

NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The Two Sheep Contract Harvest Timber Sale is located within Section 22, T20N-R27W, on the State's Plains Unit. Approximately 5,069 tons, consisting primarily of Douglas-fir, ponderosa pine, and Western larch sawlogs as well as 500 tons of pulp material is offered for sale. **Bidders will bid on only the logs. Bidders may submit bids for one or more of the products on the bid sheet and award will be made separately for each product listed.**

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on **September 25, 2009 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 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 **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 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/trust/fmb.htm> for upcoming sales and bid results

/s/ Shawn Thomas, Chief
Forest Management Bureau
Trust Land Mgmt Division

Publication Dates: August 26, September 2, 9, 16, 2009

DELIVERED LOG PROSPECTUS
MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Timber Sale Name: TWO SHEEP DELIVERED LOGS			
Timber Sale Location: Section 22, T20N-R27W			
For specific sale information, contact:			
Phone	406-826-4723	Dave Olsen	Plains Unit Office
Phone	406-542-4276	Sarah Lyngholm	Forest Management Bureau
For copies of the Log Purchase 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 Department of Natural Resources & Conservation (Dept) bid forms.
2. Timber will be sold to the highest responsible bidder; however, the Dept reserves the right to reject any or all bids.
3. The Dept 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, money order, bank draft, surety bond or irrevocable letter of credit.
5. The Purchaser must submit a **Payment Security** to the Dept within a maximum of **15** days of notification of sale award. The security amount will be, at a minimum, **10%** of the total bid value of the sale. The payment security may be in the form of cash, irrevocable letter of credit, surety bond or certificate of deposit. See the Log Purchase Contract for additional information.
6. This sale is being sold based on the gross weight of all species. Minimum price and bid price are on a per ton basis. Unless specified, the price applies to all species, green and dead. Price may vary by product. Billing will be based on gross weight. A weight ticket from a certified scale is required for each load hauled, regardless of product type.
7. The Dept has estimated the net scale merchantable sawlog volume to be available for purchase under this contract. Other products may be part of this sale. All delivered wood will be weighed and billed at per ton bid rates. The actual delivered weight may vary, resulting in an overrun or under-run of the estimated tonnage. The Dept strongly recommends that bidders evaluate these effects before bidding. See Log Purchase Contract for additional information.
8. Bidders are encouraged to examine the complete Delivered Log Sale and Purchase Contract prior to bidding. Additional information is available at the phone numbers shown above. **A tour of the sale to view the timber is planned for September 21st at 11:00 a.m. The tour will depart from the Plain's Unit Office. Contact Dave Olsen at (406) 826-4723 if you plan on attending.**
9. Estimates for sale volume, species percents, defect, product class, etc. provided in this prospectus and volume estimates listed in the sale contract are not guaranteed.
10. This prospectus is provided for information purposes only. If the prospectus is in error or contradicts the Timber Sale Contract, the contract governs.

Additional Sale Information:

1. This delivered log sale is offered under DNRC's Contract Harvesting Authority. DNRC will contract with firms for the harvest and transportation of these forest products to delivery point(s) specified by the Purchaser.
2. Bidders may submit bids for one or more of the products on the bid sheet.
3. Award will be made separately for each product listed on the bid sheet.
4. Log delivery will be completed prior to the contract termination date of January 31, 2010.
5. The Purchaser must provide destination and a minimum top size for each Sawlog Sort being bid on.
6. Volume will be calculated to the Purchaser's minimum top size.
7. The successful bidder for each product will be determined by highest total value. Highest total value for each product will be determined by subtracting estimated haul cost from the delivered log bid price, multiplied by total volume of that product.
8. The haul cost formula ($C = \$3.00/\text{ton} + 0.10 \times \text{highway miles}$) will be used to calculate the net delivered bid price, with mileage from 10 highway miles west of Plains, to the indicated destination of each product.

The following chart shows the mileage to various mill sites:

<u>Company</u>	<u>Mill Site</u>	<u>Mileage</u>
Plum Creek	Columbia Falls	108
Pyramid	Seeley Lake	139
Stoltze	Columbia Falls	107
Sun Mountain	Deer Lodge	167
TRL	Thompson Falls	35
Tricon	St. Regis	41

Prospective bidders may provide a destination for logs delivered to a site other than listed in the above chart. Mileage will be calculated by DNRC for those destinations.

Timber Sale Information Sheet
Montana Department of Natural Resources and Conservation

Timber Sale Cruise Data									
SPECIES	DF	WL	PP		Pulp				TOTAL or AVE
Minimum Bid	\$35.07	\$35.07	\$34.66		\$30.00				
Pounds per cubic foot	62	58	62						
Total estimated tons sawlogs (5.6" top DIB)	4,452	49	568						5,069 tons
Estimated tons of pulp (2.5" top DIB)					500				500 tons
Gross MBF (Scribner)	697	9	102						809 tons
% Cull and Breakage	4	0	11						5.0%
Net MBF (Scribner)	671	9	91						772 tons
Average logs per MBF	19	12	15.7						18.4 logs/M
Average DBH	13	18	15						13.2 in.
Conversion Factor	6.63	5.21	6.23						
Calculated Sampling Error: Total cruised volume will fall between			690 and 853 mbf in 9 out of 10 cruises						10.5%
Tons Per Thousand Board Feet									
Contract Value - Estimated tons hauled per thousand Scribner board feet	5,069 Net MBF Scribner to a 5.6 inch top DIB 772 Net MBF Scribner to a 5.6 inch top DIB								6.57 tons/MBF

Contract Information	
Contract ending date	1/31/2010
Contract length	4 months

Timber Sale Information Sheet
Montana Department of Natural Resources and Conservation