

IRON GULCH TIMBER SALE

NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The Iron Gulch Timber Sale is located within Section 36, T18N-R17E on the State's Lewistown Unit. Approximately 7,000 tons, consisting primarily of ponderosa pine sawlogs is offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on **June 29, 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 **\$6,125.00**, 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 Northeast Land Office, in Lewistown, MT (406-538-7789).

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 2, 9, 16, 23, 2007

TIMBER SALE PROSPECTUS
MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Timber Sale Name: IRON GULCH			
Timber Sale Location: Section 36, T18N-R17E			
For specific sale information, contact: Ron Buck			
Phone	406-538-7789	Northeastern Land Office	Lewistown Unit Office
For copies of the Timber Sale Contract and bid forms, contact:			
Phone	406-542-4300	Forest Management Bureau	DNRC Missoula Office
Phone	406-538-7789	Northeastern	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. **All road construction is to be completed by December 31, 2007.**
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 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.**
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 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.**
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

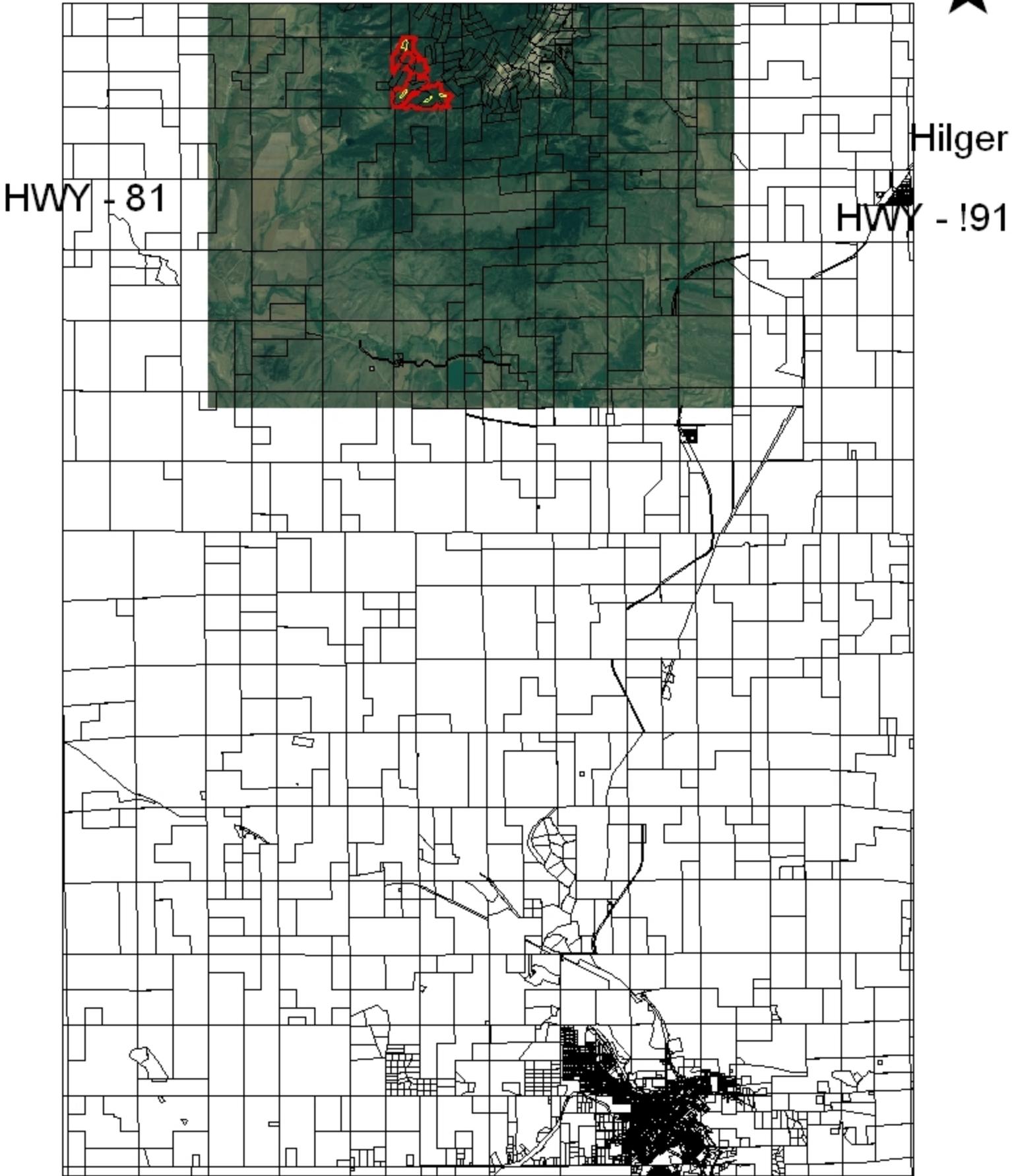
Sale Data			
250	Net Sale Area (acres)	2.95	Miles of road construction
September 1, 2009	Contract ending date	0.3	Miles of road reconstruction
N/A	Cable logging required (% of volume)	N/A	Miles of road reclamation or abandonment
Operating Season: Dry or frozen ground conditions and closed October 15 – November 30 (big game hunting season)			
Charges and Appraised Costs			
\$6,125.00	Bid Guarantee (total \$)		
20% of bid value	Performance Bond (total \$)		
None	Collected Road Maintenance And Road Use Charges (\$ per ton)		
\$ 0.40	Collected Forest Improvement Fee (\$ per ton)		
\$ 466.67	Quarterly Installment of Forest Improvement Payments (\$ per payment, first 5 payments)		
\$ 4.27	Road Development Costs – Estimated Purchaser-Do (\$ per ton)		
None	Slash Disposal Costs - Appraised Purchaser-Do (\$ per ton)		
None	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									\$ 17.50/Ton
Gross Cubic Feet (in thousands)	288								288
% Cull and Breakage	10								10
Net Cubic Feet (in thousands)	260								260
Pounds per cubic foot	62								62
Net tons	7000								7000
Gross MBF (Scribner 6" top DIB)	1111								1111
%Cull and Breakage	10								10
Net MBF	1000								1000
Average logs per MBF	20								20
Average DBH	11								11
Average tons per acre harvested in leave-tree marked units									28
Average tons per acre harvested in cut-tree-marked units									N/A
Average MBF to cut per acre on the timber sale									4.0
Range of cut trees per acre based on unit cruise									80
Calculated Sampling Error (net MBF): 9.5 % and (net tons): 9.5%									
The total cruised volume will fall between 905 and 1105 thousand net board feet in 9 out of 10 cruises									
Tons Per Thousand Board Feet Conversion Factor = 7000 net tons per 1000 net MBF = 7.00 tons per MBF									

TABLE 3: Unit Harvest Volume and Harvest Schedule					
Unit	Type of Harvest	Acres	Estimated Net Tons	Estimated Net MBF	Removal Date
1	Shelterwood	160	4,480	640	Fall 07/Winter 08
2	Shelterwood	90	2,520	360	Summer 08/Winter 09
Totals		250	7,000	1,000	

Iron Gulch Timber Sale - (Vicinity Map)



HWY - 81

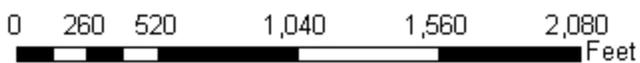
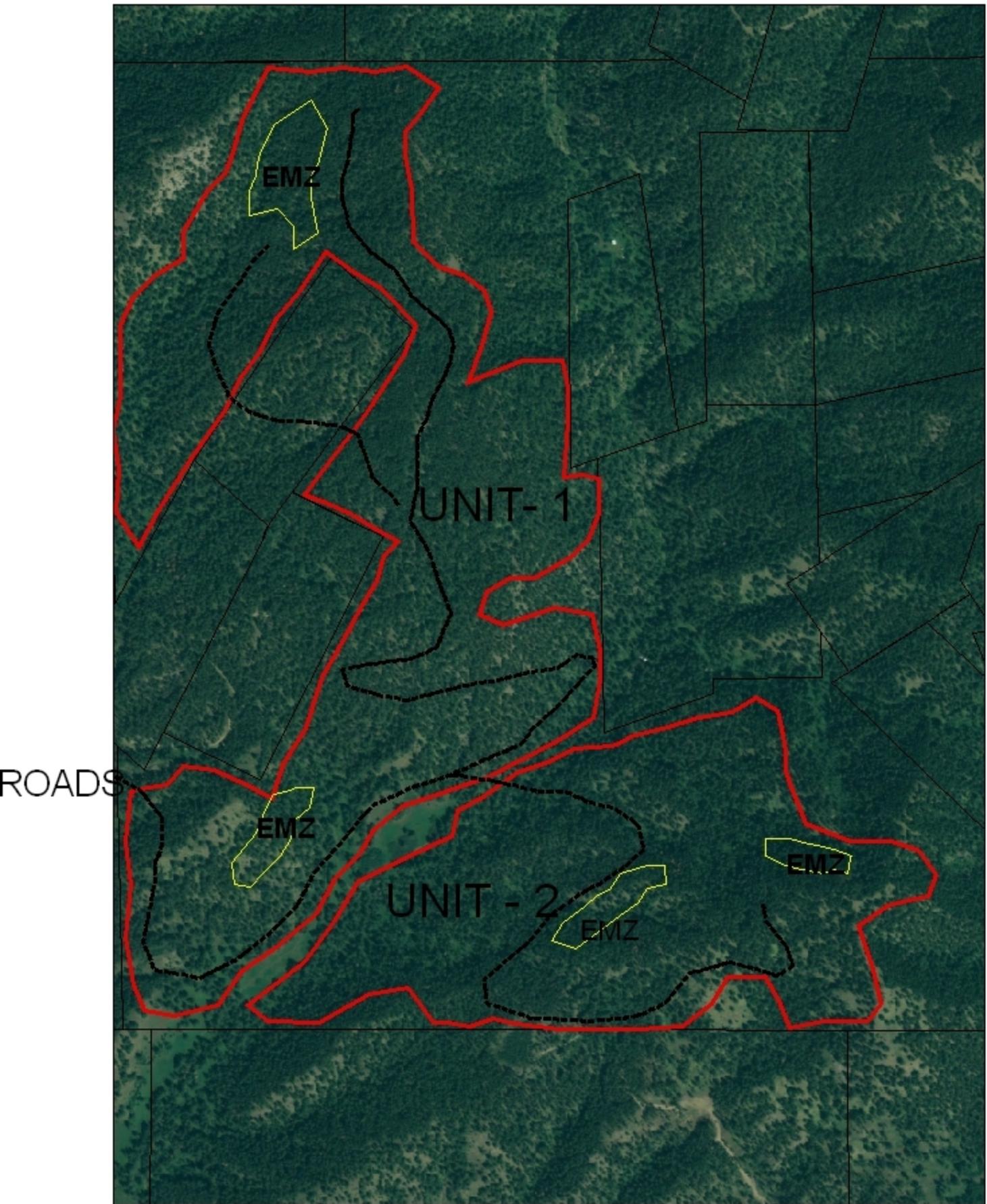
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HWY - 191

0 3,450 6,900 13,800 20,700 27,600 Feet

Lewistown
sec. 36, T18N, R17E

Iron Gulch Timber Sale - UNITS



sec. 36, T18N, R17E