

NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The Skidway Timber Sale is located within Section 16, T7N-R5E, on the State's Helena Unit. Approximately 4,039 tons, consisting of Douglas-fir is being offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on **June 26, 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 **\$3,575.00**, 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), or the Central Land Office, Helena Unit, 8001 North Montana Ave., Helena, MT 59601 (406-458-3500).

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: May 18, 25, June 1, 8, 2006

TIMBER SALE PROSPECTUS
MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Timber Sale Name: Skidway	
Timber Sale Location: Section 16, T7N-R5E	
For specific sale information, contact: Shawn P. Morgan, Helena Unit Forester	
Phone 406-458-3516	Unit Office: Helena
For copies of the Timber Sale Contract and bid forms, contact:	
Phone 406-542-4300	Forest Management Bureau, DNRC Missoula Office
Phone 406-458-3500	Central 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 **5%** 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			
108	Net Sale Area (acres)	0.4	Miles of road construction
April 15, 2009	Contract ending date	3.2	Miles of spot road reconstruction
8.6%	Cable logging required (% of volume)	0.4	Miles of road reclamation or abandonment
Operating Season: Year round except when soil conditions apply			
Charges and Appraised Costs			
\$3,575.00	Bid Guarantee (total \$)		
\$6,000.00 minimum	Performance Bond (total \$)		
To be determined by Forest Service. Anticipated \$ 0.33	Collected Road Maintenance And Road Use Charges (\$ per ton)		
\$ 0.98	Collected Forest Improvement Fee (\$ per ton)		
\$ 659.70	Quarterly Installment of Forest Improvement Payments (\$ per payment, first 5 payments)		
\$ 0.45/ton or \$ 1,850.00	Road Development Costs - Appraised Purchaser-Do (total \$)		
\$ N/A	Road Maintenance Costs - Appraised Purchaser-Do (\$ per ton)		
\$ 0.70	Slash Disposal Costs - Appraised Purchaser-Do (\$ per ton)		
\$ N/A	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		-							\$17.70/ton
Gross Cubic Feet (in thousands)		N/A							
% Cull and Breakage		15							15
Net Cubic Feet (in thousands)		221.7							221.7
Pounds per cubic foot		61.7							61.7
Net tons		4039							4039
Gross MBF (Scribner 6" top DIB)		543.9							543.9
%Cull and Breakage		15							15
Net MBF		473							473
Average logs per MBF		1.2							1.2
Average DBH		11							11
Average tons per acre harvested in leave-tree marked units									37.4
Average tons per acre harvested in cut-tree-marked units									N/A
Average MBF to cut per acre on the timber sale									4.38
Range of cut trees per acre based on unit cruise									N/A
Calculated Sampling Error (<i>net</i> MBF): 10.3 %									
The total cruised volume will fall between 424 and 522 thousand net board feet in 9 out of 10 cruises									
Tons Per Thousand Board Feet Conversion Factor = 4,039 net tons per 473 net MBF = 8.54 tons per MBF									

TABLE 3: Unit Harvest Volume and Harvest Schedule					
Units	Section	Acres	Estimated Net Tons	Estimated Net MBF	Removal Date
2-6	16	20	724	85	March 15, 2009
7A & 7B	16	25	1,554	182	March 15, 2009
8	16	11	350	41	March 15, 2009
1	16	52	1,411	165	March 15, 2009

Additional Sale Information:

1. Contractor will need to obtain and pay for road use permit with the U.S. Forest Service.
2. Portions of Unit 1 and all of Unit 8 require skyline-yarding equipment to harvest. The remaining units can use conventional ground based systems.
3. Road maintenance schedule for the "State Access Permit Road" as identified on the timber sale map, will need to be developed between the contractor and adjacent logger who is currently using this road.

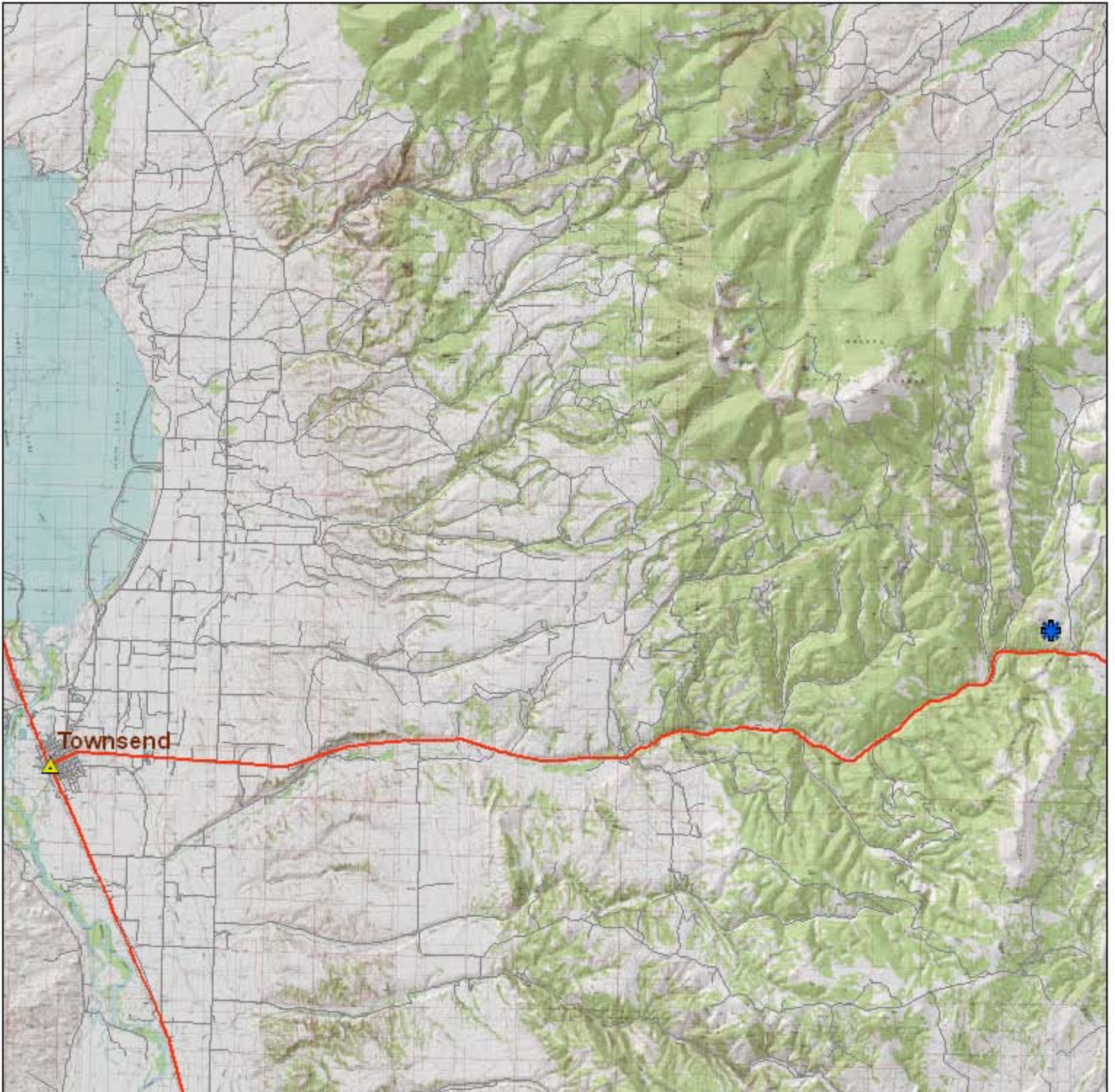
TABLE 4: Total Net MBF (6" top diameter) by Diameter Class and Species (Cut trees)									
DBH Class	Thousand Cubic Feet								
	PP	DF	WL	LP	ES	WF	CE	DD	TOTAL
≥7 and < 9		12							
≥9 and < 11		46							
≥11 and < 13		61							
≥13 and < 15		91							
≥15 and < 17		72							
≥17 and < 19		70							
≥19 and < 21		34							
≥21 and < 23		36							
≥23 and < 25		19							
≥25 and < 27		13							
≥27 and < 29		19							
TOTAL		473							

TABLE 5: Total Number of Cut Trees by Diameter Class and Species

DBH Class	PP	DF	WL	LP	ES	WF	CE	DD	TOTAL
≥7 and < 9		1231							
≥9 and < 11		1778							
≥11 and < 13		1263							
≥13 and < 15		1196							
≥15 and < 17		687							
≥17 and < 19		196							
≥19 and < 21		166							
≥21 and < 23		70							
≥23 and < 25		44							
≥25 and < 27		0							
≥27 and < 29		0							
TOTAL		6631							

SKIDWAY TIMBER SALE

Section 16, Township 17 North, Range 5 East



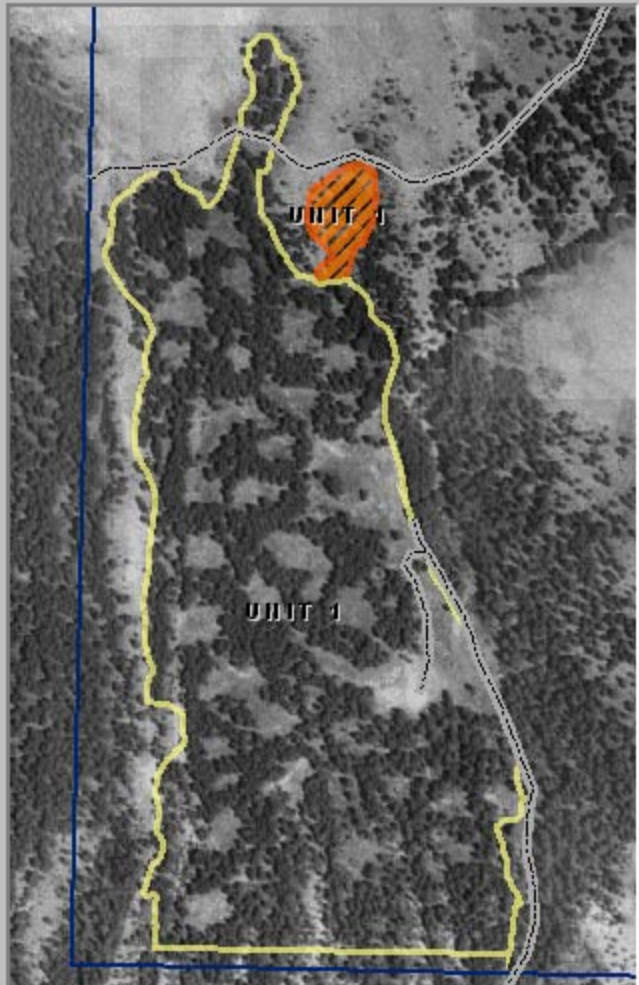
Vicinity Map



1 inch equals 2.76 miles

LEGEND

- Timber Sale Location
- Townsend Montana
- Highway



UNIT 1

UNIT 1