

Detailed Forest Management Plan Approval Decision



**Gordon Buchanan Enterprises Ltd.
(Buchanan Lumber) and Tolko Industries Ltd.
(High Prairie OSB Division)**

High Prairie, Alberta

**Forest Management Agreement
#0200039**



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#0200039**

**Date: May 19, 2005
Effective: May 1, 2004**

Approved by: *Original Signed by,*
**D. (Doug) A. Sklar, RPF
Executive Director
Forest Management Branch
Public Lands and Forests Division**

Executive Summary

The approval of forest management plans is the mandate of the Executive Director of the Forest Management Branch (FMB), Public Lands and Forests Division (PLFD) of the Department of Sustainable Resource Development (department). This Approval Decision documents the rationale, and conditions of approval for the Buchanan Lumber and Tolko Industries Ltd., High Prairie OSB Division (Tolko) Detailed Forest Management Plan (DFMP) dated January 31, 2005. This approval provides direction for the successful and efficient implementation of the DFMP.

Tolko regulated forestry professionals have validated (signed and sealed) the DFMP. It has also been reviewed by government professional staff (see Table 1). Professional validation indicates the DFMP is accurate as well as practical and feasible and has been prepared with due diligence. I commend Buchanan Lumber and Tolko those people who have contributed to the DFMP for their efforts to address the complex issues of forest management.

The conditions in this Approval Decision are consistent with the terms of the Forest Management Agreement and failure by Buchanan Lumber and Tolko to fulfill the direction provided in this Approval Decision shall place the Companies in default of its Forest Management Agreement.

Approval Conditions

Approval Condition 7.1 – Structure Retention Monitoring

- i. By September 1, 2005, Buchanan Lumber and Tolko shall design a cost effective and practical field assessment program for structure retention monitoring and reporting acceptable to the Senior Manager, Forest Planning Section. Merchantable volume shall be chargeable as AAC production and shall be reconciled every 5 years at the end of each cut control period. Failure to meet this deadline or to annually report these statistics shall result in a reduction of the FMA AAC by 3% effective May 1, 2005.*
- ii. The program shall assess annually the merchantable and non-merchantable structure retained and shall report the results in the 5-year Stewardship Report.*

Approval Condition 8.1 – Growth and Yield Program

- i. By September 1, 2005, Buchanan Lumber and Tolko shall submit an updated Growth and Yield Program acceptable to the Senior Manager, Resource Analysis Section.*

Approval Condition 9.1 – Coniferous Understorey and Multi-Tiered Stand Management

- i. All future understorey inventories shall meet Alberta's inventory interpretation standards for coniferous species under a deciduous canopy.*

Approval Condition 10.1 – Aboriginal Consultation

- i. The Companies shall keep complete and accurate written records of their consultations with First Nations; i.e., comments received, and how concerns identified have been addressed and*

incorporated into forest management planning. This information shall be reported in the Companies' Stewardship Report and shall also be incorporated into the next DFMP.

- ii. When Alberta's policy for First Nation's consultation is complete, the Companies shall work with the department in identifying necessary action plans, and if required, sections within the DFMP that shall be amended.*

Approval Condition 11.1 – Spatial Harvest Sequence

- i. Tolko, Buchanan Lumber and the embedded operators must follow the mapped 10-year harvest sequence as revised and presented in the updated January 31, 2005 DFMP.*
- ii. To address operational planning concerns, all timber disposition holders are authorized to modify the spatial harvest sequence (SHS) by deleting no more than 20% of the total sequenced area in each compartment, within each decade, while harvesting no more than 100% of the total area within the SHS by compartment, by decade.*
- iii. Preference should be given to selecting stands from the second 10 years of the SHS (years 11 to 20) when replacing deleted stands (from (ii) above). Where this is not feasible, replacements may be made from any other stand identified in the approved net landbase of the DFMP with the following exception:
 - a. Late seral stage stands may be selected provided that the late seral stage targets are still met.**
- iv. Where timber operators exceed the variance described in (ii), the Forest Area Manager, may require the completion of a compartment assessment and the Senior Manager, Forest Planning Section may recommend the adjustment of the approved AAC to reflect the impact of the variances.*
- v. The department requires the variance from the SHS to be reported annually, and the 5-year Stewardship Report to analyze the variance from the SHS.*
- vi. The department will generally not request a modification of the approved harvest sequence for the first 10 years of the planning period unless required by a change in legislation or a policy approved by the Minister.*

Approval Condition 12.1 – Life Requisite Assessment

- i. By December 31, 2005, Buchanan Lumber and Tolko must complete the habitat assessment for the grizzly bear acceptable to the Senior Manager, Forest Planning Section. The assessment should utilize the model developed through the Foothills Model Forest Grizzly Bear Project.*
- ii. By December 31, 2005 Buchanan Lumber and Tolko must develop a plan acceptable to the Senior Manager, Forest Planning Section to ensure Life Requisite information specific to the FMA is available for the next DFMP.*

Approval Condition 13.1 – Alternative Regeneration Standards

- i. Buchanan Lumber and Tolko must develop alternative reforestation performance standards acceptable to the department prior to the completion of their next DFMP.*

Approval Condition 14.1 – Industrial Salvage Timber

- i. All timber depleted (salvage timber) by non-forestry operations shall be counted and reported as production for cut control purposes.***
- ii. The volumes used shall be those stated in timber damage assessment tables.***
- iii. The volumes shall be charged to each timber disposition proportional to the allocation of the AAC by covergroup (C, D).***
- iv. By September 1, 2005, Buchanan Lumber and Tolko shall implement a salvage timber volume tracking and reporting system acceptable to the Senior Manager, Timber Production, Auditing and Revenue Section.***

Approval Condition 15.1 – Incidental Coniferous Replacement Strategy

- i. By September 1, 2005, Tolko must determine the coniferous replacement stocking level (%) to be achieved on the deciduous landbase or alternate measure acceptable to the Senior Manager, Forest Planning Section.***

Authorization

The Detailed Forest Management Plan for the Buchanan Lumber and Tolko FMA area submitted January 31, 2005 is approved subject to the Approval Conditions being met, and the Annual Allowable Cuts presented in this Approval Decision.

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1. Introduction

The approval of forest management plans is the mandate of the Executive Director of the Forest Management Branch (FMB), Public Lands and Forests Division (PLFD) of the Department of Sustainable Resource Development (department). This Approval Decision documents the rationale, and conditions of approval for the Buchanan Lumber and Tolko Industries Ltd., High Prairie OSB Division (Tolko) Detailed Forest Management Plan (DFMP) dated January 31, 2005. This approval provides direction for the successful and efficient implementation of the DFMP.

Tolko regulated forestry professionals have validated (signed and sealed) the DFMP. It has also been reviewed by government professional staff (see Table 1). Professional validation indicates the DFMP is accurate as well as practical and feasible and has been prepared with due diligence. I commend Buchanan Lumber and Tolko those people who have contributed to the DFMP for their efforts to address the complex issues of forest management.

The conditions in this Approval Decision are consistent with the terms of the Forest Management Agreement and failure by Buchanan Lumber and Tolko to fulfill the direction provided in this Approval Decision shall place the Companies in default of its Forest Management Agreement.

2. Government of Alberta Participants: Detailed Forest Management Plan Appraisal

The following Government of Alberta staff participated in the appraisal of the Buchanan Lumber and Tolko DFMP. Comments and recommendations from staff are addressed in this approval decision. I extend my thanks to staff for their personal and professional commitment to the task.

Table 1. Government of Alberta Participants

<u>Government Reviewer</u>	<u>Title</u>	<u>Registration</u>	<u>DFMP Component</u>
Craig Brown, RPF	Area Forester, Smoky Area	CAPF # 490	All sections
Jamie Bruha, RPF	Senior Forester, Harvest and Renewal Section	CAPF # 419	All sections
Brad Epp, RPF	Forest Management Planning Forester, Forest Planning Section	CAPF # 604	All sections
Greg Greidanus, RPF	Growth and Yield Forester, Forest Biometrics Unit	CAPF # 671	Growth & Yield
Mark Heckbert	Wildlife Biologist		Biodiversity and Habitat
Kristofer Heemeryck, RPF	Area Forester, Lesser Slave Area	CAPF # 673	All sections
Grant Klappstein, RPF	Biometrics Forester, Forest Biometrics Unit	CAPF # 768	Growth & Yield

Scott Milligan, RPF	Senior Manager, Harvest and Renewal Section	CAPF # 434	All sections
Dave Morgan, RPF	Manager, Forest Biometrics Unit	CAPF # 270	Growth & Yield
Daryl Price, RPF	Senior Manager, Resource Analysis Section	CAPF # 081	Growth & Yield, Net Landbase, Timber Supply Analysis
Henri Soulodre, RPF	Senior Forester, Lesser Slave Forest Area	CAPF # 444	All sections
John Stadt, P. Bio	Forest Ecology Specialist, Forest Planning Section	ASPB	Biodiversity and Habitat
Robert Stokes, RPF	Senior Manager, Forest Planning Section	CAPF # 500	All sections
Mark Townsend, RPF	Resource Analyst, Resource Analysis Section	CAPF # 486	Net Landbase, Timber Supply Analysis
Kari White, FIT	Area Forester, Peace Area	FIT # 1289	All sections

FIT – Forester in Training, College of Alberta Professional Foresters

CAPF – College of Alberta Professional Foresters

ASPB – Alberta Society of Professional Biologists

3. Forest Management Plan Area

The area under consideration is the Forest Management Agreement (FMA) area of Tolko Industries Ltd and Gordon Buchanan Enterprises Ltd. FMA #0200039 allocated to the Companies through Order-in-Council 29/2002, dated March 5, 2002. The effective period of the FMA is March 5, 2002 to March 4, 2022. The FMA area is within FMU S21, created by the amalgamation of former FMUs P3, and S1.

The FMA is located in the central part of the province, and spans portions of three natural sub-regions including the Central Mixedwood, the Dry Mixedwood and the Lower Foothills. The Landscape Assessment component of the DFMP describes the FMA in greater detail.

4. DFMP Background and Process for the Next DFMP

At the time Buchanan Lumber and Tolko signed their FMA agreement, Tolko was developing a Detailed Forest Management Plan for its FMA #9700033. It was agreed that rather than submit a Preliminary Forest Management Plan, a Detailed Forest Management Plan would be developed. The DFMP was to be submitted by December 31, 2003. A submission date extension was granted to January 30, 2004 following a request by the DFMP planning team.

Department review of the January 30, 2004 DFMP identified a number of issues to be addressed prior to being considered for approval. Between July and December 2004 Tolko, Buchanan Lumber and department staff met regularly to resolve the outstanding issues. The result of this effort was the resubmission of Tolko and Buchanan Lumber's DFMP on January 31, 2005.

Buchanan Lumber and Tolko addressed many challenging forest management issues in their DFMP. The Companies developed an innovative approach to maintain late seral stage forests on the landscape through time by utilizing ecologically based criteria to identify “high quality” late seral stage stands on their FMA. Once identified a strategy was developed to retain a portion of these stands on both the managed and the unmanaged land base throughout the planning horizon (160 years). Combined with other DFMP strategies to retain structure, incorporate wildlife habitat requisites, and assess watershed impacts, the Companies’ illustrated their commitment to planning for non-timber and biodiversity values.

The Tolko and Buchanan Lumber’s January 31, 2005 DFMP is a ten-year plan. An updated DFMP must be approved prior to April 30, 2015.

5. Public Involvement

FMA sections 10(1) and 10(2) require the Companies conduct an acceptable public involvement process. DFMP sections 1.5 and 3.0 describe their work in this regard. To solicit feedback and facilitate public awareness of its forest management activities, the Companies conducted open houses, met regularly with their Forest Resource Advisory Committee (FRAC) and met with stakeholders to discuss its forest management plans and operations.

Buchanan Lumber and Tolko are expected to continue their efforts to execute meaningful public involvement throughout the DFMP implementation. Meaningful consultation is characterized by sincere efforts to help stakeholders understand the implications of plans, sincere efforts to make the plans available at a time and in a manner sufficient for stakeholders to read and study, and sincere and accurate explanations of how the interests and concerns of stakeholders have been addressed.

6. Approval Scope

This Approval Decision relates to the Buchanan Lumber and Tolko DFMP submitted January 31, 2005. All coniferous and deciduous timber operators within the FMA area shall conduct their activities in accordance with the DFMP and the approval conditions.

Buchanan Lumber and Tolko shall meet the requirements (dates and content) of the Approval Conditions unless the Executive Director, Forest Management Branch, agrees to alternate requirements in writing.

In this Approval Decision **bolded text** identifies specific timelines, requirements and the department manager responsible for the review. Non-bolded text provides the rationale for the condition and specific considerations to be addressed in meeting the condition.

In the event of an inconsistency between the DFMP and existing, new or revised legislation or regulation, the legislation or regulation shall apply.

Approval Conditions

7.0 Structure Retention in Harvest Areas

Throughout the province, forest industries practise green tree retention within cut blocks to create residual (post harvest) stand structure. The department has approved detailed forest management plans that propose structure retention targets ranging between 1% and 15% of merchantable volume. Tolko and Buchanan Lumber's approach is consistent with this as they propose a minimum of 1% to be retained within compartments with an average of 3% across each operating area. Buchanan Lumber and Tolko propose to employ several techniques including single-tree, small-clump and green island retention to achieve the desired result.

I believe this strategy is appropriate for this DFMP but requires a practical and cost-effective tracking and reporting mechanism for timber harvest production reconciliation to be developed.

Approval Condition 7.1 – Structure Retention Monitoring

- i. By September 1, 2005, Buchanan Lumber and Tolko shall design a cost effective and practical field assessment program for structure retention monitoring and reporting acceptable to the Senior Manager, Forest Planning Section. Merchantable volume shall be chargeable as AAC production and shall be reconciled every 5 years at the end of each cut control period. Failure to meet this deadline or to annually report these statistics shall result in a reduction of the FMA AAC by 3% effective May 1, 2005.**
- ii. The program shall assess annually the merchantable and non-merchantable structure retained and shall report the results in the 5-year Stewardship Report.**

8.0 Growth and Yield Monitoring Program

A credible Growth and Yield Program is imperative to collecting information for use in future timber supply analysis as well as for verifying current DFMP yield assumptions. In 2003 the Companies developed a growth and yield program as per sections 15 (3) and (4) of the FMA agreement. The department agreed with the program in general but indicated the requirement for it to be updated (department's August 21, 2003 comments) following the DFMP approval. Therefore, the following is required:

Approval Condition 8.1 – Growth and Yield Program

- i. By September 1, 2005, Buchanan Lumber and Tolko shall submit an updated Growth and Yield Program acceptable to the Senior Manager, Resource Analysis Section.**

9.0 Coniferous Understorey and Multi-Tiered Stand Management

Buchanan Lumber and Tolko has indicated that within one year they will:

- “...develop operational procedures for the identification and classification of understories and employ harvesting methods that will minimize damage to those understories.” and;
- “Identify existing multi-tiered stands on the Forest Management Agreement Area”.

Properly managing these understorey or multi-tiered stands is important for Tolko, the embedded operators and the department. The department considers both of these conditions to be understorey stands and therefore it is critical that the Company consults with the department when developing these products.

Approval Condition 9.1 – Coniferous Understorey and Multi-Tiered Stand Management

- i. All future understorey inventories shall meet Alberta’s inventory interpretation standards for coniferous species under a deciduous canopy.**

10.0 Aboriginal Consultation

The Government of Alberta is currently developing policy outlining Alberta’s role in consultation with First Nations. Future government policy regarding Alberta’s role may require amendments to the strategy articulated in the DFMP. Therefore the following applies:

Approval Condition 10.1 – Aboriginal Consultation

- i. The Companies shall keep complete and accurate written records of their consultations with First Nations; i.e., comments received, and how concerns identified have been addressed and incorporated into forest management planning. This information shall be reported in the Companies’ Stewardship Report and shall also be incorporated into the next DFMP.**
- ii. When Alberta’s policy for First Nation’s consultation is complete, the Companies shall work with the department in identifying necessary action plans, and if required, sections within the DFMP that shall be amended.**

11.0 Spatial Harvest Sequence

The spatial (mapped) harvest sequence (SHS) is the most important output as it implements the strategies the Companies must follow to achieve the predicted future forest condition. The future forest condition, while dependent on many factors, is

strongly influenced by harvest patterns, intensity and schedules. It presents spatially and temporally how the integration of environmental, economic, and social values will be achieved on the FMA. Adherence to the planned harvest sequence is imperative to achieving the predicted future forest.

Approval Condition 11.1 – Spatial Harvest Sequence

- i. Tolko, Buchanan Lumber and the embedded operators must follow the mapped 10-year harvest sequence as revised and presented in the updated January 31, 2005 DFMP.**
- ii. To address operational planning concerns, all timber disposition holders are authorized to modify the spatial harvest sequence (SHS) by deleting no more than 20% of the total sequenced area in each compartment, within each decade, while harvesting no more than 100% of the total area within the SHS by compartment, by decade.**
- iii. Preference should be given to selecting stands from the second 10 years of the SHS (years 11 to 20) when replacing deleted stands (from (ii) above). Where this is not feasible, replacements may be made from any other stand identified in the approved net landbase of the DFMP with the following exception:**
 - a. Late seral stage stands may be selected provided that the late seral stage targets are still met.**
- iv. Where timber operators exceed the variance described in (ii), the Forest Area Manager, may require the completion of a compartment assessment and the Senior Manager, Forest Planning Section may recommend the adjustment of the approved AAC to reflect the impact of the variances.**
- v. The department requires the variance from the SHS to be reported annually, and the 5-year Stewardship Report to analyze the variance from the SHS.**
- vi. The department will generally not request a modification of the approved harvest sequence for the first 10 years of the planning period unless required by a change in legislation or a policy approved by the Minister.**

12.0 Wildlife Habitat Assessment

The Companies' wildlife requisite assessment process was developed for use on the Tolko-Footner FMA and adapted for this DFMP. It proved to be a useful tool for evaluating changes to habitat resulting from implementing their preferred forest management strategy.

The Companies selected six wildlife species to assess. The grizzly bear habitat assessment could not be completed for the DFMP submission. Some follow-up work is necessary to gather information and conduct assessments that will support the development of future forest management plans.

The following is required:

Approval Condition 12.1 – Life Requisite Assessment

- i. By December 31, 2005, Buchanan Lumber and Tolko must complete the habitat assessment for the grizzly bear acceptable to the Senior Manager, Forest Planning Section. The assessment should utilize the model developed through the Foothills Model Forest Grizzly Bear Project.**
- ii. By December 31, 2005 Buchanan Lumber and Tolko must develop a plan acceptable to the Senior Manager, Forest Planning Section to ensure Life Requisite information specific to the FMA is available for the next DFMP.**

13.0 Alternative Regeneration Standards

The Regeneration Survey Manual establishes provincial reforestation performance standards (provincial survey standard) that are intended to create fully stocked natural stand yields. These standards shall be used until alternative reforestation performance standards are developed that relate to each yield projection used in a FMP.

Approval Condition 13.1 – Alternative Regeneration Standards

- i. Buchanan Lumber and Tolko must develop alternative reforestation performance standards acceptable to the department prior to the completion of their next DFMP.**

14.0 Industrial Salvage

Accounting for timber volume drain resulting from non-forestry industrial operations is critical to ensure the approved AACs are not exceeded.

Approval Condition 14.1 – Industrial Salvage Timber

- i. All timber depleted (salvage timber) by non-forestry operations shall be counted and reported as production for cut control purposes.**
- ii. The volumes used shall be those stated in timber damage assessment tables.**
- iii. The volumes shall be charged to each timber disposition proportional to the allocation of the AAC by covergroup (C, D).**
- iv. By September 1, 2005, Buchanan Lumber and Tolko shall implement a salvage timber volume tracking and reporting system acceptable to the Senior Manager, Timber Production, Auditing and Revenue Section.**

15.0 Incidental Coniferous Replacement Strategy

Tolko has developed a strategy to ensure that incidental coniferous volume will be maintained through time on the deciduous landbase. Further detail is necessary to clarify its commitment.

Approval Condition 15.1 – Incidental Coniferous Replacement Strategy

- i. By September 1, 2005, Tolko must determine the coniferous replacement stocking level (%) to be achieved on the deciduous landbase or alternate measure acceptable to the Senior Manager, Forest Planning Section.**

16. Authorization

The Detailed Forest Management Plan for the Buchanan Lumber and Tolko FMA area submitted January 31, 2005 is approved subject to the Approval Conditions being met, and the Annual Allowable Cuts presented in this Approval Decision.

Approved Annual Allowable Cuts

Table 2 - S21 Historical Allocations and Annual Allowable Cuts

Company Name	Disposition Number	FMU	Landbase Management Type	Deciduous AAC (%)	Deciduous AAC (m ³ /yr)	Coniferous AAC (%)	Coniferous AAC (m ³ /yr)	Utilization
Gordon Buchanan Enterprises Ltd.	FMA0200039	S21	Divided	N/A	N/A	89.99%	121,410	15/11
CTPP ¹	CTP, DTA	S21	Divided	N/A	500	5.21%	7,024	deciduous 15/10 coniferous 15/11
1104384 Alberta Ltd. ²	CTQS210001	S21	Divided	N/A	N/A	4.80%	6,476	15/11
Tolko Industries Ltd.	FMA0200039	S21	Divided	N/A	166,913	N/A	N/A	15/10
Total					167,413	100%	134,910	

Table 3 - S21 Approved Allocations and Annual Allowable Cuts

Company Name	Disposition Number	FMU	Landbase Management Type	Deciduous AAC (%)	Deciduous AAC (m ³ /yr)	Coniferous AAC (%)	Coniferous AAC (m ³ /yr)	Utilization	Comments
Gordon Buchanan Enterprises Ltd.	FMA0200039	S21	Single	N/A	N/A	93.37%	190,179	15/11	
CTPP ²	CTP, DTA	S21	Single	N/A	500	1.78%	3,624	deciduous 15/10 coniferous 15/11	fixed volumes
1104384 Alberta Ltd. ²	CTQS210001	S21	Single	N/A	N/A	3.18%	6,476	15/11	fixed volume
Gordon Buchanan Enterprises Ltd.	CTQS210002	S21	Single	N/A	N/A	1.67%	3,400	15/11	fixed volume
Tolko Industries Ltd.	FMA0200039	S21	Single	N/A	279,500 (May 1, 2004 to April 30, 2024) 267,500 (May 1, 2024 forward)	N/A	N/A	15/10	
Total					280,000 (May 1, 2004 to April 30, 2024) 268,000 (May 1, 2024 forward)	100%	203,679		

¹ As per Forest Management Agreement #0200039:

8.(2) *The Minister also reserves the following rights to the timber on the forest management area:*

(a) *the right, after consulting with the Companies, to issue timber permits from within the forest management area to provide timber*

(i) *for local use in construction and maintenance of public works by any local authority, municipality, county, the Crown in right of Alberta or Canada, and*

(ii) *for a Community Timber Use program*

provided that the total combined volume for these dispositions does not exceed 67,500 cubic metres of coniferous timber and 2,500 cubic metres of deciduous timber in each five-year cut control period;

Note: The coniferous timber quadrant volume identified in FMA clause 8.(2) (ii) above has been reduced from 67,500 m³ to 18,120 m³, (67,500 m³ - 32,380 m³ - 17,000 m³ = 18,120 m³) to reflect the timber sales (allocations) to 1104384 Alberta Ltd (QS210001) (6,476 m³ X 5 years = 32,380 m³), and to Gordon Buchanan Enterprises Ltd. (FMA0200039) (3,400 m³ X 5 years = 17,000 m³), (Letter of Agreement between Gordon Buchanan Enterprises Ltd. and the Province, May 2005).

Table 4. Quadrant and Periodic Allowable Cuts

Company Name	Disposition Number	FMU	Period/ Quadrant Cut Control Period	Deciduous Period/ Quadrant Allowable Cut (m ³)	Coniferous Period/ Quadrant Allowable Cut (m ³)	Comments
Tolko Industries Ltd.	FMA0200039	S21	May 1,2002 to April 30, 2007	1,172,326	N/A	2 years at 166,913 m ³ + 3 years at 279,500 m ³
Gordon Buchanan Enterprises Ltd.	FMA0200039	S21	May 1,2002 to April 30, 2007	N/A	813,357	2 years at 121,410 m ³ + 3 years at 190,179 m ³
Gordon Buchanan Enterprises Ltd.	CTQS210002	S21	May 1,2005 to April 30, 2007	N/A	6,800	The first quadrant's term is 2 years to align the quota quadrant end date with the FMA period end date. The quadrant total volume is 2 X 3,400 m ³ .
1104384 Alberta Ltd.	CTQS210001	S21	May 1,2005 to April 30, 2007	N/A	12,952	The first quadrant's term is 2 years to align the quota quadrant end date with the FMA period end date. The quadrant total volume is 2 X 6,476 m ³ .