

**LOUISIANA-PACIFIC CANADA LTD.
MALAKWA DIVISION.**

**2003 ANNUAL REPORT
FOR
TREE FARM LICENCE #55**

for the period of
January 1, 2003 to December 31, 2003

Prepared by: The Woodlands Department, Louisiana-Pacific Canada Ltd. – Malakwa Division

Signature of Company Official: _____

R. A. Holland

Manager, Forest Resources

Date: _____

May 25/04

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1.0 2003 SUMMARY OF MANAGEMENT ACTIVITIES - TFL 55

1.1 Performance

The following table summarized our activities on TFL 55 during 2003.

Table 1: Performance Summary

i.	Total scaled volume (firm wood)	80,889.2 M3
ii.	Total volume removed by contractors	80,889.2 M3
iii.	Area logged (including salvage operations)	224.9 Ha*
iv.	Area planted: (Gross ha.)	90.9 Ha
	Trees planted:	142,800
v.	Total area reforested	90.9 Ha
vi.	Recoverable costs (O/H & Admin)	\$ 0.00
	Backlog Silviculture	\$ 0.00
	Net Volume adjustment factor sample plan & package formulation	\$ 4,425.10
	Net Volume Adjustment factor sampling:	\$48,1143.65
	Electronic Data Submission Project:	\$ 7,230.00
	Total	\$59,798.75
vii.	Total area abated using prescribed fire	0 Ha
viii.	Total area mechanically site prepared (net)	0 Ha
ix.	Total area pre-commercially thinned (gross)	0 Ha
x.	Total area Juvenile Spaced (gross)	0 Ha
xi.	Total area brushed	537.6 Ha
xii.	Total area pruned	0 Ha
xiii	Total area surveyed	934.5 Ha
*	Based on hectares harvested during 2003.	



2.0 PRODUCTION

2.1 Annual Cut 2003

The total volume identified for cut control for 2003 was 78,325 m³ and in which LP Malakwa harvested 80,889 m³.

Table 2: Volume Summary of Five Year Cut Control Period

Volume Summary of Five Year Cut Control Period					
Year	Volume Billed	Allowable Annual		Percent of AAC	
2001	77,376	89,953		84%	
TOTALS 1997-2001	455,796	478,041		95%	
Year	Volume Billed	Allowable Annual	Undercut Adjustment	Percent of AAC	Percent of undercut
2002	75,205	78,325	0	96%	-
2003	80,889	78,325	0	103 %	-
2004		78,325	0		-
2005		78,325	0		-
2006		78,325	0		-
TOTALS	156,094	391,625	0	99%	-



2.2 Residue Surveys

Residue surveys were carried out on T.F.L. #55 according to Ministry of Forests procedures for Residue surveys. LP Malakwa surveyed accessible 2003 logging and all 2002 logging areas that were not ready for survey in 2002. A total of 229.0 ha were surveyed in 2003.

The surveys and compilations were done by Nakimu Forestry Consulting and submitted to the Columbia Forest District for processing. The following table shows the results of these surveys:

Table 3: Summary of 2003 Waste and Residue Volumes

Summary of 2003 Waste and Residue Volumes	
Type of Volume	Volume (m ³) *
Avoidable Residue and Waste	492.0
Unavoidable Residue and Waste	108.1
Cut Control Volume	600.1

NOTE: * Does not include breakage, grade 05, grade 06 and firm wood reject. Figures only represent cut control volumes.

2.3 Volumes Logged by Contractors

Pursuant to Clause 10.00 of the Selkirk Tree Farm Licence Agreement, 50% of the volume harvested from Schedule "B" Lands (Crown Lands) shall be logged by persons under contract. Independent contractors carry out all harvesting and related work and the following contractor clause table summarises our performance.



Table 4: Contractor Clause Performance Report

Contractor Clause Performance Report TFL #55 – 2003			
Ref. #	Description	Statistics (Vol. in M3)	Information Source
1	Total AAC of the TFL approved by the Chief Forester that is available to the Licensee	78,325	Chief Foresters approval letter for Management Plan
2	AAC attributable to Schedule "B" lands that is available to the Licensee	78,325	Derived from approved Management Plan
3	Volume of Timber Harvested During Calendar Year,	80,899	Obtained from the Regional Timber Office or District Manager: Means the total volume of timber that is billed to a Licensee under the Licence during the calendar year.
4	Harvested Volume attributable to Schedule "B" Lands	80,899	Calculated ((#2/#1)*#3
5	Total volume harvested under full and phases contracts	80,899	Licensee records (Jan 1 st to Dec 31 st)
6	Total Volume contracted (% of compliance required)	400%¹	Calculate (#5/(#4*.5 ²)*100
7	Total volume contracted under full and phase contracts each of which provides for terms of at least 5 years	58,069	Licensee records. Please identify those which you believe are replaceable
7.1	Volumes expressed as a percentage of compliance required	410%⁴	calculated: (#7/(#4*.5 ² *.7)*100
8	Total volume contracted under full and phase contracts each of which provides for terms of at least two years (not including those in #7 above	0	Licensee records. Please identify those which you believe are replaceable ³
9	Total volume contracted under full and phase contracts, each of which provides for terms of less than two years.	17,136	Licensee records. Please identify those which you believe are replaceable ³
<p>¹ If less than 100%, you must apply to the Minister of Forests for relief.</p> <p>² This value is relative to the percent of the harvested volume that is required to be harvested under contract under this licence i.e. 50% = 0.5</p> <p>³ All contracts used for compliance purposes under Section 38 of the Regulation are replaceable unless exempt under Section 23(2) of the Regulation. If the requirements are not met, then you must apply to the Minister of Forests for relief. Poncho Holdings and Two Guys Logging hold replaceable contracts.</p> <p>⁴ If less than 100% you must apply to the Minister of Forests for relief</p>			
Licensee Name: LP Canada Ltd. – Malakwa Division		Completed by: Mike Beck, RPF	
Date Report Completed: May 10, 2004		Request for Relief: N/A	



3.0 STAND TREATMENT

3.1 Area Harvested by Treatment Class

Clear cutting with wildlife tree patches continued as the single largest treatment class during 2003, as illustrated by the following table.

Table 5: Area Harvested by Treatment Class

Area Harvested By Treatment Class			
Treatment Number	Treatment Description	Hectares	Percent of Total
1	Clear cutting of stands not previously logged	208.8	93%
1A	Clear cutting of stands previously logged for sawlogs and poles	0	0
1B	Seed Tree	0	0
2	Selective removal of mature trees leaving a vigorous understory in uneven age stand.	0	0
3	Shelterwood cut	0	0
4	Salvage of fire killed, blowdown or flood timber. (CP 998-1 & 999-8)	16.1	7%
5	Partial cutting of immature and mature stands removing expected mortality and dead trees.	0	0
6	Removal of special products such as poles or sawlogs.	0	0
TOTALS		224.9	100%



3.2 Target Harvest Performance

3.21 Non-Conventional Operability

Development planning and harvesting outside and above the OCL has increased considerably in the past years. A revised operability line was completed in co-operation with Columbia Forest District Staff and the OCL was adjusted to take into account Non-Conventional Operability areas above the current OCL. This revised OCL line was used in the Timber Supply Analysis carried out in the preparation of MP #3.

LP has demonstrated performance in harvesting above OCL areas and was in an advanced stage of planning and felt confident enough to include the additional areas. The revised operability areas designated 662 ha as Non-conventional operability landbase within TFL 55. (refer to Appendix 1: Management Plan 3 – TFL Operability Map). In 2003, 8,876.0m³ of timber was harvested above the current Operational Cut Line, which contributed to harvested volumes in 2003 (Table 6).

Table 6: Non-Conventional Operability

Harvesting above Operational Cut Line (OCL) in 2003			
CP #	Block #	OCL Area (ha)	Volume Harvested from above OCL Area
362	5	3.3	1,617.0 m3
362	6	9.8	4,086.6 m3
758	16	7.7	3,172.4 m3
Total:		20.8	8,876.0 m3



3.22 Harvest Performance across the Timber Profile and Harvesting in the Non-Conventional Area.

The Chief Forester requested in his approval letter of MP #3 that the Company report annually on harvest performance across the full timber profile and that is assumed to contribute to the timber supply including performance in the area that is described as “non-conventional”.

Table: 7A - Harvest Profile

Leading Species	% of Profile (Operable Area)	Hectares Harvested on TFL					Cumulative Total (ha):	% of Total Cut
		2002	2003	2004	2005	2006		
Balsam	4	0.6	31.4				32.0	7.0
Cedar	19	9.0	66.6				75.6	18.0
Douglas-Fir	4	7.5	5.5				13.0	3.0
Hemlock	28	10.8	47.6				58.4	14.0
Spruce	45	167.2	73.8				241.0	58.0
Total:	100	195.1	224.9				420.0	100.0

Table: 7B - Conventional & Non-Conventional Harvest Profile

	% of Profile	Hectares Harvested on TFL					Cumulative Total (ha):	% of Total Cut
		2002	2003	2004	2005	2006		
Conventional	97.4%	131.0	204.1				335.1	80.0
Non-Conventional	2.6%	64.1	20.8				84.9	20.0
Total:	100.0%	195.1	224.9				420.0	100.0



4.0 REFORESTATION

In this report reforestation activities are summarised. LP Malakwa maintains cut block level detail of all silvicultural activities in Phoenix for Windows; a window based history record system.

4.1 Cone Collection and Tree Seed Inventory

Our seed inventory, summarised below is well in excess of a 10-year supply for species where 'A' class seed is not available. However, there may still be gaps in certain species or elevations, which we would fill through purchase, trade or collection in 2004. All Sx and Pw needs can now be met with 'A' class seed so we will not add to our inventory of those species. We will monitor availability of 'A' class Fdi seed.

The following table summarizes our seed inventory at December 31, 2003. We are only reporting seed belonging to LP Engineered Wood Products, LP Malakwa. The use of this seed is for both TFL 55 and FL A18669.

Table 8: Tree Seed Inventory

Tree Seed Inventory, December 31, 2003			
Species	Class	Grams	# trees (000's)
Bl	B	87,223	2,066.5
Cw	B	11,896	2,567.1
Fdi	B	64,244	3,120.8
Ep	B	198	59.3
Pli	B	6,166	913.6
Pw	A	16,732	284.1
Hm	B	2,831	429.8
Lw	B	2,252	145.4
Sx	B	110,383	16,340.0
Totals		301,925	25,926.6



4.2 Plantations

The 2003 planting program is summarized as follows:

Table 9 Planting Summary

2003 Planting Summary – TFL #55				
Forest District	Season	Number of Blocks Planted	Net Area (hectares)	Number of Seedlings
Columbia	Spring	8	80.9	126,500
Columbia	Summer	4	10.0	16,300
	Total:	12	90.9	142,800

The breakdown of seedlings by species and stock type for T.F.L. #55 is as follows:

Table 10: Seedling Stock type Planting Summary

Summary of Seedlings by Species and Stock Type - 2003 Planting - TFL #55								
Species	Number of Seedlings (x1000)							Percent of Total Seedlings
	Container					PBR 211	Total	
	PSB 410	PSB 415B	PSB 415D	PSB 412A	PSB 512A			
Sx		34.8	4.0	6.9			49.3	34.5
Fdi				11.6	28.8		40.4	28.3
Cw		21.5	2.5				24.0	16.8
Pw				17.3			17.3	12.1
Hw					2.3		2.3	1.6
Pli								0.0
Hm								0.0
Bl				9.4			9.4	6.6
Total		59.9	6.5	45.2	31.1		142.7	100



4.3 Surveys - Columbia Forest District

During 2003, 934.5 ha were surveyed within TFL 55. The following is a breakdown of the area by survey type conducted in 2003:

Table 11: Summary of Hectares Surveyed

Summary of Hectares Surveyed in 2003 by Type						
Survey Type	Hectares Surveyed				% SR	% FG
	Surveyed	SR	NSR	FG		
Stocking Plantability						
Plantation Assessment	821.2	813.0	8.2	0	99	0
Free Growing	77.3	77.3	0	52.1	100	67
Plantability						
Pre-Stand Tending Evaluation	36.0	36.0	0	36.0	100	100
Total	934.5	926.3	8.2	88.1		

4.4 Site Treatment

4.41 Mechanical Site Preparation

No on-block mechanical site preparation was done in 2003.

4.42 Prescribed Burning

Landing and roadside yarding debris was burned on eight (8) cut blocks having a gross area of 367.1 hectares. No on block treatments for hazard are necessary on these blocks.

4.43 Chemical Site Preparation

No chemical site preparation was undertaken on TFL 55 in 2003.



5.0 STAND TENDING

5.1 *Pre-Commercial Stand Treatment Assessment Surveys*

No pre-stand tending surveys were conducted in 2003.

5.2 *Stand Treatments*

5.21 Brushing

The objective is to maximize the survival and early growth of young plantations by removing competing vegetation and reducing brush / snow press.

Table 12: Summary of Brushing Activities

Summary of 2003 Brushing Activities - TFL #55		
Type of Brushing	No. of Plantations	Hectares Treated
Manual Cutting	51	537.6
Herbicide	0	0
Totals	51	537.6

5.22 Conifer Release

No conifer release was conducted in 2003.

5.23 Juvenile Spacing

No Juvenile spacing of natural stands was conducted on TFL 55 during 2003.

5.24 Pruning

No Pruning was conducted in 2003.

5.25 Grass Seeding

No new areas were seeded for silvicultural purposes in 2003.



6.0 GROWTH AND YIELD

6.1 *Permanent Growth Plots*

No Permanent Growth Plots were established in 2003.

6.2 *Permanent Sample Plots (P.S.P.'s)*

No Permanent Sample Plots were established in 2003.

7.0 DEVELOPMENT

7.1 *Forest Development Plans*

LP Malakwa is currently operating under the approved 2001-2005 Forest Development Plan. This plan is approved to Dec 31, 2005.

7.2 *Cutting Permits*

During 2003 LP Malakwa had cutting permits CP 302 and CP 571 approved. CP 302 consists of one block with a total cruised volume of 14,866 m³ and CP 571 consists of 8 blocks with a total cruised volume of 75,949 m³.

7.3 *Road Construction*

New road construction in 2003 occurred in Cutting Permits CP 241 (West French Creek), CP 601 (Ski hill) and CP 362 (Camp Creek) areas. Approximately 5.3 km's of new all-season roads and approximately 1.7 km's of new winter roads were constructed in 2003. Some rebuild road construction occurred on the Ski Hill road (Mica Creek). The total length of rebuild/reconstruction in 2003 was approximately 3.4 km's. No bridge or major structures were installed on the TFL during 2003.

7.4 *Grass Seeding - Erosion Control*

No grass seeding was undertaken during 2003. Access roads into CP 362 and CP 601 were completed in 2003 and will be grass seeded in 2004.



8.0 FOREST PROTECTION - FIRES

8.1 *Weather Stations*

The Ministry of Forests operates all weather stations in the Columbia Forest District.

8.2 *Forest Fires*

The summer of 2003 was very hot and dry. Two forest fires occurred in TFL 55 in 2003. The first fire was located in the Caribou valley (CP 91 blocks 1 & 2) it burned over 400 ha of timber and included was approximately 20.5 ha of merchantable timber and 60.0 ha of SR plantation. The second fire occurred in the Hiram area (CP 998-1) and it burned approximately 17.0 ha of merchantable timber. At the CP 91 fire we incurred costs of approximately \$36,000.00. No costs were incurred for the CP998-1 fire.

9.0 FOREST PROTECTION - PESTS AND DISEASES

9.1 *Pw Blister Rust*

The low levels of blister rust consistent with TFL #55 remained constant in 2003 due to the low occurrence of host tree species in TFL #55.

9.2 *Spruce Bark Beetle*

Infestations of spruce bark beetle remained low in TFL #55 in 2003. LP Malakwa continued to practice the timely disposal of spruce debris to minimise the spread of bark beetle infestations.

9.3 *Hemlock Looper*

A new area of Looper kill was identified in the Bunty Creek area. CP 999-4 has been applied for to facilitate a salvage harvest for this area.

9.4 *Armillaria*

No root rot surveys were conducted in TFL #55 during 2003. However, scientific information indicates that it is likely endemic throughout the range of ICH stands of TFL #55.



9.5 Rhizina Root Disease

None noted in 2003.

9.6 Black Army Cutworm

Populations of black army cutworm remained low in 2003. If present in the Revelstoke TSA, there were too few larvae to significantly damage seedlings.

9.7 Douglas-fir Beetle

Evidence of Douglas-fir Beetle was noted in the northern portion of the TFL. LP Malakwa Staff and Ministry of Forests Regional Entomologist have conducted walkthroughs of stands with a fir component to determine the level of infestation. We have concluded the level of attack is endemic and risk is low due to low proportion of susceptible stands.

9.8 Mammal Damage

Vole damage was not significant in 2003, and considered normal level of damage.

10.0 FOREST INVENTORY

The complete inventory of TFL #55 was last updated for 1997 harvest, development and silviculture activities as part of the MP3 planning process. This information was transferred to a digital format (GIS). This information is now used to produce our forest development plan maps and other operational level maps in digital format. The inventory database has been updated annually for harvesting and reforestation activities.

A new VRI Inventory was undertaken in 2001. Phase II was completed in early 2003 and Phase III of VRI was started in the late fall of 2003. Phase III is scheduled for completion in 2004. This new inventory will be utilized in the Timber Supply Analysis for MP #4.

11.0 SITE DISTURBANCE SURVEYS

No formal site disturbance surveys were conducted in 2003.

12.0 RECREATION

No recreation sites were worked on in 2003 in TFL #55.

13.0 AMENDMENTS TO THE T.F.L. #55 DOCUMENT

No amendments to the Licence document occurred in 2003.



14.0 SILVICULTURE AUDITS

No silviculture audits were conducted in 2003.

15.0 FOREST INVESTMENT ACCOUNT (FIA)-Recoverable Forestry Costs

The Forest Act provides for the recovery of expenditures incurred to conduct approved forest management projects on areas logged before October, 1987 or on areas logged after October 1987 if the area has been accepted as free growing. There was no FIA spending for silviculture backlog in 2003. FIA funding spent in 2003: \$4,425.10 on Net Volume Adjustment factor sample plan & Package formulation, \$48,143.65 on Net Volume Adjustment factor Sampling and \$7,230.00 on Electronic Data Submission Projects for a total FIA spending of \$59,798.75 on TFL 55.

16.0 BC Timber Sales (BCTS) ALLOCATION

The BC Timber Sales formerly known as Small Business Forest Enterprise Program (SBFEP) requires an operating area within TFL 55. During 1994, Evans and the Columbia Forest District agreed to operating areas that will fulfill their program's needs for the next development period. Stitt Creek has been accepted as a BC timber Sales operating area within our TFL.

17.0 FOREST PRACTICES CODE COMPLIANCE

During 2003, LP Malakwa had no FPC/FRPA code violations.

18.0 FOREST CERTIFICATION – (SFI – 2003)

In 2003, LP Malakwa was conformant and compliant with the requirements of the Sustainable Forestry Initiative (SFI) Standards. The program was updated to the 2002 standard during the “scoping in “ of the Dawson Creek operations.



APPENDIX 1

TFL 55 OPERABILITY MAP

TFL 55 Operability

