



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

NOTICE OF SALE OF STUMPAGE ON STATE LANDS IN THE FOLLOWING AREA:
HIBBING AREA

STATUS: COMPLETED
REGULAR AUCTION - SALE #1
ORAL BID

Notice is hereby given that I offered for sale at public auction in Chisholm, MN at 9:00 AM on Thursday, June 2, 2016, timber belonging to the State of Minnesota. All tracts were offered at the Minnesota Discovery Center (Ironworld) in Chisholm, MN.

All of the timber offered was SFI and FSC certified.

The following pages list the lands upon which the timber was located, the estimated quantities of timber offered, the appraised prices, and the bid prices.



The resource management of the Minnesota DNR's state forests and wildlife management areas meets the objectives of the SFI ® program (Certificate No. NSF-SFI-FM-6Y921) and the principles of the FSC ® certification standard (Certificate No. SCS-FM/COC-00088N).

FSC
100%



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY
REGULAR AUCTION
ORAL BID TIMBER SALE
HIBBING AREA

9:00 AM on June 2, 2016
Minnesota Discovery Center (Ironworld) in Chisholm, MN

TERMS OF SALE

- This auction sale will be held according to Minnesota Statutes Sections 90.101 and 90.14. Timber shall be offered and sold by the same unit of measure as it was appraised. Sale shall be made to the responsible bidder who bids the highest price for all timber species advertised for bidding on each tract. Bidding above the appraised price shall be by increments of one (1) percent or more. The percent bid up will be added to the appraised price of each species indicated as a bid species by a plus symbol (+) on the Notice of Sale. Any or all bids may be rejected and sales canceled for good and sufficient reasons.

REGISTRATION AND ELIGIBLE BIDDERS

- Interested persons must be registered at least four (4) business days prior to the auction by submitting an *Annual Timber Sales Purchaser Registration* form. No bid will be accepted from anyone having a delinquent timber sale or trespass account or a willful timber trespass with any public agency in Minnesota, or from anyone who does not qualify as a Responsible Bidder as defined in Minnesota Statutes § 90.01 (12), or from anyone who has been debarred for cause by any public agency [M.S. § 90.041 (11)].

DOWN PAYMENT

- Purchasers of timber must pay a down payment of fifteen (15) percent of the appraised value of the timber at the time the purchaser's bid is approved. The down payment will be kept on deposit by the State and applied against any billings for timber. The purchaser may elect to have the down payment refunded if they post security for one hundred (100) percent of the bid price of the timber (see Security Required). If the purchaser does not sign the permit document within 45 days of sale, the down payment will forfeit to the State. A permit signature extension of 10 business days may be granted, provided the purchaser pays a \$200 penalty.

BID GUARANTEE

- For any bid increase in excess of \$10,000 of the appraised price, a bid guarantee equal to fifteen (15) percent of the total bid price of the timber less the down payment amount is required at the time the permit is signed. If the bid guarantee is not submitted with the signed permit, the permit cancels, and the down payment forfeits to the State. If the permit holder fails to execute an effective permit, the bid guarantee payment forfeits to the State.

PURCHASER AND LOGGER QUALIFICATIONS AND OPERATIONS REQUIREMENTS

- The purchaser or the purchaser's agents, employees, subcontractors, and assigns conducting logging operations on a timber permit must comply with the general industry safety standards for logging (e.g., LogSafe) adopted by the Commissioner of Labor and Industry and provide proof of compliance with these standards. The purchaser or the purchaser's agents, employees, subcontractors, and assigns conducting logging operations on a timber permit must comply with the State of Minnesota mandatory insurance requirements before harvest operations begin. A *Certification of Compliance with the Minnesota Workers' Compensation Law* form must be submitted each year. Before the start of harvest operations, the purchaser must certify that a designated foreperson, who will be supervising active logging operations, has a current certificate of completion from a logger education program (e.g., MLEP or FISTA) approved by the Commissioner of Natural Resources.

SECURITY REQUIRED

- The purchaser must furnish security equal to the total bid value of the permit, LESS the amount paid as a down payment and bid guarantee. Security can be furnished in the following forms: Corporate surety bond, Letter of Credit, certified check, cashier's check, personal check, money order, or by signing a Cutting Block Payment Agreement for individual cutting blocks, at least one business day prior to the start of any permit operations. If the purchaser elects to receive a refund of the down payment and bid guarantee, they must furnish security in a form described above, for one hundred (100) percent of the total bid value of the timber purchased. If the deferred cash payment for cutting blocks is selected, the down payment and bid guarantee WILL NOT be refunded. If the purchaser elects to secure a permit by prepayment of cutting block(s), they must make a written request on a form provided by the state. No harvesting is permitted until proper security has been furnished to and approved by the Commissioner of Natural Resources or his agent.

PERMIT TERMS

- A permit to harvest and remove the timber from state lands will be issued to the purchaser. NO permit shall be issued to anyone other than the purchaser in whose name the bid was made. All timber purchased on the permit must be harvested prior to the permit expiration date. All permits provide for the continuous identification of timber from the time of cutting until delivery to the consumer. Failure to continuously identify the timber as specified in the permit shall constitute trespass. Also, please note all harvest specifications on each tract being sold. Only one Regular Extension is permitted for exceptional circumstances. An annual interest rate of 5 percent may be charged on a regular extension for the period of the extension.

UNSOLD TRACTS

- On the next regular business day (8:00 AM - 4:30 PM, Monday - Friday, except holidays) after the date of the auction sale, unsold tracts may be available for over-the-counter purchase at the appraised price for a period of no more than one year. Unless canceled for reoffer at an earlier date, unsold tracts will be available until June 2, 2017, at the following Area Headquarters: Hibbing Area.

TRACT B1

COUNTY: ST. LOUIS

AREA: HIBBING AREA

ACRES: 63.8

Permit Number: B013283
Expiration Date: 05/31/2019

Purchased By: UPM - Blandin Paper

Address: 115 First Street SW, Grand Rapids, MN 55744

NESW,NWSW,SENW,SESW,SWNE,SWSE of Section 36 - Township 55, Range 19W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 150	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ MIXED SPRUCE	WOODSRUN CORDWOOD	1,520.00	Cd	14.96	22,739.20	37.40	56,848.00
+ TAMARACK	WOODSRUN CORDWOOD	260.00	Cd	5.61	1,458.60	14.03	3,647.80
+ ASPEN SPECIES	WOODSRUN CORDWOOD	110.00	Cd	23.85	2,623.50	59.63	6,559.30
BALSAM FIR	WOODSRUN CORDWOOD	5.00	Cd	14.03	70.15	14.03	70.15
RED MAPLE	WOODSRUN CORDWOOD	4.00	Cd	11.22	44.88	11.22	44.88
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$26,936.33	BID TOTAL = \$ 67,170.13
				ADVANCE PAYMENT =		\$4,040.45	

Optional Timber (may be purchased with an Added Timber Agreement):

ANY LISTED SPECIES BIOMASS 970.00 Tons 1.00 970.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 5%; Trembling Aspen 95%.
Mixed Spruce Woodsrun Cordwood includes: Black Spruce 99%; White Spruce 1%.

Cutting and Felling:

- Fell all live black spruce equal to or greater than 5 feet tall.

Season of Operations:

- Conduct sale operations on frozen soil conditions only, except with written permission from State.
- Frozen ground access across state land.

Sale Conditions:

- Permission to use ditch bank road across private land must be obtained by permittee.

Marketing Conditions:

Average DBH & sticks: black spruce-7"-4 sticks, tamarack-7"-4 sticks,
aspen-12"-5 sticks

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%
Stand Density: +10%
Operational Constraints: 0%
Other Price Factor: 0%

Appraiser:

Robb D. Maki

TRACT B2

COUNTY: ST. LOUIS

AREA: HIBBING AREA

ACRES: 86.9

Permit Number: B013284
Expiration Date: 05/31/2019

Purchased By:
Address:

UNSOLD

NESW,SWNW of Section 11; SENE of Section 10 - Township 56, Range 17W.
GL02,GL07,GL08,GL09 of Section 3 - Township 56, Range 17W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID:	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ BLACK SPRUCE	WOODSRUN CORDWOOD	545.00	Cd	12.24	6,670.80	12.24	6,670.80
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	175.00	Cd	19.51	3,414.25	19.51	3,414.25
+ TAMARACK	WOODSRUN CORDWOOD	140.00	Cd	4.59	642.60	4.59	642.60
+ BALSAM FIR	WOODSRUN CORDWOOD	72.00	Cd	11.47	825.84	11.47	825.84
NORTHERN HARDWOODS	WOODSRUN CORDWOOD	40.00	Cd	9.18	367.20	9.18	367.20
ANY LISTED SPECIES	BIOMASS	502.26	Tons	1.00	502.26	1.00	502.26

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$12,422.95 BID TOTAL = \$ 12,422.95
ADVANCE PAYMENT = \$1,863.44

Mixed Species Description:

Northern Hardwoods Woodsrun Cordwood includes: Paper Birch 65%; Red Maple 35%.

Marketing Conditions:

This is a reoffer of expired permits.
Black spruce contains 4% white spruce.
In cutting block #1 spruce is 2 to 4 stick, 5" to 11" DBH.
Tamarack avg. 4 stick, 7" to 13" DBH.
This cutting block averages 12 cords/acre
Appraiser: Tom Nikolanci

In cutting block #2 , aspen is 12" DBH ,5 - 6 stick
Balsam is 6" DBH, 3 - 4 stick.
Spruce is 8" DBH, 5 - 6 stick.
Appraiser: Roger Nelson

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%
Stand Density: -10%
Operational Constraints: 0%
Other Price Factor: 0%

Appraiser:

Thomas R. Nikolanci

TRACT B3 COUNTY: ST. LOUIS AREA: HIBBING AREA ACRES: 74.0

Permit Number: B013285 Purchased Over-the-Counter Date: 07/21/2016
 Expiration Date: 05/31/2019

Purchased By: Bell Timber Inc.
 Address: 4 Berger Avenue, Barron, WI 54812

NESE, NESW, NWSE, SENE, SESE, SWNE of Section 36 - Township 59, Range 20W.
 GL01, SWNE of Section 1 - Township 58, Range 20W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ MIXED SPRUCE	WOODSRUN MIXED PRODUCTS	935.00	Cd	17.00	15,895.00	17.00	15,895.00
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	475.00	Cd	21.68	10,298.00	21.68	10,298.00
+ TAMARACK	WOODSRUN CORDWOOD	250.00	Cd	5.10	1,275.00	5.10	1,275.00
PAPER BIRCH	WOODSRUN CORDWOOD	110.00	Cd	10.20	1,122.00	10.20	1,122.00
BALSAM FIR	WOODSRUN CORDWOOD	90.00	Cd	12.75	1,147.50	12.75	1,147.50

+ BID SPECIES * SOLD ON APPRAISED VOLUME
 APPRAISED TOTAL = \$29,737.50 BID TOTAL = \$ 29,737.50
 ADVANCE PAYMENT = \$4,460.63

Optional Timber (may be purchased with an Added Timber Agreement):

ANY LISTED SPECIES BIOMASS 336.00 Tons 1.00 336.00

Mixed Species Description:

Mixed Spruce Woodsrun Mixed Products includes: Black Spruce 92%; White Spruce 8%.

Mixed Product Description:

Mixed Spruce Woodsrun Mixed Products includes: Bolts 20%; Pulpwood 80%.

Cutting and Felling:

- Fell all live black spruce equal to or greater than 5 feet tall.

Season of Operations:

- Conduct all sale operations on frozen soil conditions only, except with written permission from State.
- Frozen ground access only.

Sale Conditions:

- Access is across U.S. Forest Service Rd #529A, State and St. Louis County if coming from the north and if coming from the south Potlatch, State and St. Louis County land.
- Permission to cross St. Louis County and Potlatch land must be obtained by permittee.
- Provisions of access and /or water crossing permits will become part of sale terms and conditions for this sale.
- Permit to haul over USFS system roads will be obtained by the State.

Marketing Conditions:

Aspen averages 11"DBH and 5 sticks, includes less than 1% Balm of Gilead.
 White Spruce averages 10"DBH and 6 sticks
 Black Spruce averages 7" DBH and 4 sticks
 Tamarack averages 9" DBH and 4 sticks

Price Adjustments:

Road Construction Costs: 0%
 Haul Distance to Nearest Mill: 0%
 Stand Density: 0%
 Operational Constraints: 0%
 Other Price Factor: 0%

Appraiser:

Amber M. Jungwirth

(Appraisal ID 11990-0; Cutting Block ID 14006-0)

TRACT B4 COUNTY: ST. LOUIS AREA: HIBBING AREA ACRES: 93.4

Permit Number: B013286
Expiration Date: 05/31/2019

Purchased By: Boise White Paper LLC
Address: 400 3rd Ave E, International Falls, MN 56649

GL01, GL02, GL03, GL04, GL05, SENE, SENW, SWNE of Section 6 - Township 61, Range 21W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 105	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	2,082.00	Cd	24.93	51,904.26	51.11	106,411.02
+ BALSAM FIR	WOODSRUN CORDWOOD	171.00	Cd	14.66	2,506.86	30.05	5,138.55
+ JACK PINE	WOODSRUN MIXED PRODUCTS	114.00	Cd	30.38	3,463.32	62.28	7,099.92
WHITE SPRUCE	WOODSRUN MIXED PRODUCTS	106.00	Cd	22.48	2,382.88	22.48	2,382.88
NORTHERN HARDWOODS	WOODSRUN CORDWOOD	74.00	Cd	8.06	596.44	8.06	596.44
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$60,853.76	BID TOTAL = \$	121,628.81
				ADVANCE PAYMENT =	\$9,128.06		

Optional Timber (may be purchased with an Added Timber Agreement):

ANY LISTED SPECIES BIOMASS 1,068.00 Tons 1.00 1,068.00

Mixed Species Description:

Northern Hardwoods Woodsrun Cordwood includes: Ash 75%; Paper Birch 15%; Red Maple 10%.

Mixed Product Description:

Jack Pine Woodsrun Mixed Products includes: Bolts 55%; Pulpwood 45%.
White Spruce Woodsrun Mixed Products includes: Bolts 35%; Pulpwood 65%.

Season of Operations:

- Conduct sale operations on frozen soil conditions only, except with written permission from State.

Sale Conditions:

- Access is across State land.

Marketing Conditions:

Averages:
Aspen 9" DBH and 5-6 Sticks but varies greatly in all stands.
Balsam Fir 7" DBH and 4 Sticks
Jack Pine 8-9" DBH and 7 Sticks
White Spruce 8" DBH and 5 Sticks
Northern Hardwoods 7" DBH and 3-4 Sticks

Trembling Aspen contains 2% Balm of Gilead

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%
Stand Density: +5%
Operational Constraints: 0%
Other Price Factor: +10% (Access)

Appraiser:

Andrew E. Carlson

TRACT B5

COUNTY: ITASCA

AREA: HIBBING AREA

ACRES: 61.6

Permit Number: B013287
Expiration Date: 05/31/2019

Purchased By: Michael H. Rieger
Address: 61559 Co. Road 26, Northome, MN 56661

GL04,SWNW of Section 4 - Township 61, Range 23W.
NWSW,SESW,SWSW of Section 33; NESE,SESE of Section 32 - Township 62, Range 23W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 57	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ PINE SPECIES	WOODSRUN MIXED PRODUCTS	800.00	Cd	31.66	25,328.00	49.71	39,768.00
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	150.00	Cd	21.68	3,252.00	34.04	5,106.00
BALSAM FIR	WOODSRUN CORDWOOD	110.00	Cd	12.75	1,402.50	12.75	1,402.50
NORTHERN HARDWOODS	WOODSRUN CORDWOOD	30.00	Cd	10.20	306.00	10.20	306.00
WHITE SPRUCE	WOODSRUN CORDWOOD	5.00	Cd	13.60	68.00	13.60	68.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$30,356.50	BID TOTAL = \$	46,650.50
				ADVANCE PAYMENT =	\$4,553.48		

Mixed Species Description:

Northern Hardwoods Woodsrun Cordwood includes: Paper Birch 67%; Red Maple 33%.
Pine Species Woodsrun Mixed Products includes: Jack Pine 29%; Norway Pine 71%.

Mixed Product Description:

Pine Species Woodsrun Mixed Products includes: Bolts 75%; Pulpwood 25%.

Cutting and Felling:

- Trees must be processed at the stump and cut products forwarded to the landing.

Season of Operations:

- Conduct sale operations on dry/frozen soil conditions only, except with written permission from State.
- Road work will need to be done for good summer access possibility.

Sale Conditions:

- Access is across state land.

Marketing Conditions:

Mixed Pine averages 7 sticks; 8" DBH

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%
Stand Density: 0%
Operational Constraints: 0%
Other Price Factor: 0%

Appraiser:

Jeff J. Sirjord

TRACT B6 COUNTY: ITASCA AREA: HIBBING AREA ACRES: 60.1
 Permit Number: B013288
 Expiration Date: 05/31/2019

Purchased By: Bell Timber Inc.
Address: 4 Berger Avenue, Barron, WI 54812

NENW,NESW,NWNE,NWNW,NWSE,SENW,SWNE of Section 16 - Township 62, Range 23W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 20	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ PINE SPECIES	WOODSRUN MIXED PRODUCTS	2,675.00	Cd	49.62	132,733.50	59.54	159,269.50
NORTHERN HARDWOODS	WOODSRUN CORDWOOD	100.00	Cd	11.22	1,122.00	11.22	1,122.00
BALSAM FIR	WOODSRUN CORDWOOD	25.00	Cd	14.03	350.75	14.03	350.75
WHITE SPRUCE	WOODSRUN MIXED PRODUCTS	18.00	Cd	25.24	454.32	25.24	454.32

+ BID SPECIES * SOLD ON APPRAISED VOLUME
 APPRAISED TOTAL = \$134,660.57 BID TOTAL = \$ 161,196.57
 ADVANCE PAYMENT = \$20,199.09

Optional Timber (may be purchased with an Added Timber Agreement):

ANY LISTED SPECIES BIOMASS 1,397.00 Tons 1.00 1,397.00

Mixed Species Description:

Northern Hardwoods Woodsrun Cordwood includes: Paper Birch 85%; Red Maple 15%.
 Pine Species Woodsrun Mixed Products includes: Jack Pine 1%; Norway Pine 90%; White Pine 9%.

Mixed Product Description:

Pine Species Woodsrun Mixed Products includes: Bolts 30%; Pulpwood 5%; Sawtimber 65%.
 White Spruce Woodsrun Mixed Products includes: Bolts 55%; Pulpwood 45%.

Cutting and Felling:

- Broadcast, full tree skidding required across entire site to kill hazel brush and scarify the site for regeneration.

Season of Operations:

- Conduct sale operations on dry / snow free soil conditions only, except with written permission from State.

Sale Conditions:

- Access is across state land.

Marketing Conditions:

Red Pine averages 8-9 Sticks and 14"DBH
 White Pine 5-6 sticks and 11"DBH

Prices increased 10% due to stand density

Price Adjustments:

Road Construction Costs: 0%
 Haul Distance to Nearest Mill: 0%
 Stand Density: +10%
 Operational Constraints: 0%
 Other Price Factor: 0%

Appraiser:

Andrew E. Carlson

Harvest specifications and additional information about each tract may be obtained upon request from the following
DNR Area Forestry Office:

HIBBING AREA

The right is reserved to reject any and all bids.

For the Commissioner
MINNESOTA DEPARTMENT OF NATURAL RESOURCES

By: _____
Authorized Signature
Division Of Forestry
Dated: June 2, 2016

- SUMMARY SHEET -

06/02/2016 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 12/26/2017

HIBBING AREA

SUMMARY FOR SOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
WOODSRUN MIXED PRODUCTS	PINE SPECIES	3,475.00	Cd	57.28	199,037.50
	JACK PINE	114.00	Cd	62.28	7,099.92
	WHITE SPRUCE	124.00	Cd	22.88	2,837.20
	MIXED SPRUCE	935.00	Cd	17.00	15,895.00
WOODSRUN CORDWOOD	ASPEN SPECIES	110.00	Cd	59.63	6,559.30
	TREMBLING ASPEN	2,707.00	Cd	45.08	122,025.82
	PAPER BIRCH	110.00	Cd	10.20	1,122.00
	NORTHERN HARDWOODS	204.00	Cd	9.92	2,024.44
	RED MAPLE	4.00	Cd	11.22	44.88
	WHITE SPRUCE	5.00	Cd	13.60	68.00
	BALSAM FIR	401.00	Cd	20.22	8,109.45
	TAMARACK	510.00	Cd	9.65	4,922.80
	MIXED SPRUCE	1,520.00	Cd	37.40	56,848.00
BIOMASS	ANY LISTED SPECIES <i>(optional)</i>	3,771.00	Tons	-	0.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 10,219.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 282,544.66
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 426,594.31
TOTAL ACRES SOLD: 352.9
SOLD TRACT NUMBERS: 1, 3, 4, 5, 6
TOTAL NUMBER OF TRACTS SOLD: 5

SUMMARY FOR UNSOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	APPRAISED AVERAGE UNIT PRICE	APPRAISED \$ VALUE
WOODSRUN CORDWOOD	TREMBLING ASPEN	175.00	Cd	19.51	3,414.25
	NORTHERN HARDWOODS	40.00	Cd	9.18	367.20
	BALSAM FIR	72.00	Cd	11.47	825.84
	BLACK SPRUCE	545.00	Cd	12.24	6,670.80
	TAMARACK	140.00	Cd	4.59	642.60
BIOMASS	ANY LISTED SPECIES	502.26	Tons	1.00	502.26

TOTAL UNSOLD TRACTS CONVERTED TO CORDS: 972.00
TOTAL APPRAISED DOLLAR VALUE OF UNSOLD TRACTS: \$ 12,422.95
TOTAL ACRES UNSOLD: 86.9
UNSOLD TRACT NUMBER: 2
TOTAL NUMBER OF TRACTS UNSOLD: 1