

October 24, 2007

**DAISHOWA-MARUBENI INTERNATIONAL LTD.  
Peace River Pulp Division**

**FINAL ANNUAL OPERATING PLAN**

**INTRODUCTION**

This plan for Operating Area **DTLP160001** issued under **DTA160001** covers the operating period from September 13, 2007 to April 30,2008.

The proposed location of manufacture for deciduous volume harvested under the authority of this plan is the Daishowa-Marubeni International Ltd., Peace River Pulp Mill located near Peace River, Alberta.

Incidental coniferous timber harvested as a result of deciduous harvesting operations, will be directed to Manning Diversified Forest Products (MDFP).

Table 7 of Peace River Pulp Division's (PRPD) 2007 General Development Plan (GDP) summarizes incidental conifer volumes and destination.

Upon delivery to the respective mill sites all material will be weigh scaled.

**DECIDUOUS PRODUCTION (Quadrant)**

**CONIFEROUS PRODUCTION (Quota)**

Proposed production for this timber year:

Proposed production for this timber year:

Deciduous Dominated Stands: **312,606m<sup>3</sup>**  
Incidental Deciduous: **0 m<sup>3</sup>**

Coniferous Dominated Stands: **0 m<sup>3</sup>**  
Incidental Coniferous: **46,919 m<sup>3</sup>**

The deciduous production record is summarized in **Table 1** of PRPD's 2007 GDP.

## **WOOD OPERATIONS**

Deciduous operating conditions and merchantability standards are subject to the MDFP Timber Harvest Planning and Operating Ground Rules with exception of the stated retention strategy, Operating Conditions listed in Section 5 of PRPD's General Development Plan and any additional Operating conditions listed in the Alberta Sustainable Resource Development (ASRD) Letter of Approval.

The coniferous operations and merchantability standards will comply with the MDFP Timber Harvest Planning and Operating Ground Rules and any additional Operating conditions listed in the ASRD Letter of Approval.

## **ACCESS DEVELOPMENT**

Prior to company use of any existing road, pipeline, powerline, wellsite or other disposition held by a third party, the consent of the holder will be obtained.

Reclamation will be concurrent with completion of operations. The access development and reclamation will follow DMI's company's weed control plan.

## **Licences of Occupation:**

<b>Number</b>	<b>Held By</b>	<b>Road Class</b>	<b>Season of operation</b>
LOC 002748	Prime West	V	Frozen
LOC 910014	Cancelled	V	Frozen
LOC95065	Daishowa Marubeni International Ltd	V	Frozen
LOC980652	Daishowa Marubeni International Ltd	V	Frozen
LOC021812	Encana	V	Frozen
LOC010209	Penn West	V	Frozen

## Road Construction

### **Class V Roads**

In-block roads will be installed during the harvest of 2007. The block roads will be reclaimed upon completion of hauling. Road numbers correspond to the block they lead to.

### **Access Construction:**

Road Number	Class	Frozen or Non-frozen	Tenure	Development Required	Reclamation	Company
602	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
603	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
604	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
605	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
606	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
607	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
608	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
609	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
614	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
615	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
616	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
617	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
618	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI

<b>Road Number</b>	<b>Class</b>	<b>Frozen or Non-frozen</b>	<b>Tenure</b>	<b>Development Required</b>	<b>Reclamation</b>	<b>Company</b>
619	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
621	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
625	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
627	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
628	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
633	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
639	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
640	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
641	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
642	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
643	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
644	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
650	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
651	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
652	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
653	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI

Road Number	Class	Frozen or Non-frozen	Tenure	Development Required	Reclamation	Company
654	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
664	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
665	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
666	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
667	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI
687	V	Frozen	1 Year	Pre-log and stump access and block roads	Rollback and Piling as required	DMI

### **STREAM CROSSINGS**

The table below lists the crossings to be utilized during this timber year. This table does not list crossings that are located on routes held under LOC by DMI or other companies.

The crossings constructed with snow or log fills will be removed after operations are completed.

The crossings listed in this table do not require any approval from Department of Fisheries and Ocean Canada or the Water Management Division of Alberta Environment.

Crossing No.	Structure	Stream Class	Company
12	Log/Snow Fill	Small permanent	DMI
13	Log/Snow Fill	Intermittent	DMI
14	Log/Snow Fill	Small permanent	DMI
15	Log/Snow Fill	Intermittent	DMI
6	Log/Snow Fill	Intermittent	DMI

<b>Crossing No.</b>	<b>Structure</b>	<b>Stream Class</b>	<b>Company</b>
9	Log/Snow Fill	Small permanent	DMI
10	Log/Snow Fill	Intermittent	DMI
11	Log/Snow Fill	Intermittent	DMI
17	Log/Snow Fill	Intermittent	DMI
16	Log/Snow Fill	Intermittent	DMI
7	Log/Snow Fill	Intermittent	DMI
8	Log/Snow Fill	Intermittent	DMI

## **OPERATIONS**

Deciduous operating conditions and merchantability standards are subject to the MDFP Timber Harvest Planning and Operating Ground Rules, Operating Conditions listed in Section 5 of the PRPD General Development Plan and any additional Operating conditions listed in Alberta Sustainable Resource Development (ASRD) Letter of Approval.

High stumps will be utilized along common boundaries between conifer and deciduous blocks as a defining line on the ground for future work in these blocks.

Within DUA stands every effort will be made to preserve as much understory as possible with the intent of bringing these stands back to a DC standard.

Coniferous harvesting will be mechanized and completed with a feller-buncher, grapple skidder, and delimeter with tree-length haul to the sawmill.

Deciduous harvesting will utilize a Feller-buncher, grapple skidder and a bush chipper hauling chips to the pulp mill.

## **TRAPPER NOTIFICATION**

All Trappers will receive a copy of this Final AOP..

<b>Number</b>	<b>Holder</b>	<b>Contact Date</b>	<b>Method</b>
2147	Myron Edward Krupinski	June 2007 October 2007	Registered Mail Registered Mail
2187	Dean Yardley	June 2007 October 2007	Registered Mail Registered Mail
1233	Dennis Sivertson	June 2007 October 2007	Registered Mail Registered Mail

## **DESIGN CONSIDERATIONS**

The design considerations for this Annual Operating Plan have been taken from the Manning Diversified DFMP.

1. Implement a single-pass harvest system that utilizes natural stand boundaries as block boundaries to avoid potential fragmentation of the landbase.
2. Retain merchantable volume within harvested areas as outlined in the Planning Manual. This retention will contribute to the overall goal of retaining 4% at the landscape level.
3. Design in-block roading that minimize road construction, reclamation requirements, and minimize access throughout the area after harvest.

## **CUTBLOCK SUMMARY**

The cutblock summary is listed below.

<b>Block Number</b>	<b>Total Area (ha)</b>	<b>DEC. VOL. (m<sup>3</sup>)</b>	<b>CON. VOL. (m<sup>3</sup>)</b>	<b>DUA STANDS</b>
602	55.6	15288	2845	
603	14.4	2874	542	
604	5.5	1662	283	

<b>Block Number</b>	<b>Total Area (ha)</b>	<b>DEC. VOL. (m<sup>3</sup>)</b>	<b>CON. VOL. (m<sup>3</sup>)</b>	<b>DUA STANDS</b>
605	27.4	8213	1486	
606	220.7	62491	10729	
607	7.0	1825	330	
608	8.6	550	100	
609	8.2	1356	231	
614	35.6	10461	1892	
615	8.8	1971	336	
616	9.8	2539	496	
617	31.5	6994	1537	
618	13.9	3794	315	
619	28.2	8277	1497	
621	48.1	13628	2328	
625	26.2	7846	1420	
627	8.6	1925	328	
628	188.7	33952	3999	

<b>Block Number</b>	<b>Total Area (ha)</b>	<b>DEC. VOL. (m<sup>3</sup>)</b>	<b>CON. VOL. (m<sup>3</sup>)</b>	<b>DUA STANDS</b>
633	28.8	6135	614	DUA
639	22.3	4202	256	
640	54.0	10809	1956	
641	53.2	8471	517	DUA
642	104.5	16822	1730	DUA
643	65.5	10426	635	DUA
644	31.3	4976	303	DUA
650	7.5	1238	211	
651	19.6	4682	932	
652	13.2	2595	585	
653	36.9	7382	1336	
654	225.4	28182	4362	
664	22.3	3859	699	DUA
665	61.6	10151	1150	
666	5.3	1063	192	

Block Number	Total Area (ha)	DEC. VOL. (m <sup>3</sup> )	CON. VOL. (m <sup>3</sup> )	DUA STANDS
667	7.5	1199	73	
687	33.2	4768	672	
<b>Totals</b>	<b>1,538.8</b>	<b>312,606</b>	<b>46,919</b>	

This table will be updated once layout has been completed.

<b><u>BLOCK OPENING TABLE</u></b>	
Block Numbers	Total Area
5022/642	203.1
5002/606	262.8
5006/5007/602	101.9
5024/616/617	121.9

Detailed block plans will be submitted for blocks over 100 ha before operations commence.

### **BLOCK SEQUENCING**

This plan for the 2007 year is for a portion of the larger prelim submitted June 1, 2007.

### **SLASH DISPOSAL**

- Slash disposal, of top and limb accumulation from tree length harvesting and access clearing debris, will be piling and burning.
- Debris disposal from chipping will be spread out along with the tops and limbs from the tree length operations, then piled and burned.

*If chipping debris is to be left on site to be disposed of by burning, the Forest Protection Division "Debris Disposal Guidelines" criteria regarding pile size and spacing will be adhered to. DMI will inform ASRD of any debris disposal strategy changes.*

## **HISTORICAL RESOURCE CONSIDERATIONS**

This plan's operations will comply with the Alberta Historical Resources Act

## **UNDERSTORY MANAGEMENT**

Any understory encountered during layout and operations within these blocks will be assessed and protection measures implemented as indicated in DMI's understory protection guidelines.

The inspecting Forest-Officer will be notified of any changes to the understory protection prescriptions.

## **REFORESTATION PROGRAM**

The Reforestation Table below outlines the proposed harvest system, silviculture system (strategy) and reforestation tactic for the blocks to be harvested.

DUA stands will be brought back to a DC standard.

### **SILVICULTURE STRATEGIES**

Timber Year	DISPOSITION	Block	(ha) (0.1 ha)	FROZEN or NONFROZEN HARVEST	Proposed Harvest System	SILVICULTURE SYSTEM	REFORESTATION TACTIC
2007	DTLP160001	602	55.6	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
2007	DTLP160001	603	14.4	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
2007	DTLP160001	604	5.5	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
2007	DTLP160001	605	27.4	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
2007	DTLP160001	606	220.7	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
2007	DTLP160001	607	7.0	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
2007	DTLP160001	608	8.6	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
2007	DTLP160001	609	8.2	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
2007	DTLP160001	614	35.6	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
2007	DTLP160001	615	8.8	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
2007	DTLP160001	616	9.8	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
2007	DTLP160001	617	31.5	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
2007	DTLP160001	618	13.9	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
2007	DTLP160001	619	28.2	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
2007	DTLP160001	621	48.1	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
2007	DTLP160001	625	26.2	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
2007	DTLP160001	627	8.6	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
2007	DTLP160001	628	188.7	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
2007	DTLP160001	633	28.8	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering/ Planting
2007	DTLP160001	639	22.3	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering

Timber Year	DISPOSITION	Block	(ha) (0.1 ha)	FROZEN or NONFROZEN HARVEST	Proposed Harvest System	SILVICULTURE SYSTEM	REFORESTATION TACTIC
2007	DTLP160001	640	54.0	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
2007	DTLP160001	641	53.2	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering/ Planting
2007	DTLP160001	642	104.5	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering/ Planting
2007	DTLP160001	643	65.5	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering/ Planting
2007	DTLP160001	644	31.3	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering/ Planting
2007	DTLP160001	650	7.5	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
2007	DTLP160001	651	19.6	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
2007	DTLP160001	652	13.2	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
2007	DTLP160001	653	36.9	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
2007	DTLP160001	654	225.4	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
2007	DTLP160001	664	22.3	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering/ Planting
2007	DTLP160001	665	61.6	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
2007	DTLP160001	666	5.3	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
2007	DTLP160001	667	7.5	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
2007	DTLP160001	687	33.2	FROZEN	Roadside Chipper	Clearcut	Leave For Natural Suckering
		Total (ha):	<b>1,538.8</b>				

The Table below outlines pre harvest strata polygons by the four cover types based upon the current Forest Inventory data.

**Pre-harvest Landbase**

<u>Timber Year</u>	<u>DISPOSITION</u>	<u>Block</u>	<u>ha (0.1 ha)</u>	<u>Map Inventory Type (pre-harvest)-ha</u>			
				<u>C</u>	<u>CD</u>	<u>DC</u>	<u>D</u>
2007	DTLP160001	602	55.6	0.0	0.0	0.0	55.6
2007	DTLP160001	603	14.4	0.0	0.0	0.0	14.4
2007	DTLP160001	604	5.5	0.0	0.0	0.0	5.5
2007	DTLP160001	605	27.4	0.0	0.0	0.0	27.4
2007	DTLP160001	606	220.7	0.0	0.0	0.0	220.7
2007	DTLP160001	607	7.0	0.0	0.0	0.0	7.0
2007	DTLP160001	608	8.6	0.00	0.00	0.00	8.60
2007	DTLP160001	609	8.2	0.0	0.0	0.0	8.2
2007	DTLP160001	614	35.6	0.0	0.0	0.0	35.6
2007	DTLP160001	615	8.8	0.0	0.0	0.0	8.8
2007	DTLP160001	616	9.8	0.0	0.0	0.0	9.8
2007	DTLP160001	617	31.5	0.7	0.0	0.0	30.8
2007	DTLP160001	618	13.9	0.0	0.0	0.0	13.9
2007	DTLP160001	619	28.2	0.0	0.0	0.0	28.2
2007	DTLP160001	621	48.1	0.0	0.0	0.0	48.1
2007	DTLP160001	625	26.2	0.0	0.0	0.0	26.2
2007	DTLP160001	627	8.6	0.0	0.0	0.0	8.6
2007	DTLP160001	628	188.7	0.00	0.00	0.00	188.68
2007	DTLP160001	633	28.8	0.0	0.0	28.8	0.0
2007	DTLP160001	639	22.3	0.0	0.0	0.0	22.3
2007	DTLP160001	640	54.0	0.0	0.0	0.0	54.0
2007	DTLP160001	641	53.2	0.0	0.0	53.2	0.0
2007	DTLP160001	642	104.5	0.7	0.0	103.7	0.0
2007	DTLP160001	643	65.5	0.0	0.0	65.5	0.0
2007	DTLP160001	644	31.3	0.0	0.0	31.3	0.0
2007	DTLP160001	650	7.5	0.0	0.0	0.0	7.5
2007	DTLP160001	651	19.6	0.0	0.0	0.0	19.6
2007	DTLP160001	652	13.2	0.0	0.0	0.0	13.2
2007	DTLP160001	653	36.9	0.0	0.0	0.0	36.9
2007	DTLP160001	654	225.4	0.0	0.0	0.0	225.4
2007	DTLP160001	664	22.3	0.0	0.0	22.3	0.0
2007	DTLP160001	665	61.6	0.00	0.00	0.00	61.57
2007	DTLP160001	666	5.3	0.00	0.00	0.00	5.32
2007	DTLP160001	667	7.5	0.00	0.00	0.00	7.53
2007	DTLP160001	687	33.2	0.0	0.0	0.0	33.2

**ENDORSEMENT OF AOP BY FMA HOLDER**  
**ENDORSEMENT OF AOP:**

**Both companies have reviewed this AOP.**

AOP prepared by:

Name: Trina Tosh

Name: \_\_\_\_\_

Position: Forest Resources Supervisor -  
Planning

Position: \_\_\_\_\_

Signature:

Signature:

\_\_\_\_\_

\_\_\_\_\_

Date: October 24, 2007

Date: \_\_\_\_\_

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