

Memorandum

From: Darren Tapp, RPF
Executive Director
Forest Management Branch

Our File Reference: CTQS100004
CTQS100005
06284-S10-01
06284-S10-04

To: Dennis Palkun
Area Manager
Lesser Slave Area

Date: January 23, 2012
Phone: (780) 427-5324

Subject: **APPROVAL – FOREST MANAGEMENT UNIT S10 ANNUAL ALLOWABLE CUT**
I approve the S10 timber supply analysis update dated July 25, 2007 for implementation.

The following applies:

1. The approved allowable cuts (AAC) are effective beginning May 1, 2011.
2. All merchantable timber harvested in the forest management unit, salvaged or not, shall be charged as AAC production. Timber felled for land-use dispositions shall be drained against the AAC using volumes published in Timber Damage Assessment tables, unless otherwise agreed by the Senior Manager, Timber Production, Audit and Revenue.
3. All operators shall adhere to the approved spatial harvest sequence within each compartment and in consideration of approved operational adjustments per the approved Slave Lake Regional Timber Harvest Planning and Operating Ground Rules.
4. Public and First Nations consultation shall be conducted on an on-going basis. Documentation of issues raised and actions taken to address each is required.
5. Structure retention is addressed in the timber supply analysis. An average of 3% of the harvested area will retain merchantable timber representative of the forest condition in the harvest area per Table 1.

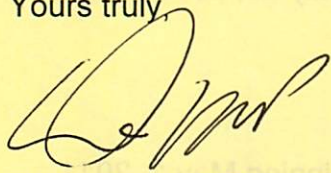
Table 1.

Harvest Area (ha)	Structure Retention (% of area)
0 – 10	0
11 – 20	1
21 – 50	3
51+	5

6. The first Stewardship Report is due May 1, 2016. Please ensure it is received by the Senior Manager, Forest Planning on or before that date.

Please keep me informed of your success in the implementation of this approval.

Yours truly,



Darren Tapp, MBA, MF, RPF

Enclosures (12)

- cc: Jim Lunn, Forestry Manager, Lesser Slave Area
Vicky Bossé, Senior Manager, Tenure and Fibre Management
Doug Schultz, Senior Manager, Timber Production, Audit and Revenue
Daryl Price, Senior Manager, Resource Analysis
Robert Stokes, Senior Manager, Forest Management Planning

Table 1. Historical Coniferous Allocations and Annual Allowable Cuts

FMU	Company Name	Disposition Number	Landbase Management Type	Source	Cover Group / Species	Primary Disposition Allocation (%)	Primary Coniferous AAC (m³) 15+/10/30 cm	Total Approved AAC (m³)
S10	West Fraser Mills Ltd.	CTQS100004	Separate Distinct	All-FMU	C, CD, DC	58.6600%	72,095	72,095
S10	Boucher Bros. Lumber Ltd.	CTQS100005	Separate Distinct	All-FMU	C, CD, DC	41.3400%	50,808	50,808
FMU S10 Total							122,903	122,903

Notes:

Effective date: May 1, 2001

Table 2. Approved Coniferous Allocations and Annual Allowable Cuts

Effective Date: May 1, 2011

FMU	Company Name	Disposition Number	Landbase Management Type	Source	Cover Group / Species	Primary Disposition Allocation (%) ¹	Primary Coniferous AAC (m ³) 15+/10/30 cm	Total Approved AAC (m ³)
S10	West Fraser Mills Ltd.	CTQS100004	Separate Distinct	All-FMU	C, CD, DC	58.7900%	62,819	62,819
S10	Boucher Bros. Lumber Ltd.	CTQS100005	Separate Distinct	All-FMU	C, CD, DC	41.2100%	44,033	44,033
FMU S10 Total							106,852	106,852

Notes:

¹Primary disposition allocations have been adjusted for West Fraser Mills Ltd. (Slave Lake) (WFSL) from 58.66% to 58.7900% and Boucher Bros. Lumber Ltd. from 41.34% to 41.2100% due to WFSL regenerating 162.98 hectares where salvage logging had occurred. As a result, this increased WFSLs Annual Allowable Cut (AAC) by 159.7 m³ per year and was allocated in the Red Earth compartment.

Preliminary 2011 wildfire impact to the FMU S10 coniferous landbase is 13.06%. Photo interpretation to confirm the wildfire boundaries is expected to be completed in early 2012. At that time, the AACs may require further adjustment.

The AAC is allocated across 3 compartments (Red Earth, Otter and Cadotte) as follows:

CTQS100004 West Fraser Mills Ltd. (Slave Lake)

Red Earth (13,405 m³), Otter (38,790 m³) and Cadotte (10,624 m³). Total = 62,819 m³.

CTQS100005 (Boucher Bros. Lumber Ltd.)

Red Earth (9,396 m³), Otter (27,190 m³) and Cadotte (7,447 m³). Total = 44,033 m³.

The FMU S10 AAC will be reduced effective May 1, 2016 and May 1, 2026 as follows:

May 1, 2016 = 94,043 m³.

May 1, 2026 = 79,603 m³.

Secondary coniferous volume is not chargeable as production to the FMU S10 AAC. 58.7900% of secondary coniferous volume produced is attributed to CTQS100004 and 41.2100% is attributed to CTQS100005.

Table 3. Coniferous Periodic Allowable and Quadrant Authorized Allowable Cuts

3.1		S10 West Fraser Mills Ltd.		Disposition: CTQS100004			
Quadrant Start		1-May-08		Quadrant End		30-Apr-13	
	Quadrant Segment Start Date	Quadrant Segment End Date	Years in Quadrant Segment	Primary Approved Harvest Level (m ³ /yr)	Primary Quadrant Contribution (m ³)	Total Quadrant Contribution (m ³)	Notes
1	1-May-08	30-Apr-11	3.0000000000	72,095	216,285.0000	216,285.0000	Sourced from across the FMU.
2	01-May-11	30-Apr-13	2.0000000000	62,819	125,638.0000	125,638.0000	Sourced from 3 compartments - Red Earth (13,405 m ³) + Otter (38,790 m ³) + Cadotte (10,624 m ³) = 62,819 m ³ .
Quadrant Reconciliation Volume (m ³)					0	0	
QAAC Total					341,923	341,923	
3.2		S10 Boucher Bros. Lumber Ltd.		Disposition: CTQS100005			
Quadrant Start		1-May-09		Quadrant End		30-Apr-14	
	Quadrant Segment Start Date	Quadrant Segment End Date	Years in Quadrant Segment	Primary Approved Harvest Level (m ³ /yr)	Primary Quadrant Contribution (m ³)	Total Quadrant Contribution (m ³)	Notes
1	1-May-09	30-Apr-11	2.0000000000	50,808	101,616.0000	101,616.0000	Sourced from across the FMU.
2	01-May-11	30-Apr-14	3.0000000000	44,033	132,099.0000	132,099.0000	Sourced from 3 compartments - Red Earth (9,396 m ³) + Otter (27,190 m ³) + Cadotte (7,447 m ³) = 44,033 m ³ .
Quadrant Reconciliation Volume (m ³)					0	0	
QAAC Total					233,715	233,715	

Table 4. FMU S10 Coniferous Chargeability

Effective Date: May 1, 2011

FMU	Company Name	Disposition Number	Coniferous Species Used in AAC	Species NOT Chargeable to AAC	Rights to Species NOT Chargeable to AAC	Structure Retention (%)	Structure Retention (%) Accounted for in AAC	Net Landbase Deletions and Deferrals	Net Landbase Deletions and Deferrals: Rights to Timber	Industrial Salvage Chargeability Strategy
		All dispositions and FMUs (unless otherwise noted)	All	None	None	3	Structure retention will be a representative combination of single stems, clumps and islands targeting 3% of the harvested area within each compartment. Area targets are as follows: 0-10 ha = 0%, 11-20 ha = 1%, 21-50 ha = 3% and 51+ ha = 5%.	N/A	N/A	All industrial salvage is AAC chargeable.

Table 5. FMU S10 Coniferous Utilization

Effective Date: May 1, 2011

FMU	Company Name	Disposition Number	AAC Type	Cover Group / Species	Utilization used to determine Harvest Level in PFMS				Operational Utilization				
					Top Diameter (cm)	Stump Diameter (cm)	Minimum Length (m)	Stump Height (cm)	Top Diameter (cm)	Stump Diameter (cm)	Minimum Length (m)	Stump Height (cm)	Coniferous Harvest Level (m ³ /yr) based on Operational Utilization
All dispositions and FMUs (unless otherwise noted)			All	C, CD, DC	10	15	N/A	30	N/A	N/A	N/A	N/A	N/A

Table 6. Historical Deciduous Allocations and Annual Allowable Cuts

FMU	Company Name	Disposition Number	Landbase Management Type	Source	Cover Group / Species	Primary Deciduous AAC (m³) 15+/10/30 cm	Secondary Deciduous AAC (m³) 15+/10/30 cm	Total Approved AAC (m³)
S10	Unallocated	Unallocated	Separate Distinct	All-FMU	C, CD, DC, D	83,673	56,029	139,702
FMU S10 Total						83,673	56,029	139,702

Notes:

Effective date: May 1, 2001

Table 7. Approved Deciduous Allocations and Annual Allowable Cuts

Effective Date: May 1, 2011

FMU	Company Name	Disposition Number	Landbase Management Type	Source	Cover Group / Species	Primary Deciduous AAC (m ³) 15+/10/30 cm	Secondary Deciduous AAC (m ³) 15+/10/30 cm	Total Approved AAC (m ³)
S10	Unallocated	Unallocated	Separate Distinct	All-FMU	C, CD, DC, D	118,766	57,458	176,224
FMU S10 Total						118,766	57,458	176,224

Notes:

Preliminary 2011 wildfire impact to the FMU S10 deciduous landbase is 10.40%. Photo interpretation to confirm the wildfire boundaries is expected to be completed in early 2012. At that time, the Annual Allowable Cut (AAC) may require further adjustment.

The AAC is allocated across 3 compartments (Red Earth, Otter and Cadotte) as follows:

Unallocated

Primary Deciduous

2011-2026 = Red Earth (44,134 m³), Otter (35,496 m³) and Cadotte (39,136 m³) = 118,766 m³.

Secondary Deciduous

2011-2026 = Red Earth (11,632 m³), Otter (35,757 m³) and Cadotte (10,069 m³) = 57,458 m³.

Table 8. Deciduous Periodic Allowable and Quadrant Authorized Allowable Cuts

8.1	S10	Unallocated		Disposition:		Unallocated				
		Quadrant Start	1-May-11	Quadrant End	30-Apr-16					
		Quadrant Segment Start Date	Quadrant Segment End Date	Years in Quadrant Segment	Primary Approved Harvest Level (m ³ /yr)	Secondary Approved Harvest Level (m ³ /yr)	Primary Quadrant Contribution (m ³)	Secondary Quadrant Contribution (m ³)	Total Quadrant Contribution (m ³)	Notes
1		1-May-11	30-Apr-16	5.0000000000	118,766	57,458	593,830.0000	287,290.0000	881,120.0000	Sourced from 3 compartments: <u>Primary</u> = Red Earth (44,134 m ³) + Otter (35,496 m ³) + Cadotte (39,136 m ³) = 118,766 m ³ . <u>Secondary</u> = Red Earth (11,632 m ³) + Otter (35,757 m ³) + Cadotte (10,069 m ³) = 57,458 m ³ .
Quadrant Reconciliation Volume (m ³)							0	0	0	
QAAC Total							593,830	287,290	881,120	

Table 9. FMU S10 Deciduous Chargeability
Effective Date: May 1, 2011

FMU	Company Name	Disposition Number	Deciduous Species Used in AAC	Species NOT Chargeable to AAC	Rights to Species NOT Chargeable to AAC	Structure Retention (%)	Structure Retention (%) Accounted for in AAC	Net Landbase Deletions and Deferrals	Net Landbase Deletions and Deferrals: Rights to Timber	Industrial Salvage Chargeability Strategy
		All dispositions and FMUs (unless otherwise noted)	All	None	None	3	Structure retention will be a representative combination of single stems, clumps and islands targeting 3% of the harvested area within each compartment. Area targets are as follows: 0-10 ha = 0%, 11-20 ha = 1%, 21-50 ha = 3% and 51+ ha = 5%.	N/A	N/A	All industrial salvage is AAC chargeable.

Table 10. FMU S10 Deciduous Utilization

Effective Date: May 1, 2011

FMU	Company Name	Disposition Number	AAC Type	Cover Group / Species	Utilization used to determine Harvest Level in PFMS				Operational Utilization				
					Top Diameter (cm)	Stump Diameter (cm)	Minimum Length (m)	Stump Height (cm)	Top Diameter (cm)	Stump Diameter (cm)	Minimum Length (m)	Stump Height (cm)	Deciduous Harvest Level (m ³ /yr) based on Operational Utilization
All dispositions and FMUs (unless otherwise noted)			All	C, CD, DC, D	10	15	N/A	30	N/A	N/A	N/A	N/A	N/A

Table 11. Fiber Transfer Agreements within FMU S10

Source Company	Source Dispositon Number	Transfer Type	Company Directed To	Species Group	Volume (m³/yr)	Comments
N/A	N/A	N/A	N/A	N/A	N/A	N/A