



MINNESOTA DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF FORESTRY

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

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**STATUS: COMPLETED**  
**REGULAR AUCTION - SALE #1**  
**ORAL BID**

Notice is hereby given that I offered for sale at public auction in Bigfork, MN at 9:00 AM on Wednesday, December 5, 2018, timber belonging to the State of Minnesota. All tracts were offered at the Bigfork town hall in Bigfork, 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  
DEER RIVER AREA

9:00 AM on December 5, 2018  
Bigfork town hall in Bigfork, 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 5, 2019, at the following Area Headquarters: Deer River Area.

<b>TRACT B1</b>	COUNTY: ITASCA	AREA: DEER RIVER AREA	ACRES: 32.0
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Permit Number: B014056  
 Expiration Date: 05/31/2021

Purchased By: UPM - Blandin Paper  
 Address: 115 First Street SW, Grand Rapids, MN 55744

GL08,SENW,SWNW of Section 13 - Township 55, Range 26W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	PULPWOOD	415.00	Cd	21.60	8,964.00	21.60	8,964.00
RED MAPLE	PULPWOOD	65.00	Cd	10.80	702.00	10.80	702.00
NORWAY PINE	PULP & BOLTS	15.00	Cd	29.02	435.30	29.02	435.30
+ BID SPECIES      * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$10,101.30	BID TOTAL = \$	10,101.30
				ADVANCE PAYMENT =	\$1,515.20		

**Mixed Species Description:**

Aspen Species Pulpwood includes: Largetooth Aspen 60%; Trembling Aspen 40%.

**Mixed Product Description:**

Norway Pine Pulp & Bolts includes: Bolts 75%; Pulpwood 25%.

**Marketing Conditions:**

Price reduced for all permit species due to stand density from thinning.

Process at the stump regulation due to maintaining aesthetics in this high public use area and protecting current trail system. The trail system will be utilized by forwarder for moving timber from cutting blocks to main landing and haul road area.

**Price Adjustments:**

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

**Appraiser:**

Joshua M. Donatell

**TRACT B2** COUNTY: CASS AREA: DEER RIVER AREA ACRES: 11.6

Permit Number: B014057  
Expiration Date: 05/31/2021

Purchased By: Rajala Timber Company  
Address: PO Box 21731784 Great Lakes Road, Deer River, MN 56636

NENE of Section 7 - Township 144, Range 26W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	PULPWOOD	245.00	Cd	24.00	5,880.00	24.00	5,880.00
+ BALSAM FIR	PULPWOOD	100.00	Cd	17.00	1,700.00	17.00	1,700.00
PAPER BIRCH	PULPWOOD	30.00	Cd	11.00	330.00	11.00	330.00
ASH	PULPWOOD	25.00	Cd	9.00	225.00	9.00	225.00
RED MAPLE	PULPWOOD	5.00	Cd	12.00	60.00	12.00	60.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$8,195.00	BID TOTAL = \$	8,195.00
				ADVANCE PAYMENT =	\$1,229.25		

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

ANY LISTED SPECIES BIOMASS 187.00 Tons 1.00 187.00

**Season of Operations:**

- Conduct sale operations on extremely dry/frozen soil conditions only, except with written permission from State.
- Sale area will only be non-frozen accessible in extremely dry years.

**Sale Conditions:**

- Access is across USFS land.
- Provisions of access and /or water crossing permits will become part of sale terms and conditions for this sale.

**Marketing Conditions:**

Access location is off the South of Hwy 2, 4 miles West of Ball Club.  
Access road will require brushing and dozing.

**Price Adjustments:**

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

**Appraiser:**

John J. Segari

**TRACT B3**

**COUNTY: ITASCA**

**AREA: DEER RIVER AREA**

**ACRES: 405.3**

Permit Number: B014058  
Expiration Date: 05/31/2022

Purchased By:  
Address:

# UNSOLD

SESE,SWSE of Section 29; NENW,NESW,NWNW,NWSW,SESW,SWNW,SWSE,SWSW of Section 33; NENE,NESE,NWNE,NWNW,NWSE,SENE,SESE,SWNE of Section 32; SESW,SWSW of Section 28 - Township 147, Range 26W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID:	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
NORWAY PINE	WOODSRUN SAWTIMBER (SOFTWOOD ONLY)	35.00	MBF	102.00	3,570.00	102.00	3,570.00
+ TAMARACK	PULPWOOD	4,590.00	Cd	5.10	23,409.00	5.10	23,409.00
+ BLACK SPRUCE	PULPWOOD	1,520.00	Cd	16.15	24,548.00	16.15	24,548.00
+ TREMBLING ASPEN	PULPWOOD	320.00	Cd	20.40	6,528.00	20.40	6,528.00
BALSAM FIR	PULP & BOLTS	165.00	Cd	15.98	2,636.70	15.98	2,636.70
NORTHERN HARDWOODS	PULPWOOD	40.00	Cd	9.08	363.20	9.08	363.20

+ BID SPECIES      \* SOLD ON APPRAISED VOLUME

APPRAISED TOTAL =	\$61,054.90	BID TOTAL = \$	61,054.90
ADVANCE PAYMENT =	\$9,158.24		

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

ANY LISTED SPECIES	BIOMASS	2,425.00 Tons	0.85	2,061.25
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**Mixed Species Description:**

Northern Hardwoods Pulpwood includes: Ash 25%; Paper Birch 57%; Red Maple 18%.

**Mixed Product Description:**

Balsam Fir Pulp & Bolts includes: Bolts 20%; Pulpwood 80%.

Norway Pine Woodsrunk Sawtimber (Softwood only) includes: Pulpwood 10%; Sawlog-Grade 3 90%.

**Season of Operations:**

- Upland timber may be accessible during dry conditions. Remaining harvest area will require frozen soil conditions.

**Sale Conditions:**

- Access is across USFS and State land.

**Marketing Conditions:**

Northern third of lowland cutting unit is significantly infested with eastern larch bark beetle. Consider harvesting the tamarack early in the contract to maximize salvage of this species.

**Price Adjustments:**

Road Construction Costs: -5%

Haul Distance to Nearest Mill: 0%

Stand Density: -5%

Operational Constraints: 0%

Other Price Factor: -5% (tamarack salvage)

**Appraiser:**

Daniel D. Hertle

**TRACT B4** COUNTY: KOOCHICHING AREA: DEER RIVER AREA ACRES: 19.5

Permit Number: B014059  
Expiration Date: 05/31/2021

Purchased By: Rajala Timber Company  
Address: PO Box 21731784 Great Lakes Road, Deer River, MN 56636

NENE,SESE of Section 22; NWSW,SWNW of Section 16 - Township 152, Range 26W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 30	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	PULP & BOLTS	155.00	Cd	26.09	4,043.95	33.92	5,257.60
+ BALSAM FIR	PULPWOOD	65.00	Cd	14.45	939.25	18.79	1,221.35
+ TREMBLING ASPEN	PULPWOOD	60.00	Cd	20.40	1,224.00	26.52	1,591.20
PAPER BIRCH	PULPWOOD	8.00	Cd	9.35	74.80	9.35	74.80
WHITE SPRUCE	PULPWOOD	2.00	Cd	16.15	32.30	16.15	32.30
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$6,314.30	BID TOTAL = \$	8,177.25
				ADVANCE PAYMENT =	\$947.15		

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

ANY LISTED SPECIES BIOMASS 147.00 Tons 0.85 124.95

**Mixed Product Description:**

Norway Pine Pulp & Bolts includes: Bolts 70%; Pulpwood 30%.

**Season of Operations:**

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

**Sale Conditions:**

- Access is across State land.

**Marketing Conditions:**

Sale is located on the East Gemmill Ridge SFR, 3.6 miles from US Hwy 71.  
Stand 104: Second entry thin, Pine averages 6 sticks and 11" DBH. 150 BA, thin to 90 BA.  
Stand 206 is a first entry thin that has a heavy component of aspen, balsam and birch.. Aspen averages 4 sticks, balsam fir averages 3 sticks.

**Price Adjustments:**

Road Construction Costs: 0%  
Haul Distance to Nearest Mill: 0%  
Stand Density: 0%  
Operational Constraints: 0%  
Other Price Factor: -15% (Part of sale is first thinning.)

**Appraiser:**

Garrett Mann

**TRACT B5** COUNTY: KOOCHICHING AREA: DEER RIVER AREA ACRES: 33.1

Permit Number: B014060  
Expiration Date: 05/31/2021

Purchased By: Brian Krueh  
Address: 16872 N Blackduck Lake Rd NE, Hines, MN 56647

NENW,NWNE,NWNW,SEW,SWNE of Section 12 - Township 152, Range 27W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 65	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	PULPWOOD	650.00	Cd	24.00	15,600.00	39.60	25,740.00
BALSAM FIR	PULP & BOLTS	60.00	Cd	18.80	1,128.00	18.80	1,128.00
PAPER BIRCH	PULP & BOLTS	30.00	Cd	12.80	384.00	12.80	384.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$17,112.00	BID TOTAL = \$	27,252.00
				ADVANCE PAYMENT =	\$2,566.80		

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

ANY LISTED SPECIES BIOMASS 340.00 Tons 1.00 340.00

**Mixed Product Description:**

Balsam Fir Pulp & Bolts includes: Bolts 20%; Pulpwood 80%.  
Paper Birch Pulp & Bolts includes: Bolts 20%; Pulpwood 80%.

**Season of Operations:**

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

**Sale Conditions:**

- Access is across State and Koochiching County land.  
- Permission to cross Koochiching County land must be obtained by permittee.

**Marketing Conditions:**

Permit is located approximately 0.4 miles southeast of Blue Ox Trail, approximately 0.2 miles south of East Gemell Ridge Forest Road.

Permit is best accessible by Blue Ox Trail.

Aspen contains less than 10% balm of Gilead.

Majority of permit is comprised of two aspen stands, ages 32 and 64.

**Price Adjustments:**

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

**Appraiser:**

Matthew T. Pollard

**TRACT B6** COUNTY: KOOCHICHING AREA: DEER RIVER AREA ACRES: 11.0

Permit Number: B014061  
Expiration Date: 05/31/2021

Purchased By: Packaging Corporation of America  
Address: 400 Third Ave East, International Falls, MN 56649

SWNW of Section 1 - Township 152, Range 27W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 21	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	PULPWOOD	170.00	Cd	24.19	4,112.30	29.27	4,975.90
WHITE CEDAR	PULP & BOLTS	65.00	Cd	8.40	546.00	8.40	546.00
BALSAM FIR	PULP & BOLTS	30.00	Cd	20.21	606.30	20.21	606.30
PAPER BIRCH	PULP & BOLTS	15.00	Cd	14.38	215.70	14.38	215.70
ASH	PULP & BOLTS	10.00	Cd	11.55	115.50	11.55	115.50
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$5,595.80	BID TOTAL = \$	6,459.40
				ADVANCE PAYMENT =	\$839.37		

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

ANY LISTED SPECIES BIOMASS 130.00 Tons 1.00 130.00

**Mixed Species Description:**

Aspen Species Pulpwood includes: Balm of Gilead 24%; Trembling Aspen 76%.

**Mixed Product Description:**

Ash Pulp & Bolts includes: Bolts 25%; Pulpwood 75%.  
Balsam Fir Pulp & Bolts includes: Bolts 25%; Pulpwood 75%.  
Paper Birch Pulp & Bolts includes: Bolts 30%; Pulpwood 70%.  
White Cedar Pulp & Bolts includes: Bolts 25%; Pulpwood 75%.

**Season of Operations:**

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

**Sale Conditions:**

- Access is across private, Koochiching County and State land.  
- Permission to cross private and Koochiching County land must be obtained by permittee.

**Marketing Conditions:**

Permit is located approximately 0.2 miles northeast of the West Gemell Ridge Forest Road intersection with State Highway 71.

Aspen is approximately 70 years old.

**Price Adjustments:**

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

**Appraiser:**

Matthew T. Pollard



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

DEER RIVER 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 5, 2018

- SUMMARY SHEET -

12/05/2018 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 12/05/2018

DEER RIVER AREA

**SUMMARY FOR SOLD TRACTS**

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
PULP & BOLTS	ASH	10.00	Cd	11.55	115.50
	PAPER BIRCH	45.00	Cd	13.33	599.70
	NORWAY PINE	170.00	Cd	33.49	5,692.90
	BALSAM FIR	90.00	Cd	19.27	1,734.30
	WHITE CEDAR	65.00	Cd	8.40	546.00
PULPWOOD	ASH	25.00	Cd	9.00	225.00
	ASPEN SPECIES	585.00	Cd	23.83	13,939.90
	TREMBLING ASPEN	955.00	Cd	34.78	33,211.20
	PAPER BIRCH	38.00	Cd	10.65	404.80
	RED MAPLE	70.00	Cd	10.89	762.00
	WHITE SPRUCE	2.00	Cd	16.15	32.30
	BALSAM FIR	165.00	Cd	17.71	2,921.35
BIOMASS	ANY LISTED SPECIES (optional)	804.00	Tons	-	0.00

**TOTAL SOLD TRACTS CONVERTED TO CORDS:** 2,220.00  
**TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS:** \$ 47,318.40  
**TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS:** \$ 60,184.95  
**TOTAL ACRES SOLD:** 107.2  
**SOLD TRACT NUMBERS:** 1, 2, 4, 5, 6  
**TOTAL NUMBER OF TRACTS SOLD:** 5

**SUMMARY FOR UNSOLD TRACTS**

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	APPRAISED AVERAGE UNIT PRICE	APPRAISED \$ VALUE
PULP & BOLTS	BALSAM FIR	165.00	Cd	15.98	2,636.70
PULPWOOD	TREMBLING ASPEN	320.00	Cd	20.40	6,528.00
	NORTHERN HARDWOODS	40.00	Cd	9.08	363.20
	BLACK SPRUCE	1,520.00	Cd	16.15	24,548.00
	TAMARACK	4,590.00	Cd	5.10	23,409.00
BIOMASS	ANY LISTED SPECIES (optional)	2,425.00	Tons	0.85	2,061.25
WOODSRUN SAWTIMBER (SOFTWOOD ONLY)	NORWAY PINE	35.00	MBF	102.00	3,570.00

**TOTAL UNSOLD TRACTS CONVERTED TO CORDS:** 6,705.00  
**TOTAL APPRAISED DOLLAR VALUE OF UNSOLD TRACTS:** \$ 61,054.90  
**TOTAL ACRES UNSOLD:** 405.3  
**UNSOLD TRACT NUMBER:** 3  
**TOTAL NUMBER OF TRACTS UNSOLD:** 1