NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The Old McDonald Timber Sale is located within Section 12,T14N-R8W and Section 36,T15N-R8W on the State's Lincoln Office of the Clearwater Unit. Approximately 22,545 tons, consisting primarily of lodgepole pine and Douglas-fir sawlogs is offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on **July 10, 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 **$28,745.00**, 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 Lincoln Field Office, in Lincoln, MT (406-362-4999).

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: June 7, 14, 21, 28, 2006

TIMBER SALE PROSPECTUS
MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Timber Sale Name:	**Old McDonald**		
Timber Sale Location:	**Section 12, T14N-R8W and Section 36, T15N-R8W**		
For specific sale information, contact:			
Phone	**406-362-4999**	**Steve Kamps**	**Lincoln Field 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**	**Bob Storer**	**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 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. 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.
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			
378	Net Sale Area (acres)	0.83	Miles of road construction
October 15, 2008	Contract ending date	0.5	Miles of road reconstruction
None	Cable logging required (% of volume)	0.28	Miles of road reclamation or abandonment
Operating Season: Roads: 7/1-10/15 Harvesting: Unit 1 7/1-10/15, Units 2,3,6-8 7/1-10/15 & 12/1-3/1, Units 4,5,& 9, 7/1-8/31			
Charges and Appraised Costs			
$28,745.00	Bid Guarantee (total $)		
20% of bid value	Performance Bond		
$0.12	Collected Road Maintenance And Road Use Charges ($ per ton)		
$2.62	Collected Forest Improvement Fee ($ per ton)		
$9,844.65	Quarterly Installment of Forest Improvement Payments ($ per payment, first 5 payments)		
$41,240	Road Development Costs - Appraised Purchaser-Do (total $)		
$0.13	Road Maintenance Costs - Appraised Purchaser-Do ($ per ton)		
$0.27	Slash Disposal Costs - Appraised Purchaser-Do ($ per ton)		
$NA	Timber Stand Improvement Costs - Appraised Purchaser-Do ($ per ton)		

TABLE 2: Timber Cruise Data and Minimum Bids									
SPECIES	PP	DF	WL	LP	ES	WF	CE	DD	TOTAL or AVE
Minimum Acceptable Bid									$25.50/ton
Gross Cubic Feet (in thousands)	14	137		659	38				848
% Cull and Breakage	18	15		5	0				7
Net Cubic Feet (in thousands)	13	116		626	38				793
Pounds per cubic foot	62	61.7		56	57				57
Net tons	341	3581		17567	1056				22545
Gross MBF (Scribner 5" top DIB)	69	681		2977	173				3900
%Cull and Breakage	18	15		5	0				7
Net MBF	56	579		2828	173				3636
Average Logs per MBF	13	21		18	20				19
Average DBH	15	11		11	12				11
Average tons per acre harvested in leave-tree marked units									62
Average tons per acre harvested in cut-tree-marked units									18
Average MBF to cut per acre on the timber sale									9.6
Range of cut trees per acre based on unit cruise									65 - 175
Calculated Sampling Error (*net* MBF): 12.2% The total cruised volume will fall between 3192 and 4080 thousand net board feet in 9 out of 10 cruises									
Tons Per Thousand Board Feet Conversion Factor = 22,545 net tons / 3636 net MBF = 6.2 tons per MBF									

TABLE 3: Unit Harvest Volume and Harvest Schedule					
Unit	Section	Acres	Estimated Net Tons	Estimated Net MBF	Removal Date
1	12	66	1178	190	8/31/2008
2	12	70	6010	969	8/31/2008
3	12	43	3162	510	8/31/2008
4	36	19	341	55	8/31/2008
5	36	3	74	12	8/31/2008
6	36	14	341	55	8/31/2008
7	36	71	5673	915	8/31/2008
8	36	25	1674	270	8/31/2008
9	36	67	4092	660	8/31/2008

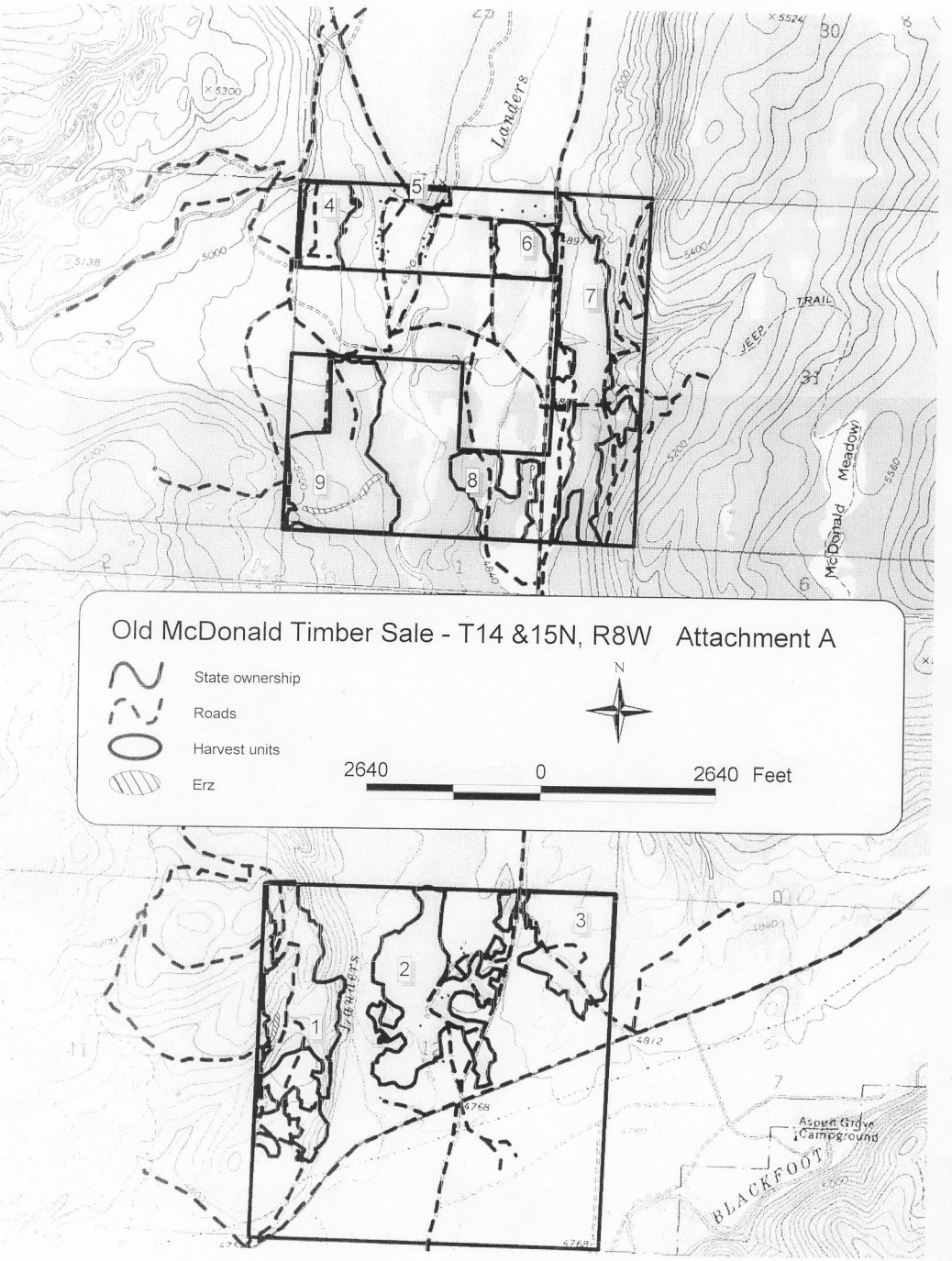
Additional Sale Information:

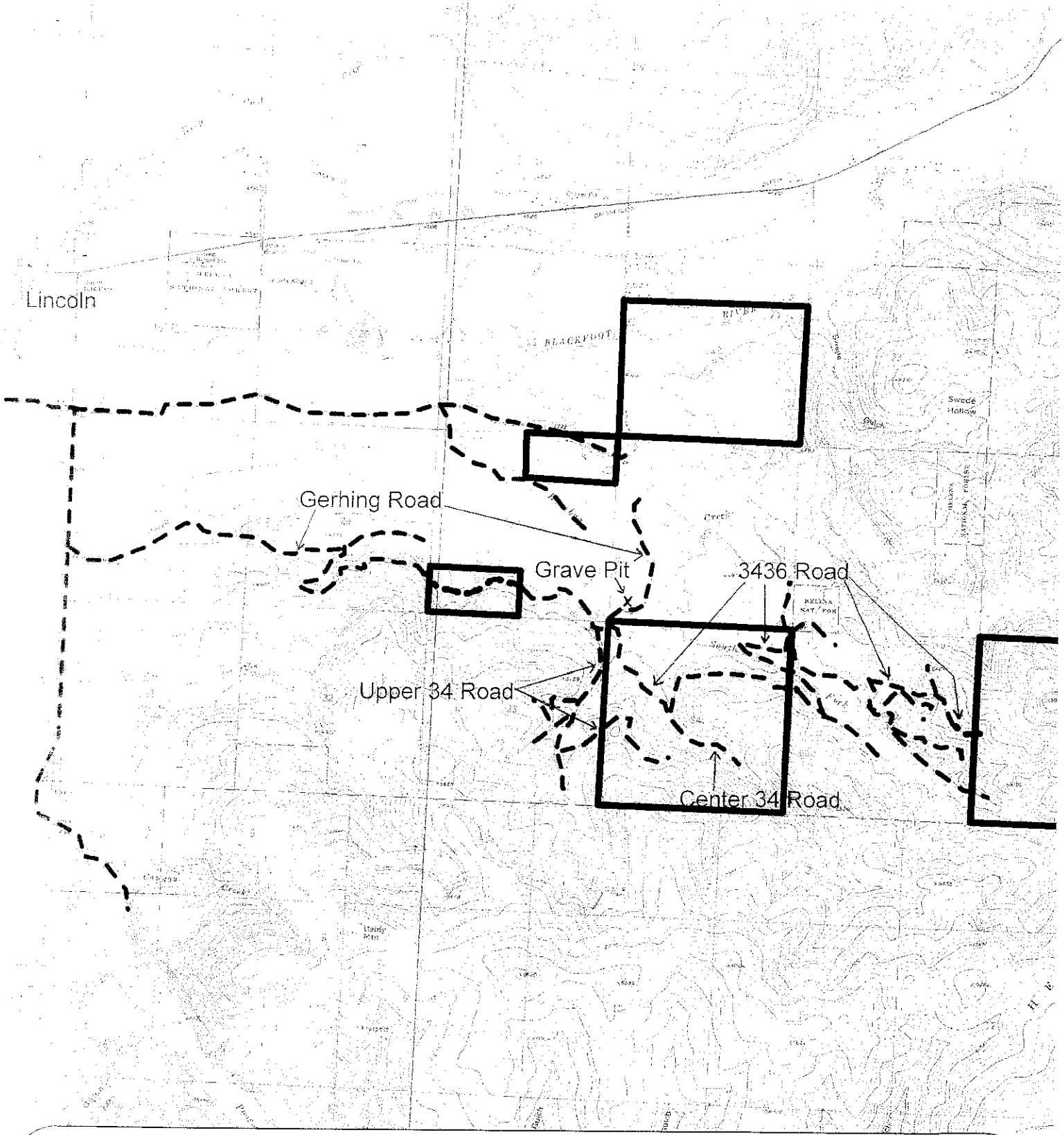
1. **This sale is being sold based on gross weight of sawlogs. Minimum price and bid price is per ton. The bid price is for sawlogs. Weight tickets from a certified scale are required for all loads.**
2. **Haul roads being used by other Purchasers or contractors shall not be blocked by equipment, log decks or debris. This may require the use of jump landings for loading and decking areas.**
3. **Haul roads utilize both private and Forest Service roads. See contract attachments for specific use and maintenance requirements.**
4. **The Purchaser shall not impede or interfere with the operations of the McDonald Gold Project. At the current time the McDonald Gold Project is scheduled to remove all casings, metal pipes, and other improvements from the project area by the summer of 2006. However, if this does not occur, casings (metal pipe with cement in them) that are sticking out of the ground shall not be damaged and should be skidded around whenever possible. Special care will be taken not to damage metal pipes with metal lids and locks on them that are sticking out of the ground. Black plastic pipe will be protected from damage and the Forest Officer will approve areas where it is necessary to be moved or cut.**
5. **The minimum piece size for trees designated for cutting is 4.6 inches top DIB to a 16-foot log.**
6. **Harvest Unit Boundaries are marked with three horizontal blue paint stripes facing into the unit except in portions of Units 2 and 3 along the grasslands. In these locations, the unit boundary is not marked and will be the seed wall except for some small clumps of trees nearby in the grasslands that are designated by the Forest Officer to be cut.**
7. **Some portions of Units 1, 2, 4, and 9 exceed the 45% slope requirement or have equipment restriction zones where winching trees will be required. At least one piece of ground based skidding equipment shall be equipped with a winch with not less than 100 feet of operable line.**
8. **Whole tree skidding and 95% slash cleanup is required within 300 feet of all open roads.**
9. **As part of this timber sale package, there is roadwork required in the Humbug Creek area southeast of Lincoln in T14N-8W. There is no timber harvesting or hauling to be done in this area or on this road system other than the required roadwork.**

TABLE 4: Total Net Cubic Feet (5" top diameter) by Diameter Class and Species (Cut trees)									
	Thousand Cubic Feet								
DBH Class	PP	DF	WL	LP	ES	WF	CE	DD	TOTAL
≥6 and <7	0	0		1	0				1
≥7 and < 9	0	11		51	1				63
≥9 and < 11	1	21		105	4				131
≥11 and < 13	0	13		144	11				168
≥13 and < 15	4	18		134	5				161
≥15 and < 17	1	13		90	9				113
≥17 and < 19	1	15		53	3				72
≥19 and < 21	0	9		19	5				33
≥21 and < 23	1	5		15	0				21
≥23 and < 25	3	3		5	0				11
≥25 and < 27	0	3		6	0				9
≥27 and < 29	2	5		3	0				10
TOTAL	13	116		626	38				793

TABLE 5: Total Number of Cut Trees by Diameter Class and Species (values are in thousands)									
DBH Class	PP	DF	WL	LP	ES	WF	CE	DD	TOTAL
≥6 and <7	0	0		0.3	0				0.3
≥7 and < 9	0	2.8		8.7	0.3				11.8
≥9 and < 11	0.1	3.3		8.2	0.8				12.4
≥11 and < 13	0	1.1		7.1	0.7				8.9
≥13 and < 15	0.2	0.9		4.5	0.4				5.9
≥15 and < 17	0	0.5		2.1	0.2				2.9
≥17 and < 19	0	0.5		1.1	0.1				1.7
≥19 and < 21	0	0.2		0.3	0.1				0.6
≥21 and < 23	0	0		0.2	0				0.4
≥23 and < 25	0	0		0.1	0				0.2
≥25 and < 27	0	0		0.1	0				0.1
≥27 and < 29	0	0		0	0				0
TOTAL*	0.5	9.7		32.6	2.5				45.23

***Numbers do not add up with due to rounding within the cruise program.**


Old McDonald Timber Sale - T14 &15N, R8W Attachment A
State ownership
Roads
Harvest units
Erz
N
2640
0
2640 Feet
Landers
JEEP TRAIL
McDonald Meadow
Aspen Grove Campground
BLACKFOOT
1
2
3
4
5
6
7
8
9



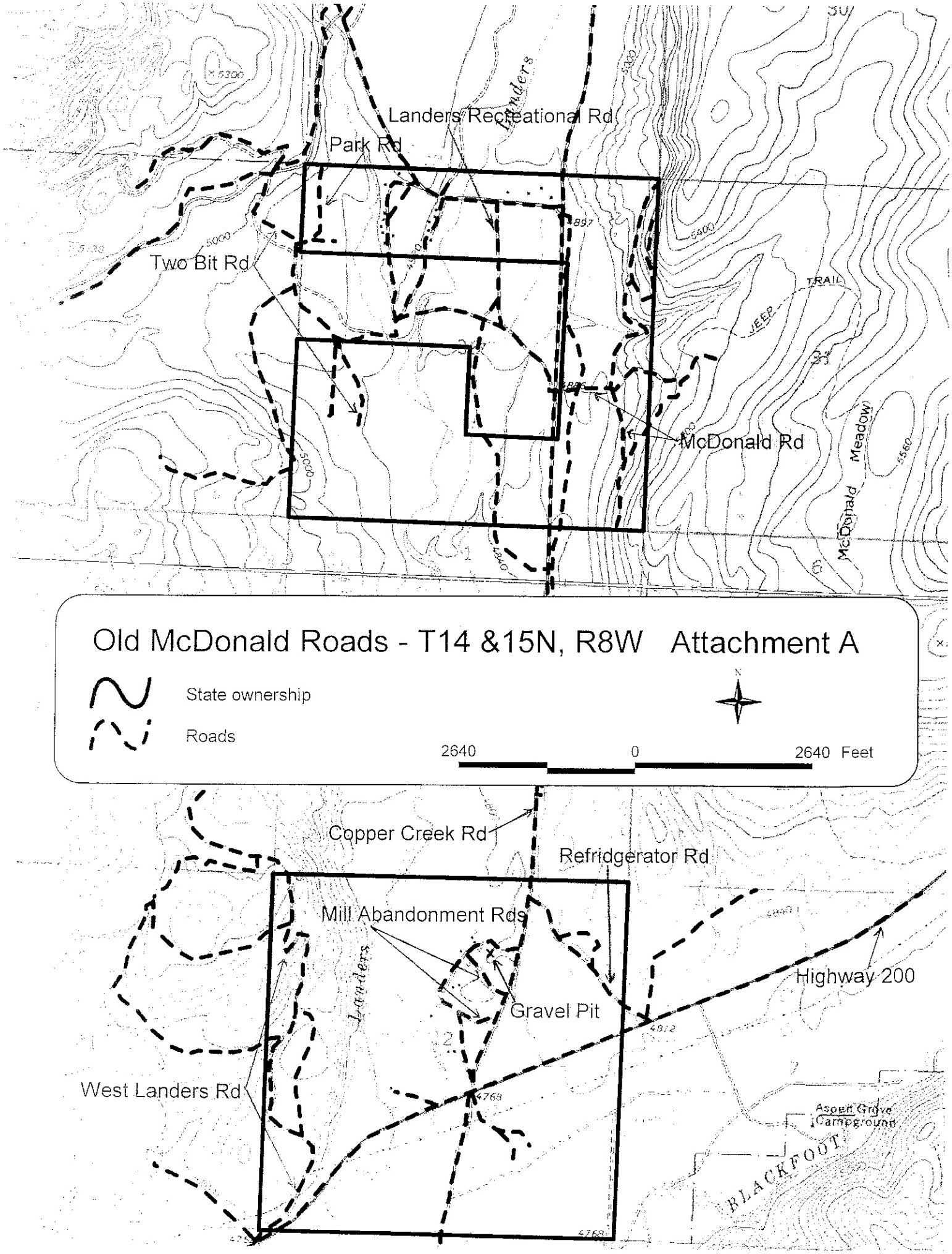
Humbug Roads - T14N, R8W Attachment A

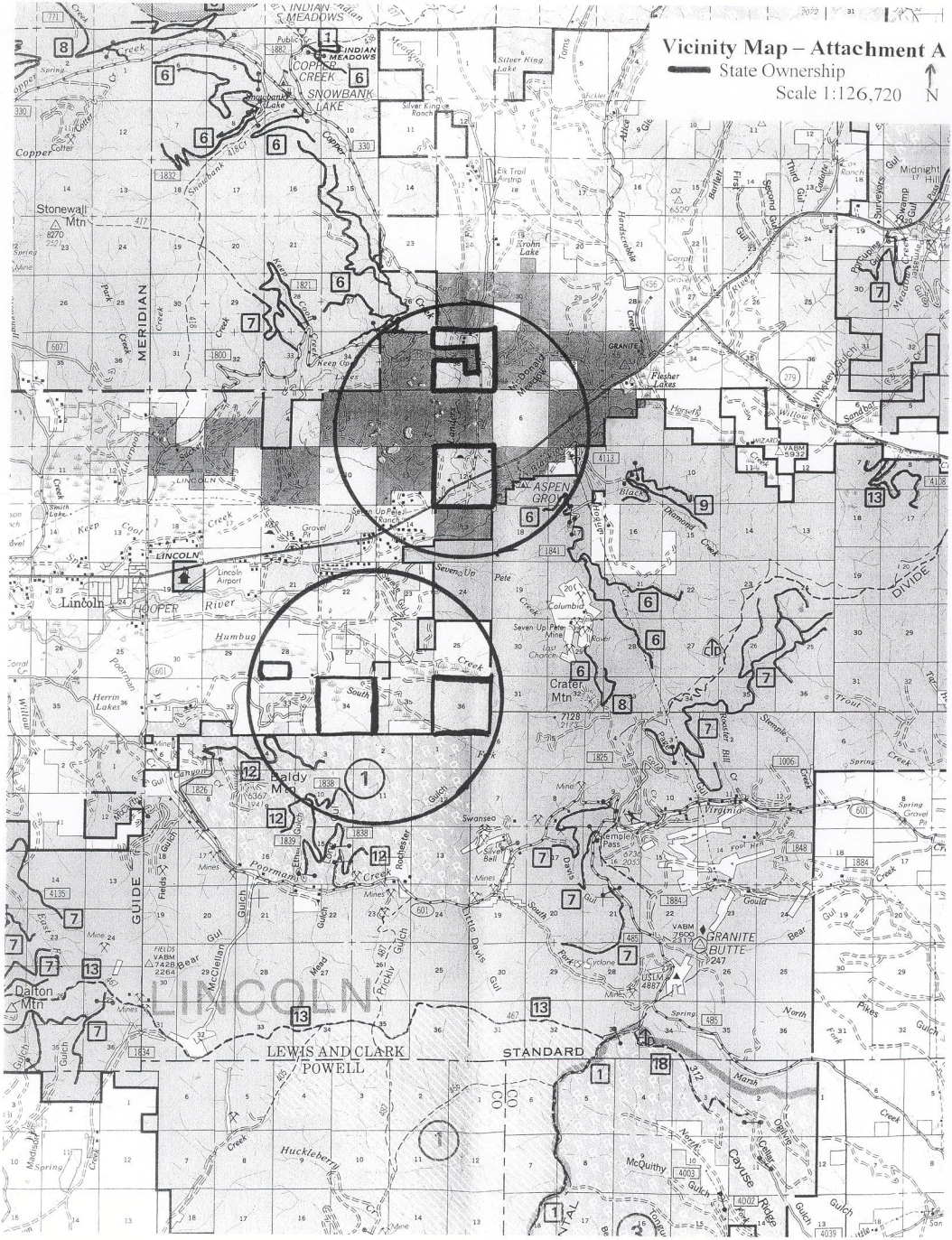
State ownership

Roads

N

5280 0 5280 Feet


Landers Recreational Rd
Park Rd
Two Bit Rd
McDonald Rd
Landers
JEEP TRAIL
McDonald Meadow
Old McDonald Roads - T14 &15N, R8W Attachment A
State ownership
Roads
2640
0
2640 Feet
Copper Creek Rd
Refridgerator Rd
Mill Abandonment Rds
Gravel Pit
Highway 200
West Landers Rd
Landers
Aspen Grove Campground
BLACKFOOT


Vicinity Map – Attachment A
State Ownership
Scale 1:126,720
N
INDIAN MEADOWS
COPPER CREEK
SNOWBANK LAKE
Stonewall Mtn
MERIDIAN
LINCOLN
Lincoln
HOOPER
Lincoln Airport
Seven Up Pete Ranch
ASPEN GROVE
Flesher Lakes
Crater Mtn
Baldy Mtn
Swansea
Temple Pass
GRANITE BUTTE
Dalton Mtn
GUIDE
LEWIS AND CLARK
POWELL
STANDARD
McQuithy
Cayuse Ridge
DIVIDE
Midnight Hill
1
6
7
8
9
12
13
18