

Appendix VI. Imbedded Operators

There are currently 4 Quotas and one Community Timber Program with allocations representing about 5.5% of the coniferous harvest on the Sundance FMA area. Individual letters were sent to all imbedded disposition holders stating the proposed AAC for their disposition and showing the location of future harvesting as per the spatial harvest sequence. One quota holder (0.46% of the conifer AAC) expressed an unspecified concern regarding the increased allocation and the sequencing. No other concerns were received.

Table 1. Proposed Allocations for FMU R13 1 May 2007 to 30 April 2017

Company Name	Disposition Number	Coniferous AAC		Deciduous AAC		Effective Date
		Basis for Cut	m ³ /year	Basis for Cut	m ³ /year	
Tall Pine Timber	CTQR130003	0.16% of FMU AAC	1,347	n/a	0	01-May-07
Precision Forest Industries	CTQR130001	0.46% of FMU AAC	3,872	n/a	0	01-May-07
Medicine Lodge Timber Products	CTQR130002	1.92% of FMU AAC	16,160	n/a	0	01-May-07
E1 Community Timber Program	R13 CTP	1.21% of FMU AAC	10,184	11.85% of FMU AAC	7,115	01-May-07
Edson Community Harvesting Org.	CTQR130004	0.94% of FMU AAC	7,912	n/a	0	01-May-07
Edson Community Harvesting Org.	CTQR130004	Fixed Volume	7,062	n/a	0	01-May-07
Sundance Forest Industries	FMA 9700032	Balance of FMU AAC	795,130	Balance of FMU AAC	52,926	01-May-07

Table 2. Proposed Allocations for FMU R13 1 May 2017 to 30 April 2027

Company Name	Disposition Number	Coniferous AAC		Deciduous AAC		Effective Date
		Basis for Cut	m ³ /year	Basis for Cut	m ³ /year	
Tall Pine Timber	CTQR130003	0.16% of FMU AAC	670	n/a	0	01-May-17
Precision Forest Industries	CTQR130001	0.46% of FMU AAC	1,926	n/a	0	01-May-17
Medicine Lodge Timber Products	CTQR130002	1.92% of FMU AAC	8,040	n/a	0	01-May-17
E1 Community Timber Program	R13 CTP	1.21% of FMU AAC	5,067	11.85% of FMU AAC	7,113	01-May-17
Edson Community Harvesting Org.	CTQR130004	0.94% of FMU AAC	3,936	n/a	0	01-May-17
Edson Community Harvesting Org.	CTQR130004	Fixed Volume	7,062	n/a	0	01-May-17
Sundance Forest Industries	FMA 9700032	Balance of FMU AAC	392,061	Balance of FMU AAC	52,916	01-May-17



SUNDANCE
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SunPlus

23 January 2008

EDFOR
Box 7107
Edson, Alberta
T7E 1V4

Dear Mr. Cobb:

Sundance Forest Industries Ltd. has prepared a new Forest Management Plan (FMP) with a Spatial Harvest Sequence to guide the company's harvesting activities over the next 10 years. As an imbedded disposition holder, your organization's harvest has been included in this analysis.

The FMP proposes increasing the allocation for the Community Timber Program from 5,204 m³ to 10,184 m³ annually for the next 10 years (including 1.5% that must be left and reported as retention). The new allocation is expected to be effective May 1st 2007. At the end of the first 2 quadrants, the cut would be reduced back down to a long run sustained yield level currently estimated to be 5,067 m³. As a new FMP will be prepared in 2017, this figure may change.

The analysis shows that there is sufficient volume in Compartment 24 to sustain your operations at the proposed levels for the next 20 years. After that time, relocation to another part of the FMA area may be necessary. A map with the Spatial Harvest Sequence for the first two five-year quadrants is attached for your reference. As Sundance also has an allocated volume in this compartment, EDFOR will not harvest all of the areas indicated.

Alberta Sustainable Resource Development has been reviewing the FMP since May 2007 and is expected to finalize a response to Sundance in the near future. If you have any concerns about the increased allocation or the sequencing, please contact me at 780-723-3977 extension 224 by February 15th, 2008.

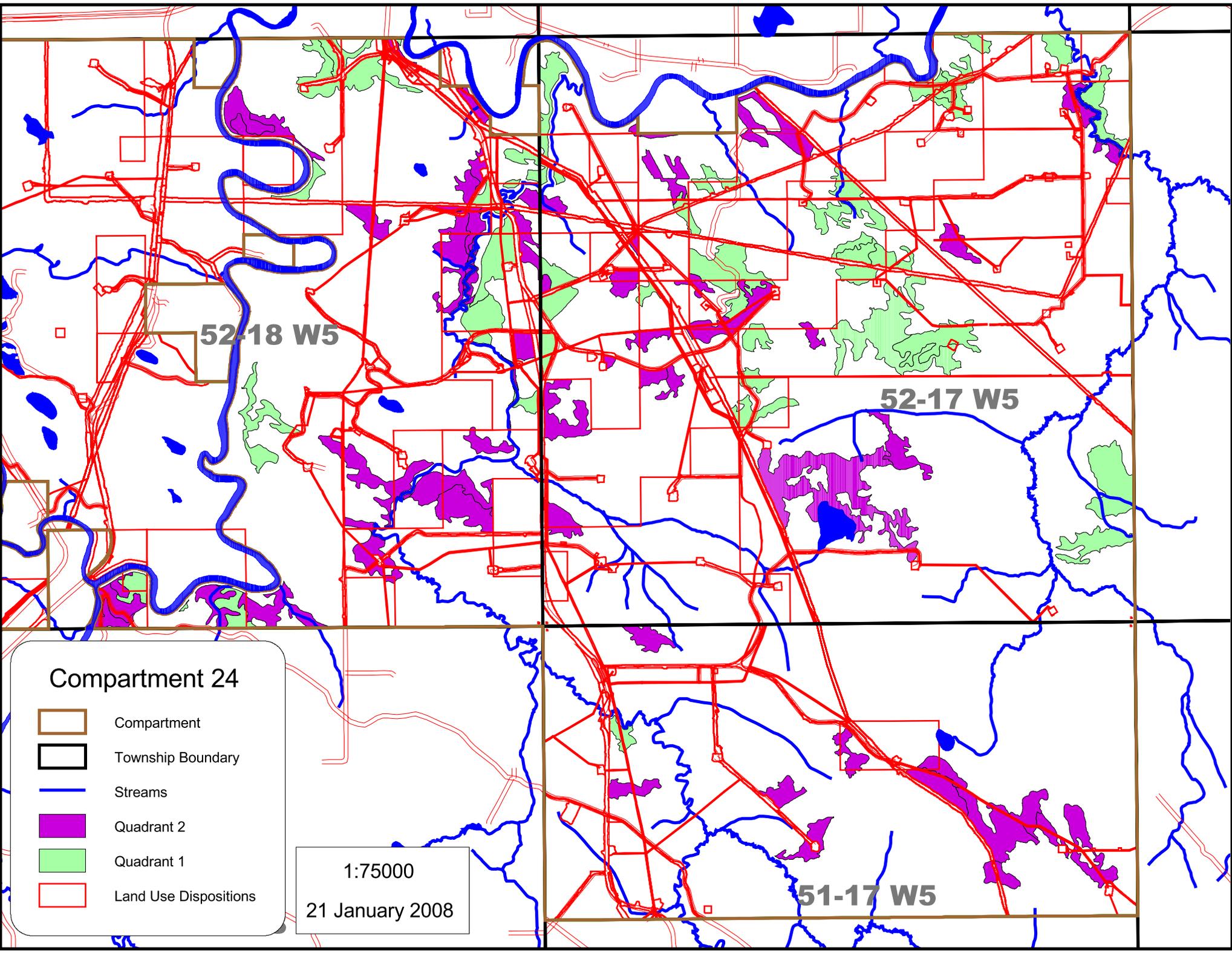
Sincerely,

P.J. Golec, MF, RPF
Forestry Manager

cc Mark Storie, Foothills Area Manager



SUSTAINABLE
FORESTRY
INITIATIVE



Compartment 24

-  Compartment
-  Township Boundary
-  Streams
-  Quadrant 2
-  Quadrant 1
-  Land Use Dispositions

1:75000
21 January 2008



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SunPlus

23 January 2008

ECHO
Box 7094
Edson, Alberta
T7E 1V0

Dear Mr. Chaluk:

Sundance Forest Industries Ltd. has prepared a new Forest Management Plan (FMP) with a Spatial Harvest Sequence to guide the company's harvesting activities over the next 10 years. As an imbedded disposition holder, your organization's harvest has been included in this analysis.

The FMP proposes increasing the allocation for CTQR130004 from 11,078 m³ to 14,974 m³ annually for the next 10 years (including 1.5% that must be left and reported as retention). The new allocation is expected to be effective May 1st 2007. At the end of the first 2 quadrants, the cut would be reduced back down to a long run sustained yield level currently estimated to be 10,998 m³. As a new FMP will be prepared in 2017, this figure may change.

The analysis shows that there is sufficient volume in Compartment 24 to sustain your operations at the proposed levels for the next 20 years. After that time, relocation to another part of the FMA area may be necessary. A map with the Spatial Harvest Sequence for the first two five-year quadrants is attached for your reference. As Sundance also has an allocated volume in this compartment, ECHO will not harvest all of the areas indicated.

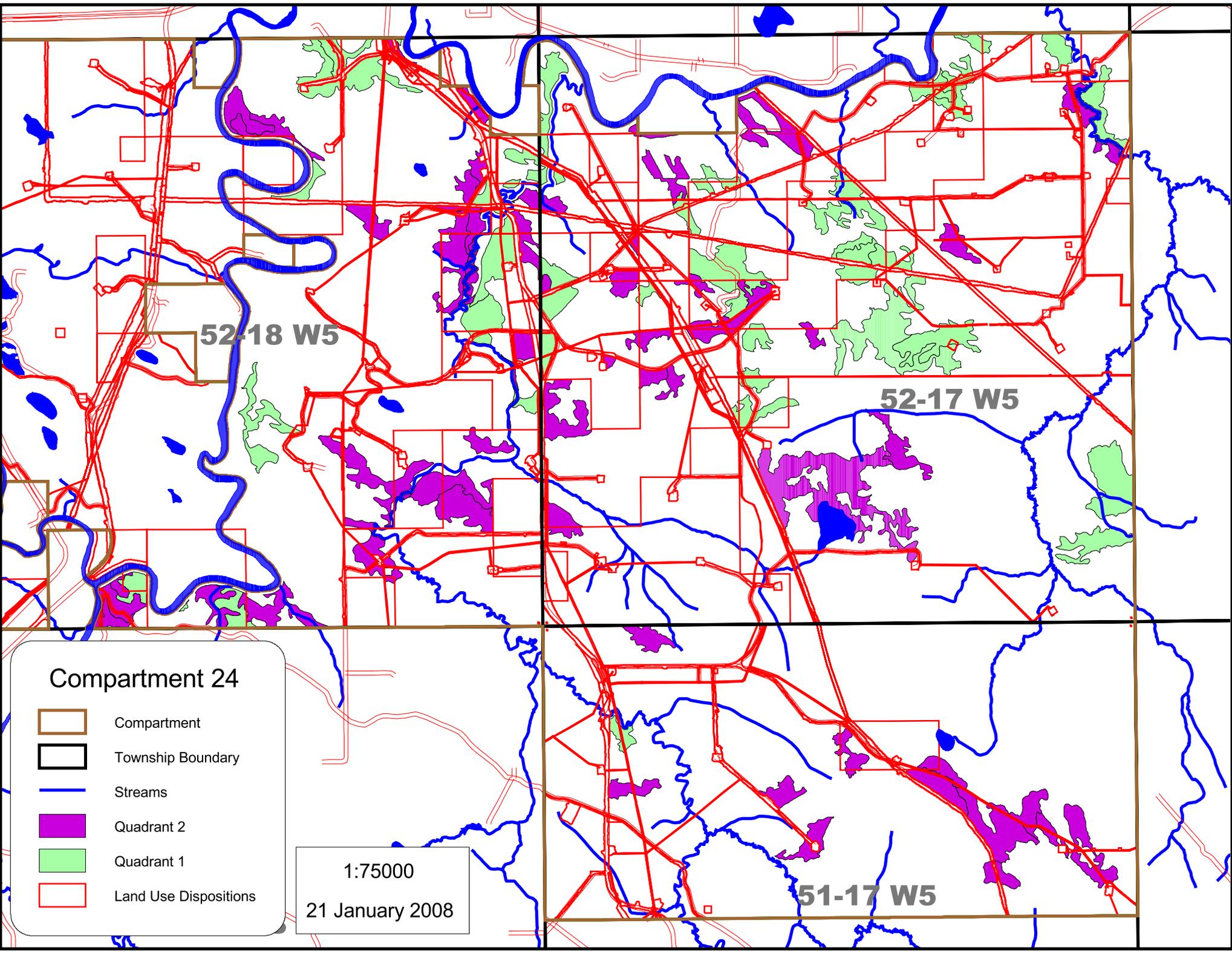
Alberta Sustainable Resource Development has been reviewing the FMP since May 2007 and is expected to finalize a response to Sundance in the near future. If you have any concerns about the increased allocation or the sequencing, please contact me at 780-723-3977 extension 224 by February 15th, 2008.

Sincerely,

P.J. Golec, MF, RPF
Forestry Manager

cc Mark Storie, Foothills Area Manager





Compartment 24

-  Compartment
-  Township Boundary
-  Streams
-  Quadrant 2
-  Quadrant 1
-  Land Use Dispositions

1:75000
21 January 2008



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SunPlus

23 January 2008

Precision Forest Industries Ltd.
Box 1410
Grande Cache, Alberta
T0E 0Y0

Dear Sir:

Sundance Forest Industries Ltd. has prepared a new Forest Management Plan (FMP) with a Spatial Harvest Sequence to guide the company's harvesting activities over the next 10 years. As an imbedded disposition holder, your organization's harvest has been included in this analysis.

The FMP proposes increasing the allocation for CTQR130001 from 1,976 m³ to 3,872 m³ annually for the next 10 years (including 1.5% that must be left and reported as retention). The new allocation is expected to be effective May 1st 2007. At the end of the first 2 quadrants, the cut would be reduced back down to a long run sustained yield level currently estimated to be 1,926 m³. As a new FMP will be prepared in 2017, this figure may change.

The analysis shows that there is sufficient volume in Compartment 23 to sustain your operations at the proposed levels for the next 20 years. After that time, relocation to another part of the FMA area may be necessary. A map with the Spatial Harvest Sequence for the first two five-year quadrants is attached for your reference. As Sundance also has an allocated volume in this compartment, Precision Forest Industries Ltd. will not harvest all of the areas indicated.

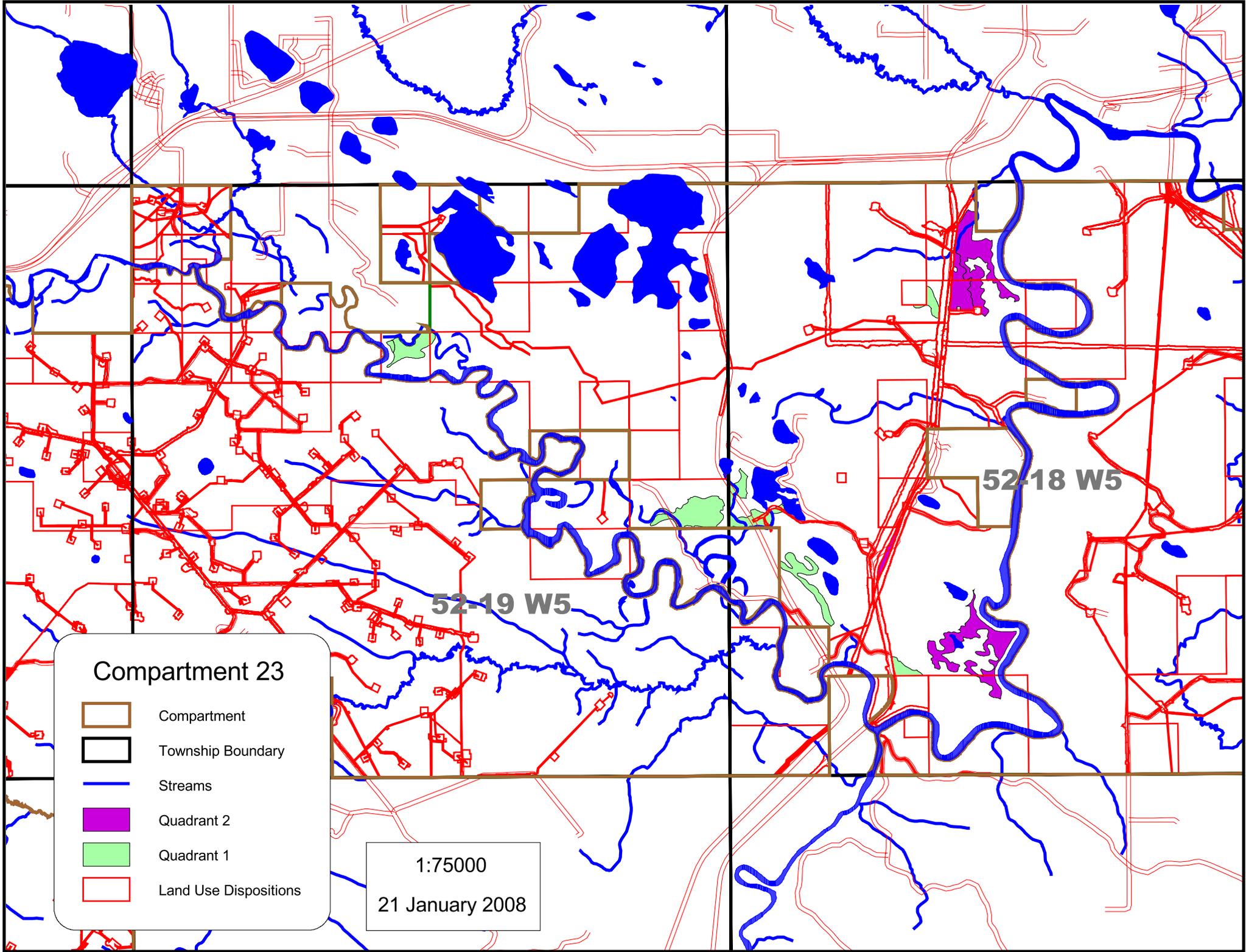
Alberta Sustainable Resource Development has been reviewing the FMP since May 2007 and is expected to finalize a response to Sundance in the near future. If you have any concerns about the increased allocation or the sequencing, please contact me at 780-723-3977 extension 224 by February 15th, 2008.

Sincerely,

P.J. Golec, MF, RPF
Forestry Manager

cc Mark Storie, Foothills Area Manager





Compartment 23

-  Compartment
-  Township Boundary
-  Streams
-  Quadrant 2
-  Quadrant 1
-  Land Use Dispositions

1:75000

21 January 2008

52-19 W5

52-18 W5



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SunPlus

23 January 2008

Medicine Lodge Timber Products Ltd.
7134 - 4A Avenue
Edson, Alberta
T7E 1N3

Dear Mr. Hohne:

Sundance Forest Industries Ltd. has prepared a new Forest Management Plan (FMP) with a Spatial Harvest Sequence to guide the company's harvesting activities over the next 10 years. As an imbedded disposition holder, your organization's harvest has been included in this analysis.

The FMP proposes increasing the allocation for CTQR130002 from 8,246 m³ to 16,160 m³ annually for the next 10 years (including 1.5% that must be left and reported as retention). The new allocation is expected to be effective May 1st 2007. At the end of the first 2 quadrants, the cut would be reduced back down to a long run sustained yield level currently estimated to be 8,040 m³. As a new FMP will be prepared in 2017, this figure may change.

The analysis shows that there is sufficient volume in Compartment 22 to sustain your operations at the proposed levels for the next 20 years. After that time, relocation to another part of the FMA area may be necessary. A map with the Spatial Harvest Sequence for the first two five-year quadrants is attached for your reference. As Sundance also has an allocated volume in this compartment, Medicine Lodge Timber Products Ltd. will not harvest all of the areas indicated.

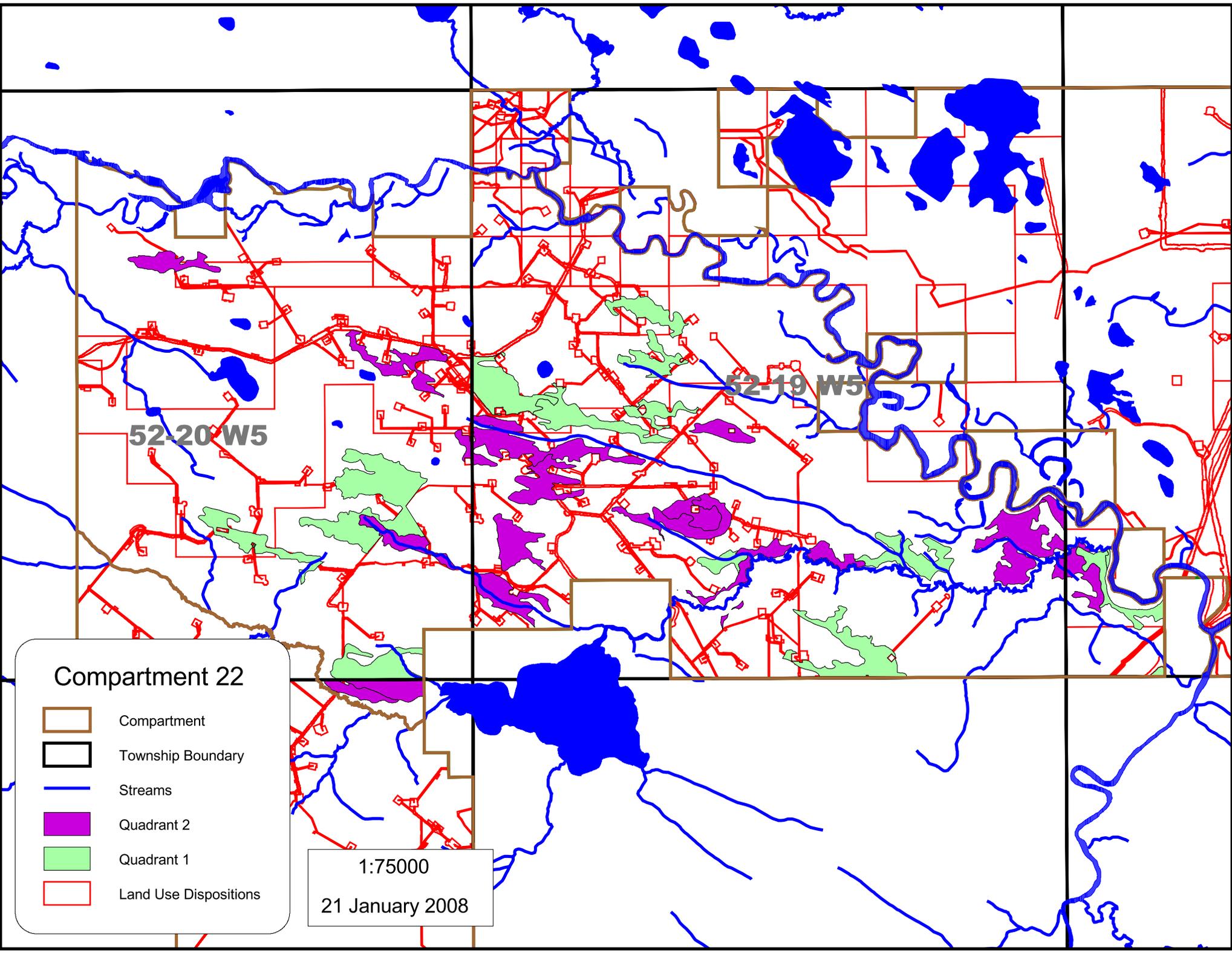
Alberta Sustainable Resource Development has been reviewing the FMP since May 2007 and is expected to finalize a response to Sundance in the near future. If you have any concerns about the increased allocation or the sequencing, please contact me at 780-723-3977 extension 224 by February 15th, 2008.

Sincerely,

P.J. Golec, MF, RPF
Forestry Manager

cc Mark Storie, Foothills Area Manager





Compartment 22

-  Compartment
-  Township Boundary
-  Streams
-  Quadrant 2
-  Quadrant 1
-  Land Use Dispositions

1:75000
21 January 2008



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SunPlus

23 January 2008

Tall Pine Timber Co. Ltd.
Box 70
Lodgepole, Alberta
T0E 1K0

Dear Mr. Baker:

Sundance Forest Industries Ltd. has prepared a new Forest Management Plan (FMP) with a Spatial Harvest Sequence to guide the company's harvesting activities over the next 10 years. As an imbedded disposition holder, your organization's harvest has been included in this analysis.

The FMP proposes increasing the allocation for CTQR130003 from 687 m³ to 1,347 m³ annually for the next 10 years (including 1.5% that must be left and reported as retention). The new allocation is expected to be effective May 1st 2007. At the end of the first 2 quadrants, the cut would be reduced back down to a long run sustained yield level currently estimated to be 670 m³. As a new FMP will be prepared in 2017, this figure may change.

Alberta Sustainable Resource Development has been reviewing the FMP since May 2007 and is expected to finalize a response to Sundance in the near future. If you have any concerns about the increased allocation or the sequencing, please contact me at 780-723-3977 extension 224 by February 15th, 2008.

Sincerely,

P.J. Golec, MF, RPF
Forestry Manager

cc Butch Shenfield, Forestry Manager



Appendix VII. Watershed Analysis