

NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The Three Creeks #1 Timber Sale is located within Sections 3, 4, 9, 10, 15, 16, 22 and 27, T24N-R17W, on the State's Swan River State Forest. Approximately 35,968 tons of sawlogs, consisting primarily of Douglas-fir, western larch, white fir and cedar is offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on **March 30, 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 **\$45,225.00**, 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 Northwestern Land Office in Kalispell (406-751-2240), or the Swan River State Forest Office in Swan Lake, MT (406-754-2301).

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: March 1, 8, 15, & 22, 2007

TIMBER SALE PROSPECTUS
MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Timber Sale Name: Three Creeks #1			
Timber Sale Location: Sec. 3,4,9,10,15,16,22, & 27, T24N-R17W			
For specific sale information, contact: Kristen Baker			
Phone	406-754-2301	Unit Office – Swan River	
For copies of the Timber Sale Contract and bid forms, contact:			
Phone	406-542-4300	Forest Management Bureau	DNRC Missoula Office
Phone	406-751-2240	Northwestern	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. 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 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.
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 should make their own estimates based on contract requirements.
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			
679	Net Sale Area (acres)	5	Miles of road construction
September 30, 2009	Contract ending date	1.5	Miles of road reconstruction
34%	Cable logging required (% of volume)	0	Miles of road reclamation or abandonment
Operating Season: June 2007 – August 31, 2009			
Charges and Appraised Costs			
\$45,225.00	Bid Guarantee (total \$)		
20% of bid value	Performance Bond		
\$ N/A	Collected Road Maintenance And Road Use Charges (\$ per ton)		
\$3.69	Collected Forest Improvement Fee (\$ per ton)		
\$ 22,120.32	Quarterly Installment of Forest Improvement Payments (\$ per payment, first 5 payments)		
\$ 327,624	Road Development Costs - Appraised Purchaser-Do (total \$)		
\$ 0.17	Road Maintenance Costs - Appraised Purchaser-Do (\$ per ton)		
\$ 0.01	Slash Disposal Costs - Appraised Purchaser-Do (\$ per ton)		
\$0.00	Timber Stand Improvement Costs - Appraised Purchaser-Do (\$ per ton)		

TABLE 2: Timber Cruise Data and Minimum Bids										
SPECIES	PP	WP	DF	WL	LP	ES	WF	CE	DD	TOTAL or AVE
Minimum Acceptable Bid										\$25.15/ton
Gross Cubic Feet (in thousands)	9	31	495	444	3	7	578	184	390	2141
% Cull and Breakage	10	20	22	30	20	13	60	40	43	38.5
Net Cubic Feet (in thousands)	8	25	386	311	2	6	233	111	219	1301
Pounds per cubic foot	62	60	62	58	56	57	57	44	40	
Estimated tons	243	745	11,915	9060	68	168	6963	2433	4373	35,968
Gross MBF (Scribner 6" top DIB)	49	191	2421	2585	16	36	2752	944	2051	11,045
%Cull and Breakage	10	20	22	30	20	13	60	40	43	38.5
Net MBF	44	153	1888	1810	13	31	1107	566	1181	6,793
Average logs per MBF	6	7	16	9	15	16	22	13	12	13
Average DBH	16	24	13	20	13	15	11	16	17	16
Average tons per acre harvested in leave-tree marked units										53
Average tons per acre harvested in cut-tree-marked units										53
Average MBF to cut per acre on the timber sale										10
Range of cut trees per acre based on unit cruise										90
Calculated Sampling Error (<i>net</i> MBF): 11.3 %										
The total cruised volume will fall between 6,025 and 7,561 thousand net board feet in 9 out of 10 cruises										
Tons Per Thousand Board Feet Conversion Factor = 35,968 estimated tons per 6,793 net MBF = 5.29 tons per MBF										

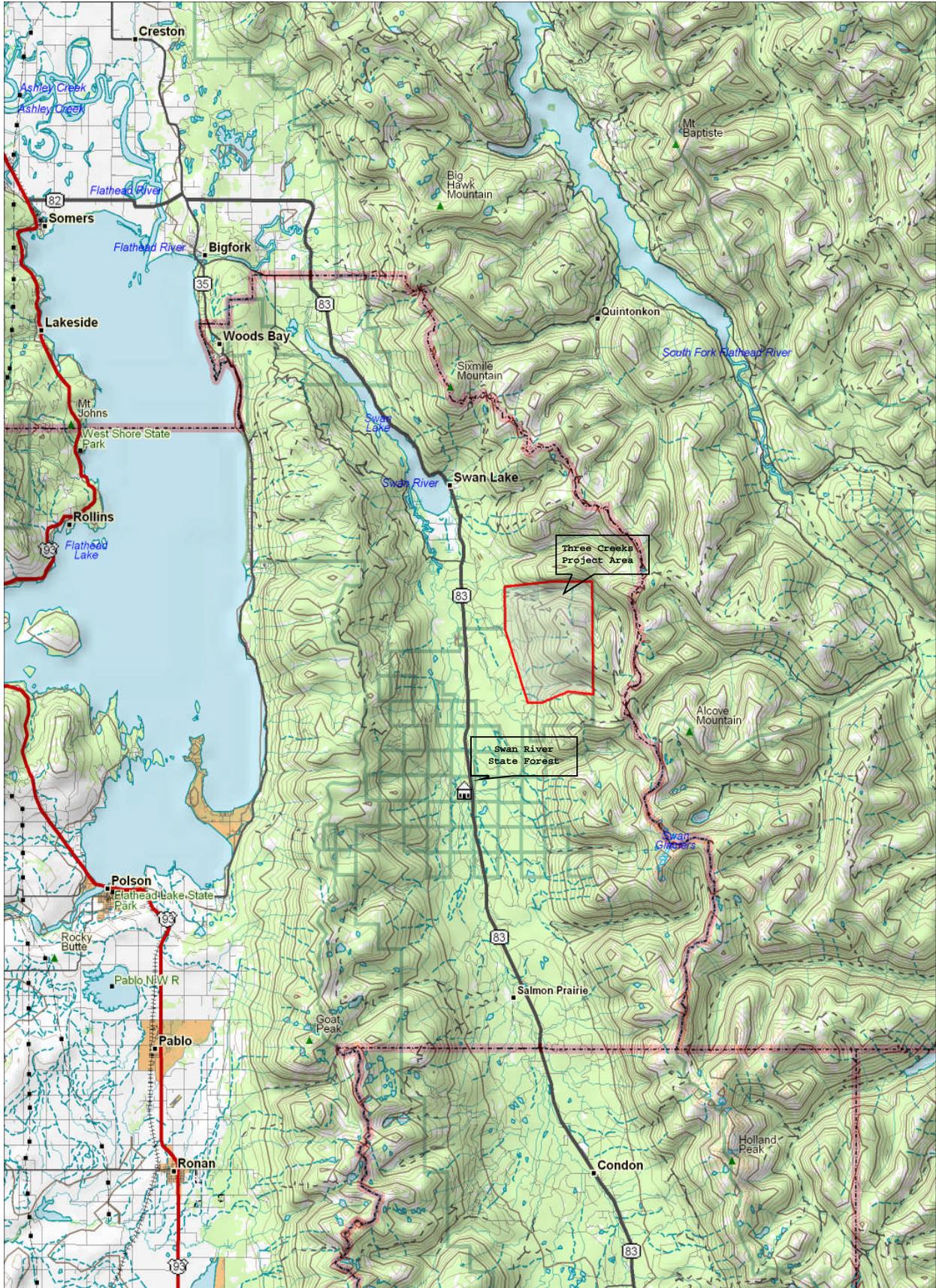
TABLE 3: Unit Harvest Volume and Harvest Schedule					
Unit	Section	Acres	Estimated Net Tons	Estimated Net MBF	Removal Date
04-18	04	51	2972	568	August 31, 2009
09-07	09	155	7255	1353	August 31, 2009
09-12	09	23	2048	441	August 31, 2009
09-18	09	34	1544	277	August 31, 2009
15-10	15	81	3792	707	August 31, 2009
16-24	16	35	1590	286	August 31, 2009
16-25	16	69	3230	602	August 31, 2009
22-10A	22	45	2623	501	August 31, 2009
22-11	22	51	2972	568	August 31, 2009
27-19	27	81	4721	902	August 31, 2009
ROW	Various	32	3076	562	November 1, 2008
SMZ	Various	22	145	26	August 31, 2009
Totals		679	35,968	6,793	

TABLE 4: Total Net Cubic Feet (6" top diameter) by Diameter Class and Species (Cut trees)										
DBH Class	Thousand Cubic Feet									
	PP	WP	DF	WL	LP	ES	WF	CE	DD	TOTAL
≥7 and < 9			13	2			6	1		22
≥9 and < 11	1		32	3			29	4	2	71
≥11 and < 13			37	4		1	36	12	2	92
≥13 and < 15			61	6			42	11	18	138
≥15 and < 17			56	17	2	3	33	19	31	161
≥17 and < 19			33	49		1	22	12	45	162
≥19 and < 21		5	55	39			25	9	30	163
≥21 and < 23	4		37	38			15	2	11	107
≥23 and < 25		12	20	30		1	13	12	28	116
≥25 and < 27			15	52			6	8	7	88
≥27 and < 29	3	1	6	23			3	13	22	71
29+		7	21	50			2	10	24	114
TOTAL	8	25	386	313	2	6	232	113	220	1,305

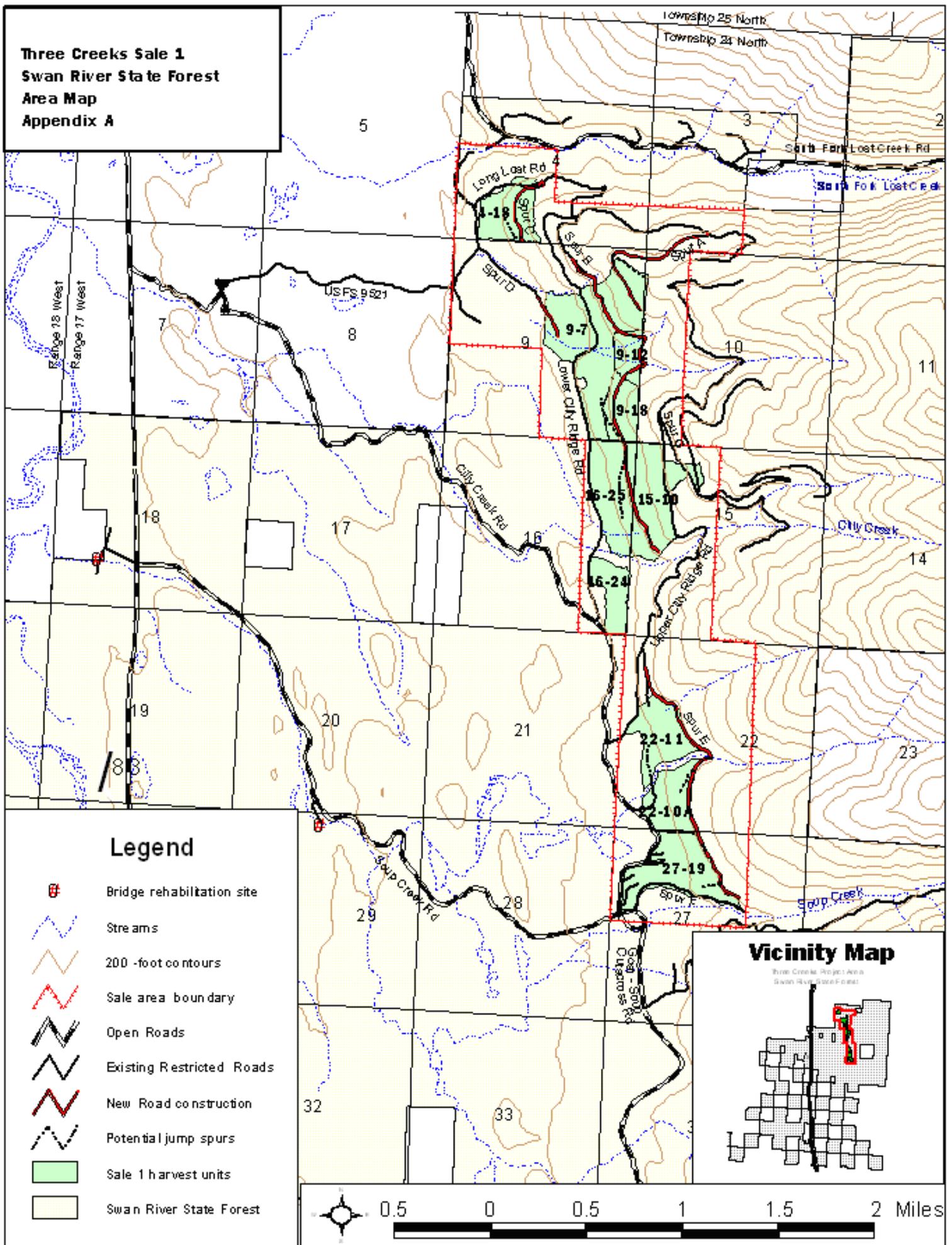
TABLE 5: Total Number of Cut Trees by Diameter Class and Species

DBH Class	PP	WP	DF	WL	LP	ES	WF	CE	DD	TOTAL
≥7 and < 9			4523	297	50		3347	239		8,456
≥9 and < 11	50		3929	240			6694	596	978	12,487
≥11 and < 13			2618	220		50	4717	1161	499	9,265
≥13 and < 15			2870	286			3792	619	1437	9,004
≥15 and < 17			1897	494	50	85	2224	805	1610	7,165
≥17 and < 19			845	1044		10	1123	371	1232	4,625
≥19 and < 21		76	1130	689			972	241	1013	4,121
≥21 and < 23	50		622	541			486	37	246	1,982
≥23 and < 25		110	254	341		11	345	201	394	1,656
≥25 and < 27			181	495			124	121	90	1,011
≥27 and < 29	24	8	59	177			49	163	216	696
29+		27	168	272			36	72	148	723
TOTAL	124	221	19,096	5,096	100	156	23,909	4,626	7,863	61,191

Three Creeks Timber Sale Project Area Vicinity Map



**Three Creeks Sale 1
Swan River State Forest
Area Map
Appendix A**



Legend

-  Bridge rehabilitation site
-  Streams
-  200 -foot contours
-  Sale area boundary
-  Open Roads
-  Existing Restricted Roads
-  New Road construction
-  Potential jump spurs
-  Sale 1 harvest units
-  Swan River State Forest

Vicinity Map

