  | DNRC managed for timber |
|  | State Highway      |  | County         |  | DNRC other              |
|  | Secondary Roads    |  | Township/Range |  |                         |

21 February 2007  
Montana DNRC  
Technical Services Section/dr



# Mudd Creek Timber Sale, Roads

Sec. 18, T22N, R26W



|  |                         |
|--|-------------------------|
|  | <b>New Construction</b> |
|  | <b>Existing Roads</b>   |

Montana DNR  
Trust Land Management Division  
Northwestern Land Office  
Plains Unit

0.25 0 0.25 0.5 0.75 1 Miles  
1 : 31,680 1 inch = 0.50 miles