

NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The Peterson Creek Timber Sale is located within Section 16, T6N-R8W, on the State's Anaconda Unit. Approximately 2,819 tons, consisting of beetle killed lodgepole pine, Douglas-fir, and spruce sawlogs is offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on **September 7, 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 **\$2,748.00**, 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), the Southwest Land Office, in Missoula, (406-542-4200), or the Unit Office, in Anaconda, MT (406-563-6078).

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

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

Publication Dates: August 22, 29, 2007

TIMBER SALE PROSPECTUS
MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Timber Sale Name: Peterson Creek			
Timber Sale Location: Section 16, T6N-R8W			
For specific sale information, contact:			
Phone	406-563-6078	Brian Robbins	Unit Office: Anaconda
For copies of the Timber Sale Contract and bid forms, contact:			
Phone	406-542-4300	Forest Management Bureau	DNRC Missoula Office
Phone	406-563-6078	Anaconda Unit Office	Land Office: Southwestern

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 **15** 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			
88	Net Sale Area (acres)	.65	Miles of road construction
November 1, 2008	Contract ending date	1.52	Miles of road maintenance
N/A	Cable logging required (% of volume)	0	Miles of road reclamation or abandonment
Operating Season: Logging - June 15 – February 15; Roads June 15 – October 15			
Charges and Appraised Costs			
\$2,748.00	Bid Guarantee (total \$)		
20% of bid value	Performance Bond (total \$)		
\$N/A	Collected Road Maintenance And Road Use Charges (\$ per ton)		
\$2.62	Collected Forest Improvement Fee (\$ per ton) concurrent with stumpage		
N/A	Quarterly Installment of Forest Improvement Payments (\$ per payment, first 5 payments)		
\$15,580	Road Development Costs - Appraised Purchaser-Do (total \$)		
Included above	Road Maintenance Costs - Appraised Purchaser-Do		
N/A	Slash Disposal Costs - Appraised Purchaser-Do (\$ per ton)		
N/A	Timber Stand Improvement Costs - Appraised Purchaser-Do		

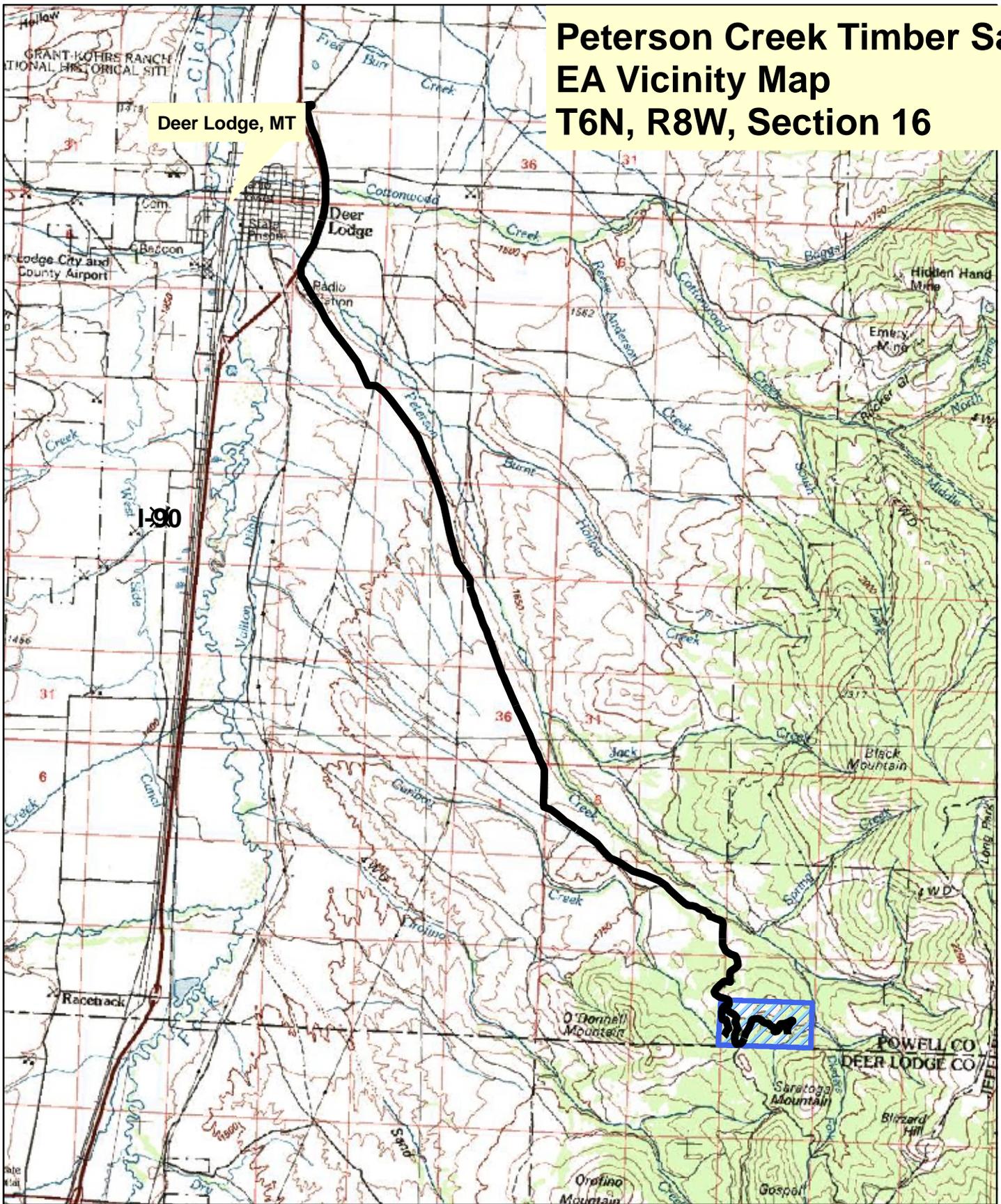
TABLE 2: Timber Cruise Data and Minimum Bids (6.0" Top DIB)									
SPECIES	PP	DF	WL	LP	ES	WF	CE	DD	TOTAL or AVE
Minimum Acceptable Bid									\$19.50/ton
Gross Cubic Feet (in thousands)		16.8		95.4	2.9				115.1
% Cull and Breakage		20		20	5				19
Net Cubic Feet (in thousands)		13.4		76.3	2.8				92.5
Pounds per cubic foot		59.9		61.4	52.0				60.7
Net tons		402		2,345	72				2,819
Gross MBF (Scribner 6" top DIB)		75.5		477.1	11.5				564.7
Net MBF		60.4		381.7	11.5				453.6
Average logs per MBF		31.4		49.2	38.9				42.5
Average DBH		12.8		9.2	10.9				9.7
Average tons per acre harvested in leave-tree marked units									
Average tons per acre harvested in cut-tree-marked units									32.03
Average net MBF to cut per acre on the timber sale									5.154
Range of cut trees per acre based on unit cruise									294
Calculated Sampling Error (net MBF): 2.8%									
The total cruised volume will fall between 2,740 and 2,898 tons in 9 out of 10 cruises									
Tons Per Thousand Board Feet Conversion Factor = 6.21 net tons per MBF									

TABLE 3: Unit Harvest Volume and Harvest Schedule					
Unit	Section	Acres	Estimated Net Tons	Estimated Net MBF	Removal Date
All	16	88	2,819	454	October 1, 2008

Additional Sale Information:

1. Non-sawlog and Biomass Removal – There is approximately 1,500 tons of non-sawlog (Pulp, Post/Rail) material that is mandatory removal for biomass or non-sawlog products. Minimum specification for non-sawlog material will be a 16' piece to a 3" top. Minimum bid price will be \$1.00/ton.
2. Purchaser will be required to furnish 125 lbs of grass seed mixture, as specified in the contract, to the Forest Officer prior to timber sale activities.
3. Directions to the section:
 - Exit 184 – Deer Lodge
 - Head east approximately 200 yards, turn right on Boulder Road
 - Approximately .8 mile to intersection and stop sign, go straight.
 - 2.5 miles – Intersection with Landfill Road, stay left.
 - 11.1 miles – Enter State Section
 - 11.25 miles – Intersection with Unit 1 Temp Road
 - 11.75 miles – Intersection with Units 2 and 3 access road (Powder River Gate on left hand side).
4. Purchaser will be required to power wash all off-road harvesting equipment prior to entering State land and will be required to perform one (1) herbicide application with Tordon (1.5 pints per acre) for Spotted Knapweed, Thistle, and Houndstongue on all roads within Section 16, T6N-R8W. Weed spraying should be done between June 1 and July 1.
5. Purchaser will be required to install and remove a 20' temporary bridge. Bridge can either be brought in or built on-site with materials (DF logs).
6. Temporary roads are to be reclaimed with slash upon completion of the sale.

Peterson Creek Timber Sale EA Vicinity Map T6N, R8W, Section 16



Legend

- Haul Road
- State Land

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B. Robbins
6/2007



Peterson Creek Timber Sale T6N, R8W, Section 16

