



MINNESOTA DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF FORESTRY

NOTICE OF SALE OF STUMPAGE ON STATE LANDS IN THE FOLLOWING AREA:  
TWO HARBORS 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 Silver Bay, MN at 9:30 AM on Thursday, January 5, 2023, timber belonging to the State of Minnesota. All tracts were offered at the Tettegouche State Park Visitor Center in Silver Bay, 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.

Minnesota DNR is Certified to the Sustainable Forestry Initiative® and/or the Forest Stewardship Council®.  
For information on our certificates go to [mndnr.gov/forestry/certification/certificates.html](https://mndnr.gov/forestry/certification/certificates.html)



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

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**9:30 AM on January 5, 2023**  
**Tettegouche State Park Visitor Center in Silver Bay, 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 January 5, 2024, at the following Area Headquarters: Two Harbors Area.

**TRACT B1** COUNTY: LAKE AREA: TWO HARBORS AREA ACRES: 211.3

Permit Number: B015569  
Expiration Date: 05/31/2026

**Purchased By:** Fjeran's Forest Products  
**Address:** 1801 Hwy 3, Two Harbors, MN 55616

NENW,NWSE,SENW,SWNE of Section 15 - Township 54, Range 9W.  
NENW,NESW,NWNE,NWSW,SENW,SESE,SESW,SWNE,SWSE,SWSW of Section 16 - Township 54, Range 9W.  
NENW,NWNW,NWSW,SENW,SWNW of Section 16 - Township 54, Range 9W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 205	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	PULPWOOD	2,490.00	Cd	5.67	14,118.30	17.29	43,052.10
+ WHITE SPRUCE	PULP & BOLTS	955.00	Cd	5.73	5,472.15	17.48	16,693.40
MAPLE SPECIES	PULPWOOD	57.00	Cd	3.00	171.00	3.00	171.00
PAPER BIRCH	PULPWOOD	3.00	Cd	3.00	9.00	3.00	9.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$19,770.45	BID TOTAL = \$	59,925.50
				ADVANCE PAYMENT =	\$2,965.57		

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

ASH	PULPWOOD	580.00	Cd	1.80	1,044.00
ANY LISTED SPECIES	BIOMASS	2,165.00	Tons	0.20	433.00

**Mixed Species Description:**

Aspen Species Pulpwood includes: Balm of Gilead 3%; Trembling Aspen 97%.  
Maple Species Pulpwood includes: Red Maple 93%; Sugar Maple 7%.

**Mixed Product Description:**

White Spruce Pulp & Bolts includes: Bolts 56%; Pulpwood 44%.

**Cutting and Felling:**

- Harvest all aspen species, maple, and white spruce in Clearcut. Harvest aspen in Ash management area. Ash is optional wood in Clearcut and Ash management area and will need to complete an added timber form if purchased (Cutting Block 2).
- Harvest all aspen species, maple, and white spruce in clearcut and RMZ/ash mgmt areas. Ash is optional wood in clearcut and RMZ/ash mgmt areas and will need to complete an added timber form if purchased (Cutting Block 3).
- Harvest all aspen species, paper birch, and maple. Ash is optional wood and will need to complete an added timber form if purchased (Cutting Block 1).

**Season of Operations:**

- Conduct sale operations on frozen soil conditions only, except with written permission from State (Cutting Blocks 1, 2, and 3).

**Landings, Roads, and Trails:**

- Due to snowmobile and hiking trails in sale, DNR Forestry must be notified at least 5 working days before any sale operations take place, including clearing or access road construction. Ensure "Trucks Hauling" signs are prominently posted and maintained 200 feet beyond either side of any segment of any road or trail being temporarily used or crossed in conjunction with timber harvest operations. No logging equipment, wood piles, slash or logging debris will remain on the trail treadway and/or trail right-of-way during or after permit operations (Cutting Blocks 2 and 3).

**Sale Conditions:**

- Access is across county or private land (Cutting Blocks 2 and 3).
- Access is across state land (Cutting Block 1).
- Permission to cross private land must be obtained by permittee (Cutting Blocks 2 and 3).
- Access crosses Public Waters. A Permit is not required if using a snow / ice bridge (Cutting Block 3).
- Provisions of access and /or water crossing permits will become part of sale terms and conditions for this sale (Cutting Blocks 2 and 3).

**Marketing Conditions:**

Sale is accessed on the Blueberry Hill Rd, 20 miles from Two Harbors. Best access for cutting block 2 and 3 is through private land and is up to the permittee to obtain private access. Access into cutting block 2 and 3 using county land would require cutting merchantable timber for approximately 1.7 miles for new access and 1 mile of trail widening. Access permit from the county has been obtained by the state. Aspen is not uniform in heights or diameters and can make utilization difficult with conventional equipment.

Because of the silt/clay soils it is frozen ground operations only.

There are boardwalks to avoid on the Superior Hiking Trail, a more detailed map of those locations will be provided.

Prices reduced 50% for salvage/declining conditions of aspen due to hypoxylon, approximately 60% affected and 10% mortality.

**Price Adjustments:**

Road Construction Costs: -15%

Haul Distance to Nearest Mill: +10%

Stand Density: -5%

Operational Constraints: -10%

Other Price Factor: -50% (Salvage conditions)

**Appraiser:**

Brian Patrick Schiller

(Appraisal ID 16969-0; Cutting Block ID 15724-0, 19726-0, 20969-0)

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TRACT B2

COUNTY: LAKE

AREA: TWO HARBORS AREA

ACRES: 55.0

Permit Number: B015570  
Expiration Date: 05/31/2026

Purchased By:  
Address:

# UNSOLD

NESW,SESE,SESW,SWSE of Section 36 - Township 58, Range 7W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	WOODSRUN SAWTIMBER (SOFTWOOD ONLY)	680.00	Cd	55.65	37,842.00	55.65	37,842.00
ASPEN SPECIES	PULPWOOD	60.00	Cd	19.92	1,195.20	19.92	1,195.20
BALSAM FIR	PULPWOOD	60.00	Cd	5.25	315.00	5.25	315.00
JACK PINE	PULP & BOLTS	50.00	Cd	22.05	1,102.50	22.05	1,102.50
PAPER BIRCH	PULPWOOD	45.00	Cd	10.50	472.50	10.50	472.50
+ BID SPECIES      * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$40,927.20	BID TOTAL = \$ 40,927.20
				ADVANCE PAYMENT =		\$6,139.08	

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

ANY LISTED SPECIES    BIOMASS                      400.00 Tons                      0.68                      272.00

**Mixed Species Description:**

Aspen Species Pulpwood includes: Balm of Gilead 1%; Trembling Aspen 99%.

**Mixed Product Description:**

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

Norway Pine Woodsrun Sawtimber (Softwood only) includes: Pulpwood 59%; Sawtimber (Softwood Only) 41%.

**Season of Operations:**

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

**Sale Conditions:**

- Access is across state land.

**Marketing Conditions:**

Site is location at the junction of Schoolhouse Creek Rd and Cramer Rd (County Rd).

Balsam fir is 80%-90% affected and 10% mortality from budworm damage, based on field visit in February 2022.

All acres have summer chance for harvest from either the Schoolhouse Creek Rd or off of Cramer Rd (County 7).

**Price Adjustments:**

Road Construction Costs: +5%

Haul Distance to Nearest Mill: +5%

Stand Density: -5%

Operational Constraints: 0%

Other Price Factor: 0%

**Appraiser:**

Jason A. Bushmaker

**TRACT B3**

**COUNTY: LAKE**

**AREA: TWO HARBORS AREA**

**ACRES: 229.4**

Permit Number: B015571  
Expiration Date: 05/31/2026

Purchased By:  
Address:

# UNSOLD

NESW,NWSE,NWSW,SESW,SWSE of Section 2 - Township 58, Range 11W.  
SESW,SWNW,SWSW of Section 26 - Township 59, Range 11W.  
NESW,NWSE,SESE,SWNE,SWSE of Section 35; NENE,NESW,NWNE,NWSW,SESW of Section 36 -  
Township 59, Range 11W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ MIXED SPRUCE	PULP & BOLTS	1,140.00	Cd	1.50	1,710.00	1.50	1,710.00
+ PAPER BIRCH	PULP & BOLTS	720.00	Cd	6.67	4,802.40	6.67	4,802.40
	BALSAM FIR	345.00	Cd	1.50	517.50	1.50	517.50
+ PINE SPECIES	PULP & BOLTS	125.00	Cd	5.47	683.75	5.47	683.75
+ TREMBLING ASPEN	PULP & BOLTS	95.00	Cd	11.40	1,083.00	11.40	1,083.00
	TAMARACK	60.00	Cd	4.00	240.00	4.00	240.00

+ BID SPECIES \* SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$9,036.65      BID TOTAL = \$ 9,036.65  
ADVANCE PAYMENT = \$1,355.50

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

ANY LISTED SPECIES      BIOMASS      520.00 Tons      0.39      202.80

**Mixed Species Description:**

Mixed Spruce Pulp & Bolts includes: Black Spruce 87%; White Spruce 13%.  
Pine Species Pulp & Bolts includes: Jack Pine 17%; Norway Pine 83%.

**Mixed Product Description:**

Balsam Fir Pulp & Bolts includes: Bolts 11%; Pulpwood 89%.  
Mixed Spruce Pulp & Bolts includes: Bolts 14%; Pulpwood 86%.  
Paper Birch Pulp & Bolts includes: Bolts 11%; Pulpwood 89%.  
Pine Species Pulp & Bolts includes: Bolts 11%; Pulpwood 89%.  
Tamarack Pulp & Bolts includes: Bolts 11%; Pulpwood 89%.  
Trembling Aspen Pulp & Bolts includes: Bolts 11%; Pulpwood 89%.

**Season of Operations:**

- Conduct sale operations on frozen soil conditions only, except with written permission from State (Cutting Blocks 1, 2, and 3).

**Sale Conditions:**

- Access is across USFS and private land (Cutting Block 1).
- Access is across private land (Cutting Blocks 2 and 3).
- Permission to cross private land must be obtained by permittee (Cutting Blocks 1, 2, and 3).
- Provisions of access and /or water crossing permits will become part of sale terms and conditions for this sale (Cutting Blocks 1, 2, and 3).
- Best access is across approximately 1.5 miles US Forest Service roads. The permit holder shall obtain a road use permit from the USFS District Office before beginning sale operations. Provisions of this permit will become part of the terms and conditions for this sale (Cutting Block 1).

**Marketing Conditions:**

Site located 1.5 miles west of Hwy 2 down USFS 829 Rd (East River Rd) and 1.5 miles down the railroad/powerline right-of-way, in addition it will require approximately 1.5 miles of new road in swamp to cutting block 3.

Balsam and white spruce has budworm damage and black spruce has dwarf mistletoe and listed as salvage (50% reduction),

80-90% affected with 10% mortality based on field visit in summer 2021 by Andrew Weston.

**Price Adjustments:**

Road Construction Costs: -10%  
Haul Distance to Nearest Mill: -15%  
Stand Density: -10%  
Operational Constraints: -5%  
Other Price Factor: 0%

**Appraiser:**

Jason A. Bushmaker

(Appraisal ID 17483-0; Cutting Block ID 20352-0, 20353-0, 20354-0)

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

TWO HARBORS 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: January 5, 2023

- SUMMARY SHEET -

01/05/2023 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 01/05/2023

**TWO HARBORS AREA**

**SUMMARY FOR SOLD TRACTS**

<b>PRODUCT</b>	<b>SPECIES</b>	<b>TOTAL VOLUME</b>	<b>UNIT</b>	<b>SOLD AVERAGE UNIT PRICE</b>	<b>TOTAL SOLD \$ VALUE</b>
PULP & BOLTS	WHITE SPRUCE	955.00	Cd	17.48	16,693.40
PULPWOOD	ASH (optional)	580.00	Cd	-	0.00
	ASPEN SPECIES	2,490.00	Cd	17.29	43,052.10
	PAPER BIRCH	3.00	Cd	3.00	9.00
	MAPLE SPECIES	57.00	Cd	3.00	171.00
BIOMASS	ANY LISTED SPECIES (optional)	2,165.00	Tons	-	0.00

**TOTAL SOLD TRACTS CONVERTED TO CORDS:** 4,085.00  
**TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS:** \$ 19,770.45  
**TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS:** \$ 59,925.50  
**TOTAL ACRES SOLD:** 211.3  
**SOLD TRACT NUMBER:** 1  
**TOTAL NUMBER OF TRACTS SOLD:** 1

**SUMMARY FOR UNSOLD TRACTS**

<b>PRODUCT</b>	<b>SPECIES</b>	<b>TOTAL VOLUME</b>	<b>UNIT</b>	<b>APPRAISED AVERAGE UNIT PRICE</b>	<b>APPRAISED \$ VALUE</b>
PULP & BOLTS	TREMBLING ASPEN	95.00	Cd	11.40	1,083.00
	PAPER BIRCH	720.00	Cd	6.67	4,802.40
	PINE SPECIES	125.00	Cd	5.47	683.75
	JACK PINE	50.00	Cd	22.05	1,102.50
	BALSAM FIR	345.00	Cd	1.50	517.50
	TAMARACK	60.00	Cd	4.00	240.00
	MIXED SPRUCE	1,140.00	Cd	1.50	1,710.00
PULPWOOD	ASPEN SPECIES	60.00	Cd	19.92	1,195.20
	PAPER BIRCH	45.00	Cd	10.50	472.50
	BALSAM FIR	60.00	Cd	5.25	315.00
BIOMASS	ANY LISTED SPECIES (optional)	920.00	Tons	0.52	474.80
WOODSRUN SAWTIMBER (SOFTWOOD ONLY)	NORWAY PINE	680.00	Cd	55.65	37,842.00

**TOTAL UNSOLD TRACTS CONVERTED TO CORDS:** 3,380.00  
**TOTAL APPRAISED DOLLAR VALUE OF UNSOLD TRACTS:** \$ 49,963.85  
**TOTAL ACRES UNSOLD:** 284.4  
**UNSOLD TRACT NUMBERS:** 2, 3  
**TOTAL NUMBER OF TRACTS UNSOLD:** 2