



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

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

STATUS: COMPLETED
REGULAR AUCTION - SALE #1
ORAL BID

Notice is hereby given that I offered for sale at public auction in Bemidji, MN at 10:00 AM on Tuesday, December 13, 2016, timber belonging to the State of Minnesota. All tracts were offered at the Beltrami Electric Cooperative in Bemidji, 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
BEMIDJI AREA

10:00 AM on December 13, 2016
Beltrami Electric Cooperative in Bemidji, 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 December 13, 2017, at the following Area Headquarters: Bemidji Area.

TRACT B1 COUNTY: CLEARWATER AREA: BEMIDJI AREA ACRES: 76.8

Permit Number: B013496
Expiration Date: 05/31/2019

Purchased By: Dukek Logging Inc.
Address: 23873 Timber Trail Drive, Bemidji, MN 56601

NESW,NWNW,NWSE,NWSW,SESW,SWNW,SWSE of Section 16 - Township 144, Range 36W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 86	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	WOODSRUN MIXED PRODUCTS	760.00	Cd	26.30	19,988.00	48.92	37,179.20
+ WHITE SPRUCE	WOODSRUN MIXED PRODUCTS	40.00	Cd	15.75	630.00	29.30	1,172.00
ANY LISTED SPECIES	BIOMASS	222.00	Tons	1.00	222.00	1.00	222.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$20,840.00	BID TOTAL = \$ 38,573.20
				ADVANCE PAYMENT =		\$3,126.00	

Mixed Product Description:

Norway Pine Woodsrun Mixed Products includes: Bolts 60%; Pulpwood 40%.
White Spruce Woodsrun Mixed Products includes: Bolts 25%; Pulpwood 75%.

Season of Operations:

- Conduct sale operations on dry or frozen soil conditions only, except with written permission from State.
- No piled cut products will be allowed to remain on site during road restrictions. They must be hauled off site before road signs are posted.

Slash Disposal:

- Keep all access trails and hunter walking trails free of logging residue.

Sale Conditions:

- Access is across State land.

Marketing Conditions:

Sale located 15 miles south of Shevlin
Dbh ave is 8 in and ht ave is 6 sticks

Price Adjustments:

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

Appraiser:

Nick L. Severson

TRACT B2 COUNTY: CASS AREA: BEMIDJI AREA ACRES: 59.8

Permit Number: B013497
Expiration Date: 05/31/2020

Purchased By: Forseen Logging LLC
Address: 64055 Co Rd 26, Northome, MN 56661

,NWSE,SWNE of Section 22; NESW of Section 23 - Township 145, Range 29W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 80	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	WOODSRUN MIXED PRODUCTS	230.00	Cd	27.75	6,382.50	49.95	11,488.50
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	190.00	Cd	18.75	3,562.50	33.75	6,412.50
+ PAPER BIRCH	WOODSRUN MIXED PRODUCTS	140.00	Cd	9.80	1,372.00	17.64	2,469.60
BALSAM FIR	WOODSRUN CORDWOOD	70.00	Cd	9.20	644.00	9.20	644.00
* RED MAPLE	WOODSRUN CORDWOOD	15.00	Cd	9.20	138.00	9.20	138.00
* RED OAK	WOODSRUN CORDWOOD	15.00	Cd	13.75	206.25	13.75	206.25
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$12,305.25	BID TOTAL = \$	21,358.85
				ADVANCE PAYMENT =	\$1,845.79		

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

ANY LISTED SPECIES BIOMASS 300.00 Tons 0.90 270.00

Mixed Product Description:

Norway Pine Woodsrun Mixed Products includes: Bolts 60%; Pulpwood 32%; Sawtimber 8%.
Paper Birch Woodsrun Mixed Products includes: Bolts 10%; Pulpwood 90%.

Season of Operations:

- Operate during non-rutting soil conditions. Refer to DNR rutting guidelines.

Sale Conditions:

- Access is across state land land.

Marketing Conditions:

Sale is located 14 mile east of Cass Lake, adjacent to hwy #2. There are two separate stands approx. 1/2 mile apart. This is 1st entry pine thinning. Norway Pine averages 8" dbh and 4-5 sticks. Aspen averages 8" and 4 sticks. Paper Birch ave 9" and 4 sticks. In the western stand there are 2 areas of large N Pine marked for Selective thinning ave 16" 9 sticks. Both stands have road access directly off hwy 2

Price Adjustments:

Road Construction Costs: +10%
Haul Distance to Nearest Mill: +5%
Stand Density: 0%
Operational Constraints: 0%
Other Price Factor: -25% (25% reduction for first entry thinning)

Appraiser:

Ernest T. Schmitt

TRACT B3	COUNTY: BELTRAMI	AREA: BEMIDJI AREA	ACRES: 22.6
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Permit Number: B013498
 Expiration Date: 05/31/2019

Purchased By: Hooker Logging Inc.
Address: 40109 County Road 3, LaPorte, MN 56461

SESW,SWSW of Section 22 - Township 146, Range 35W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ BLACK SPRUCE	WOODSRUN MIXED PRODUCTS	295.00	Cd	12.40	3,658.00	12.40	3,658.00
+ TAMARACK	WOODSRUN CORDWOOD	120.00	Cd	4.60	552.00	4.60	552.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$4,210.00	BID TOTAL = \$ 4,210.00
				ADVANCE PAYMENT =		\$631.50	

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

ANY LISTED SPECIES	BIOMASS	200.00 Tons	0.90	180.00
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Mixed Product Description:

Black Spruce Woodsrun Mixed Products includes: Bolts 10%; Pulpwood 90%.

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:

Sale is approximately 6 miles south of Solway, MN
 Spruce average 3 sticks tall and 7in diameter
 Tamarack average 4 sticks tall and 7in diameter

Price Adjustments:

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

Appraiser:

David Fraundorf

TRACT B4 COUNTY: BELTRAMI AREA: BEMIDJI AREA ACRES: 21.5
 Permit Number: B013499
 Expiration Date: 05/31/2020

Purchased By: Ronald G. Krueth
Address: 38981 Firewood Ln, Kelliher, MN 56650

SESW of Section 11 - Township 151, Range 31W.
 NWNW of Section 14 - Township 151, Range 31W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 150	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN MIXED PRODUCTS	680.00	Cd	22.50	15,300.00	56.25	38,250.00
+ BALSAM FIR	WOODSRUN MIXED PRODUCTS	70.00	Cd	13.75	962.50	34.38	2,406.60
ASH	WOODSRUN CORDWOOD	23.00	Cd	6.55	150.65	6.55	150.65
PAPER BIRCH	WOODSRUN CORDWOOD	22.00	Cd	11.20	246.40	11.20	246.40

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$16,659.55
 ADVANCE PAYMENT = \$2,498.93
 BID TOTAL = \$ 41,053.65

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

ANY LISTED SPECIES BIOMASS 290.00 Tons 1.10 319.00

Mixed Species Description:

Aspen Species Woodsrun Mixed Products includes: Balm of Gilead 13%; Trembling Aspen 87%.

Mixed Product Description:

Aspen Species Woodsrun Mixed Products includes: Bolts 15%; Pulpwood 85%.
 Balsam Fir Woodsrun Mixed Products includes: Bolts 15%; Pulpwood 85%.

Cutting and Felling:

- Multiple cutting block sale, see individual cutting blocks for specifications (Cutting Block 1).

Season of Operations:

- Conduct sale operations on dry / frozen soil conditions only, except with written permission from State (Cutting Blocks 1 and 2).
- Approximately 40% of block 2 could be operated on under dry conditions if access through private land is obtained (Cutting Block 2).
- Approximately 50% of block 1 could be operated on under dry conditions (Cutting Block 1).

Slash Disposal:

- Biomass harvest is allowed on this permit. An Added Timber Agreement is required (Cutting Blocks 1 and 2).

Site, Soil and Water Protection:

- Wetlands requiring filter strips occur on this permit (Cutting Block 2).

Landings Roads and Trails:

- Access road is also used for a private gravel operation and must be kept open and useable (Cutting Blocks 1 and 2).

Sale Conditions:

- Access is across Beltrami County and Private land (Cutting Block 2).
- Access for block 2 under dry conditions is possible only by crossing private. Alternate access through State is frozen ground and requires at least 500ft new road construction (Cutting Block 2).

Marketing Conditions:

Aspen / Balm 6 sticks & 30 cord /acre, 12 " dbh

Birch, Fir, Ash 4 - 6 sticks

Sale located on east side of Corlan Rd. Access (GPS) is about 100 feet north of Pine Ridge Cemetery entrance on east side of road.

Price Adjustments:

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

Appraiser:

Glen W. Laginess

(Appraisal ID 12213-0; Cutting Block ID 14288-0, 14285-0)

TRACT B5 COUNTY: BELTRAMI AREA: BEMIDJI AREA ACRES: 65.0

Permit Number: B013500
Expiration Date: 05/31/2019

Purchased By: Brower- Stomberg Logging
Address: 39813 Log LN NE, Kelliher, MN 56650

GL02,NESE,NWSE,SENE of Section 35; NESW,NWSW,SENW,SWNW of Section 36 - Township 152, Range 31W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 221	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	2,000.00	Cd	20.85	41,700.00	66.93	133,860.00
PAPER BIRCH	WOODSRUN CORDWOOD	125.00	Cd	10.20	1,275.00	10.20	1,275.00
ASH	WOODSRUN CORDWOOD	110.00	Cd	5.95	654.50	5.95	654.50
BALSAM FIR	WOODSRUN CORDWOOD	25.00	Cd	10.20	255.00	10.20	255.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$43,884.50 BID TOTAL = \$ 136,044.50
 ADVANCE PAYMENT = \$6,582.68

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

ANY LISTED SPECIES	BIOMASS	1,100.00	Tons	1.00	1,100.00
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Mixed Species Description:

Aspen Species Woodsrunk Cordwood includes: Balm of Gilead 2%; Trembling Aspen 98%.

Marketing Conditions:

Aspen is 60 years old and averages 10" dbh and 5 sticks/tree.

Paper birch and ash average 6" dbh and 2 sticks/tree.

Access is north off of Cormant RD NE across state land.

The sale is located 40 miles from Bemidji, 80 miles from International Falls, and 80 miles from Grands Rapids.

Price Adjustments:

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

Appraiser:

Joseph D. Blake

TRACT B6 COUNTY: BELTRAMI AREA: BEMIDJI AREA ACRES: 42.5

Permit Number: B013501
 Expiration Date: 05/31/2020

Purchased By: Ronald G. Krueth
 Address: 38981 Firewood Ln, Kelliher, MN 56650

SENE of Section 24 - Township 153, Range 31W.
 GL02, GL03, SENW of Section 19 - Township 153, Range 30W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 115	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	WOODSRUN CORDWOOD	310.00	Cd	18.25	5,657.50	39.24	12,164.40
+ ASH	WOODSRUN MIXED PRODUCTS	180.00	Cd	6.55	1,179.00	14.08	2,534.40
+ BASSWOOD	WOODSRUN MIXED PRODUCTS	140.00	Cd	8.45	1,183.00	18.17	2,543.80
+ MIXED HARDWOODS	WOODSRUN MIXED PRODUCTS	115.00	Cd	9.65	1,109.75	20.75	2,386.25
BALSAM FIR	WOODSRUN CORDWOOD	25.00	Cd	9.20	230.00	9.20	230.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$9,359.25	
				ADVANCE PAYMENT =		\$1,403.89	
						BID TOTAL = \$ 19,858.85	

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

ANY LISTED SPECIES BIOMASS 470.00 Tons 0.90 423.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 15%; Trembling Aspen 85%.
 Mixed Hardwoods Woodsrun Mixed Products includes: Paper Birch 83%; Red Maple 17%.

Mixed Product Description:

Ash Woodsrun Mixed Products includes: Bolts 17%; Pulpwood 83%.
 Basswood Woodsrun Mixed Products includes: Bolts 13%; Pulpwood 87%.
 Mixed Hardwoods Woodsrun Mixed Products includes: Bolts 8%; Pulpwood 92%.

Season of Operations:

- Conduct sale operations on dry/frozen soil conditions only, except with written permission from State.
- Non-frozen harvest is only possible if permit holder improves the minimum maintenance forest road that will be used for access to the sale.

Sale Conditions:

- Access is across state land.

Marketing Conditions:

From Kelliher, drive north 1 mile to the Waldo Rd. and take a left. Drive 7.7 miles to the Shotley Rd. and take another left. After driving 1 mile west, take a right and go north on the minimum maintenance road 0.5 miles to the sale. About 60% of the aspen in the sale is high quality with an average of 10 inches DBH and 7 sticks. The remaining aspen and balm is older with larger diameter. Quality of the hardwoods is average in most areas throughout the sale with an overall average of 10 inches DBH and 3 to 7 sticks. Because of the age of the stand, larger diameter hardwoods will have some degree of rot in the butt log. Bur oak is not a designated harvest species and is present in moderate densities in pockets throughout the stand. Additional care must be taken to prevent damaging residual stems unless otherwise specified by the TSA.

Price Adjustments:

Road Construction Costs: 0%
 Haul Distance to Nearest Mill: 0%
 Stand Density: -5%

Operational Constraints: 0%
Other Price Factor: -5% (Quality)

Appraiser:

Joe Renik

(Appraisal ID 12555-0; Cutting Block ID 14659-0)

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

BEMIDJI 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: December 13, 2016

- SUMMARY SHEET -

12/13/2016 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 12/27/2017

BEMIDJI AREA

SUMMARY FOR SOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
WOODSRUN MIXED PRODUCTS	ASH	180.00	Cd	14.08	2,534.40
	ASPEN SPECIES	680.00	Cd	56.25	38,250.00
	PAPER BIRCH	140.00	Cd	17.64	2,469.60
	BASSWOOD	140.00	Cd	18.17	2,543.80
	NORWAY PINE	990.00	Cd	49.16	48,667.70
	WHITE SPRUCE	40.00	Cd	29.30	1,172.00
	BALSAM FIR	70.00	Cd	34.38	2,406.60
	BLACK SPRUCE	295.00	Cd	12.40	3,658.00
	MIXED HARDWOODS	115.00	Cd	20.75	2,386.25
WOODSRUN CORDWOOD	ASH	133.00	Cd	6.05	805.15
	ASPEN SPECIES	2,310.00	Cd	63.21	146,024.40
	TREMBLING ASPEN	190.00	Cd	33.75	6,412.50
	PAPER BIRCH	147.00	Cd	10.35	1,521.40
	RED MAPLE	15.00	Cd	9.20	138.00
	RED OAK	15.00	Cd	13.75	206.25
	BALSAM FIR	120.00	Cd	9.41	1,129.00
	TAMARACK	120.00	Cd	4.60	552.00
BIOMASS	ANY LISTED SPECIES	222.00	Tons	1.00	222.00
	ANY LISTED SPECIES (optional)	2,360.00	Tons	-	0.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 5,700.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 107,258.55
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 261,099.05
TOTAL ACRES SOLD: 288.2
TOTAL NUMBER OF TRACTS SOLD: 6