



Weyerhaeuser

2022/2023 ANNUAL OPERATING PLAN

Pembina Timberlands

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Introduction

This Annual Operating Plan (AOP) submission represents the Weyerhaeuser Company Limited – Pembina Timberlands proposed operations for the 2022/2023 operating year for FMA0900046, DTAW160002, CTLR150015 and CTLR150001. This plan has been reviewed by both Tall Pine Timber Co. Ltd. and Dale Hansen for operations proposed on CLTR150015 and CTLR150001 respectfully and is submitted on their behalf.

The AOP is divided into two separate parts (binders):

Part I – General Information: this binder is introductory information relevant to all operating areas (e.g. general provisions, woods operations, etc.).

Part II – Weyerhaeuser Pembina FMA: provides the Landscape Management Unit specific operational information (e.g. production, block listing, road and crossing requirements, maps, etc).

This AOP was prepared by the Pembina Timberlands Division. Please direct any questions or concerns that you have regarding this AOP by writing to either of the addresses below, or by contacting one of the offices at the numbers listed.

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Pembina Timberlands**

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General Information

General Provisions

Operating Period The operating period proposed for this Annual Operating Plan is from **May 1st, 2022, to April 30th, 2023**. In addition, this plan includes proposed winter harvest blocks scheduled to be delivered in the spring/early summer (May to July) of 2022 (Spring Blocks).

Manufacturing The proposed locations of manufacture for most of the timber harvested under authority of this *AOP* are on private land at designated Weyerhaeuser Company Limited mill sites in Alberta. ***All timber will be weigh scaled upon delivery.***

Some timber harvested under the authority of this *AOP* will also be shipped to other manufacturing facilities in Alberta. These may include:

- Edson Forest Products (Sundance) – A division of West Fraser.
 - West Fraser Timber Company Ltd.
 - Brisco Industries.
 - Unger’s lumber and Post, Drayton Valley, Alberta
 - Blue Ridge Lumber Inc., Whitecourt, Alberta
 - Alberta Pacific Forest Industries Inc.
 - Miller Western Forest Products, Whitecourt, Alberta
 - Ken Chaluk, Edson Alberta
 - Moose Mountain Log Homes Inc.
 - Other small independent facilities involved in the Community Timber Programs.
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Production Records Summaries of the production records as of March 23, 2022, have been provided for each of the Forest Management Units for Weyerhaeuser Pembina.

General Development Plan The General Development Plan for the period of May 1, 2022, to April 30, 2027, will be provided concurrently with the AOP submission.

Silviculture Schedule The 2022 Silviculture Schedule for the Pembina FMA was prepared and submitted on February 23, 2022.

General Provisions, Continued

Non-FMA dispositions & Quotas

Grazing Dispositions

Hattonford:

For this operating period Weyerhaeuser is proposing to deliver timber harvested in blocks 5110562950 and 5110562086 in the Hattonford working area on “non-FMA” grazing dispositions. The deciduous volume will be charged to DTAR150001. These blocks are within VSA2, and Weyerhaeuser does not have rights to the conifer; the conifer rights remain with the CTPP program. As such, the conifer volume will be tracked and balanced consistently with the direction of the GDP, wherein the equivalent standing conifer volume (Weyerhaeuser sequence) will be made available to the CTPP program in the Macmillan Compartment.

Pioneer:

For this operating period Weyerhaeuser has included blocks 5150553080, 5150551998, 5150552980 and 5150552115 in the Pioneer working area on “non-FMA” grazing dispositions GRL39951.

W16

Weyerhaeuser will be operating in blocks 5120580653 and 5120580533 within the Hardluck Creek compartment on our Deciduous Timber License (DTL) W130002 in the Deciduous Timber Allocation (DTA) W160002. Conifer volume within these blocks is to be made available to Millar Western Forest Products Ltd for manufacture in Whitecourt, Alberta with the volume charged to FMA 9700034.

DHL

Weyerhaeuser has been working closely with Dale Hansen (DHL) on an integration plan in the South Canal Compartment. Weyerhaeuser has submitted Forest Harvest Plans on behalf of DHL with the agreement that the blocks will be fully integrated into Weyerhaeuser’s regular operations and the conifer volume from the DHL blocks charged to the DHL license CTLR150001. A silviculture schedule will be submitted by Weyerhaeuser on behalf of the CTL. DHL has reviewed this AOP submission, and his signature is his acceptance.

Tall Pine

Weyerhaeuser has been working closely with Bob Baker (Tall Pine) on an integration plan in the Brazeau Compartment. Weyerhaeuser has submitted Forest Harvest Plans on behalf of Tall Pine with the agreement that the blocks harvested in the Wolf Lake West Working Area will be fully integrated into Weyerhaeuser’s regular operations and the conifer volume from these blocks

will be charged to the Tall Pine license CTLR150015. A silviculture schedule will be submitted by Weyerhaeuser on behalf of the CTL. Tall Pine has reviewed this AOP submission, and his signature is his acceptance

**Forest Harvest
Plan
Development**

Throughout the 2022 operating year, Weyerhaeuser will continue developing Forest Harvest Plans (FHP) for the company's operating areas. These FHP's may be amended to the Annual Operating Plan as they are approved and as required. Weyerhaeuser staff may request Alberta Agriculture and Forestry (AAF) staff involvement in the development of Final Harvest Design plans.

The following areas are scheduled for the development of a FHP this year:

- Edson Compartment
- Beaver Meadows Compartment
- Wolf Lake Compartment
- Macmillan Compartment
- Brazeau Compartment
- South Canal Compartment
- Medicine Lake Compartment
- Baptiste Compartment
- Nordegg Compartment
- West Country Compartment
- W16

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Utilization

For the 2022/2023 timber year, Weyerhaeuser will continue 100% Cut to Length production for the conifer harvested on the FMA. Weyerhaeuser will follow the direction of the Forest Management Plan for the utilization of merchantable trees off the FMA. All operating areas included in this AOP will comply with the following Utilization:

1. *Coniferous Utilization Standards – 15/11/15*
 - Minimum diameter of 15 cm outside bark at stump height (15 cm) and a usable length of 3.66 m to an 11 cm top diameter (inside bark).
2. *Deciduous Utilization Standards – 15/10/15*
 - Minimum diameter of 15 cm outside bark at stump height (15 cm) and a merchantable length of 3.66 m or greater to a 10 cm top diameter inside bark, or to the point where the stem is unusable or there is no central stem due to heavy branching.

Birch:

Birch is suitable for the production of OSB and will be utilized by Weyerhaeuser. Birch is primarily produced as incidental volume during timber harvesting operations; as a result, the available volume of birch fluctuates throughout the year. Birch volume that is generated through Weyerhaeuser's operations will be utilized as follows:

1. For use in Weyerhaeuser's OSB manufacturing facility. All scaling and reporting will be the responsibility of Weyerhaeuser.
2. Sold to a birch user such as local sawmills and commercial firewood producers. All scaling and reporting will be the responsibility of Weyerhaeuser.
3. Birch may also be harvested through individual firewood permits as issued by AAF and with consent from Weyerhaeuser. All scaling and reporting will be the responsibility of the Permittee. A copy of the scale reports will be provided to Weyerhaeuser.

Millar Western (W16) Utilization:

The utilization standard for all operating areas included in this AOP are:

1. Coniferous Utilization Standards – 15/10/15

- Merchantable coniferous tree: one that has a minimum diameter of 15 cm outside bark at stump height of 15 cm and a usable length of 4.88 m to a 10 cm top diameter (inside bark).

2. Deciduous Utilization Standards – 15/10/15

- Merchantable deciduous tree: one that has a minimum diameter of 15 cm outside bark at stump height (15 cm) and a merchantable length of 4.88 m or greater to a 10 cm top diameter inside bark, or to the point where the stem is unusable or there is no central stem due to heavy branching.

General Provisions, Continued

Conifer OSB

Weyerhaeuser can use conifer for the production of Oriented Strand Board (OSB). This volume is a combination of poor form logs unacceptable for sawlog, balsam fir, and undersize timber. Generally, this volume is less than 5% of total annual production and volume varies from year to year.

Deciduous:

Weyerhaeuser will continuously look for opportunities to utilize timber at our own facilities or through sales. If there are any deviation required from the utilization stated in this AOP, then Weyerhaeuser will address it at that time with Alberta Agriculture and Forestry outside of this AOP submission.

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Woods Operations

Proposed Cut Blocks for this Operating Period For this submission, a Block Table listing of the proposed blocks is provided for the 2022/2023 operating year. The Block Table is sorted by Compartment, Working Area, season (spring, startup, summer, fall, and winter), and block number. The blocks are listed in numerical order, not in an operational sequencing order. Please note that all blocks submitted in this AOP either has final approval or been submitted to AAF in a Forest Harvest Plan (FHP) for approval prior to this AOP being approved.

Spring Delivery Wood Weyerhaeuser has and will be creating a log inventory in the forest during the spring of 2022 (2021/22 AOP year). This is captured in the block table for each compartment including the list of blocks that were harvested during the 2021/22 AOP and a portion of the volume is scheduled for delivery during the spring of 2022.

Weyerhaeuser will provide written notification to AAF confirming the spring 2022 block list and staging sites as part of the 2022 Fire control plan. Weyerhaeuser will update AAF on the location of the staged volume and in-block storage at the end of the 2021 timber year through an amendment to the fire control plan. Weyerhaeuser will request approval to commence hauling from these blocks and/or staged sites if approval of this AOP is not given by May 1, 2022.

Special Operating Conditions This AOP contains blocks that have special operating conditions. These operating conditions are listed in the “comments” section of the block table. Block specific details can also be found under the corresponding block comments submitted with the corresponding Forest Harvest Plans.

Outstanding Conditions Within *Binder II*, a table is provided for each operating area that outlines the Outstanding Conditions at the time of AOP submission. For the upcoming operating year, Weyerhaeuser will conduct inspections and maintain documentation according with the OGR. The ongoing outstanding condition will be identified throughout the timber year in the Block Status Tracking Report that will be submitted monthly to AAF for review.

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Woods Operations, Continued

Pre- Development

Roads:

Weyerhaeuser will identify inter-block roads that may present an opportunity to be pre-built in preparation for future harvest operations. These roads will be identified and labeled with “PB” on the maps and listed in tabular format in the ‘Proposed Inter-Block Roads’ table. Weyerhaeuser will ensure adequate access control between the period of construction and use are in place. The only activity approved on these roads would be the layout, construction and access control of the selected roads.

Blocks:

In efforts to improve the viability of hauling and harvesting areas Weyerhaeuser will look to identify blocks for development for future timber harvesting. Blocks are chosen on their potential to provide secure timber supply to our facilities. The only permissible activity in these blocks will be the harvesting of timber from the block road right of way, establishment of grade and drainage structures as well the road construction. The remaining timber in the block would not be harvested until the following AOP year or such time that it is added to the current AOP through the amendment process.

If any other predevelopment opportunities arise, Weyerhaeuser will submit amendments to this plan.

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Woods Operations, Continued

Operations Startup & Pre-commencement Meeting	Weyerhaeuser will notify AAF on the commencement of operations in any given Working Area through the monthly submission of the Block Status Tracking report. If possible, a pre-commencement meeting for each Working Area, by season, will be conducted between Weyerhaeuser and the contractor.
Woods Operations Monitoring Reports	The Company will submit to AAF, monthly or as defined in the 2022 Alberta timber harvest planning and operating ground rules that is pending approval, a <i>Block Status Tracking Report</i> (BSTR). This report will identify the active harvesting areas for the current timber year.
Integrated Operations	<p>All integrated timber sources will be noted in the General Development Plan submission and accounted for in AAC production.</p> <p>Commitment and flexibility by Weyerhaeuser, and the other FMA, Quota, Permit holders, and AAF is essential to successful integration. The capability of the Company to change our operating plans (including the purchase wood program) decreases exponentially the later into the operating year the information or request is made.</p> <p>Harvest must meet supply and CTQ requirements and it is the responsibility of the integrated user to adhere to the requirements before it can be delivered to a Weyerhaeuser facility.</p>
Forest Protection	The Annual Fire Control Plan, for Pembina Timberlands was submitted to Wildfire Management Branch of Alberta Agriculture and Forestry on March 1 st , 2022. Please refer to the Fire Control Plan for further details.

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Woods Operations, Continued

Log Fill Crossings

During construction of log fill crossings over ephemeral draws, Weyerhaeuser uses a separation layer and a dirt cap to maintain a gradable running surface. There are times when the crossings need to remain in place over spring breakup for Silviculture machinery to access the block. Weyerhaeuser requests permission to leave the dirt cap and separation layer in place on those log fill crossings over spring break up. The crossings that remain in place for Silviculture will be tracked as per the OGR section 11.4.19. The cap, separation layer and crossing will be removed upon completion of the Silviculture activity.

Danger Trees

Weyerhaeuser requests permission to remove danger trees threats outside the proposed cut block boundary which are dead or have broken tops and pose a threat to personnel within that area working in the block. These trees would be cut and laid on the forest floor to eliminate the threat.

Tributaries to Class B Creeks

In the 2022/2023 AOP timber year, Weyerhaeuser will be harvesting in the Rundell Working area near Rundell Creek which has a Class B classification. The tributaries within 2 km have been classified and will be considered a class B as per the Water Act. The appropriate buffer and watercourse crossing will be maintained. For more detailed description and location please refer to the Forest Harvest Plan RUNDEL_82_1 submitted February 9, 2021.

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Woods Operations, Continued

Stakeholders Contained in binder II is a table listing the stakeholders that may be affected by this AOP submission. Each stakeholder listed in the AOP will either be contacted in person to review the current plan as it affects them or receive a package with the information soliciting input. Each package will contain a letter of introduction and an AOP map identifying their area. This will occur before operations commence.

Further notification will be made as required by the Ground Rules prior to the commencement of operations.

Mountain Pine Beetle Management Plan In support of provincial direction to manage Alberta's forests to reduce the threat of loss by the Mountain Pine Beetle (MPB), Weyerhaeuser prioritized the stands that are the most susceptible to infestation. The Timber Supply Analysis has incorporated this approach while managing for a multitude of non-timber resource values.

The Company has proposed a continuing accelerated conifer harvest level through to April 30, 2027 for the FMU, and this is reflected in the quadrant production.

Weyerhaeuser continues to work with Forest Health and AAF for both level 1 and level 2 control, as well as modelling work to predict spread of MPB through the FMU.

Camp Locations Weyerhaeuser has developed, in concert with the contractors; permanent camp locations equipped with power and water hook-ups. These locations will be favored over temporary camp locations whenever feasible. However, if needed, temporary camp locations will be determined/confirmed as part of the pre-commencement meeting for each operating area.

The Company will be determining the need and feasibility to establish additional permanent camp locations on the FMA areas. Potential sites will be discussed with AAF prior to initializing the necessary disposition requests.

Key Wildlife Biodiversity Zones

Weyerhaeuser has blocks within the Key Wildlife Biodiversity Zone (KWBZ) on this AOP. Several of the blocks scheduled will require frozen conditions for harvest operations, and there is a limited window for operations between freeze up and the January 15 timing restriction. The company will attempt to finalize operations before the restriction to minimize exposure. However, at this time Weyerhaeuser requests approval to harvest, haul, and reclaim within these zones as scheduled below.

Key Wildlife Management Strategies	
Working Area	Comments
Poachers Creek	Operating past the Deadline, extension to April 30 requested.
Tower	Operating past the Deadline, extension to April 30 requested.
Rapid Creek	Operating past the Deadline, extension to April 30 requested.
Trunk Road	Operating past the Deadline, extension to April 30 requested.
Rundell	Operating past the Deadline, extension to April 30 requested.
Doc's Lake	Operating past the Deadline, extension to April 30 requested.
South Reservoir	Operating past the Deadline, extension to April 30 requested.
Canyon Creek	Operating past the Deadline, extension to April 30 requested.
Beaver Flats	Operating past the Deadline, extension to April 30 requested.
The Gap	Operating past the Deadline, extension to April 30 requested.

**2022
Weyerhaeuser
Disposition
Management
plan**

Weyerhaeuser Pembina is working to ensure all managed land dispositions are renewed on time and dispositions receive an as-built survey.

In 2022, Weyerhaeuser will prioritize dispositions that have expired or will be expiring prior to 2023 as well as the transfer of ownership on dispositions. Dispositions with upcoming renewal dates will first go through an internal review process to determine if the current roading or site is still active and of long-term value. Following the determination, the site may be renewed, amended, or consulted on for transfer of ownership.

Over the next two years there are 36 dispositions that will be renewed or surveyed, transfers in and out will be reconciled and roads ready for a reclamation certification will be applied for. Please see the attached table for additional information.

We will continue to manage our dispositions to aim for this completion timeline, yearly updates will be communicated with Stephen Shenfield and Ferenc Scobie, Lands Team Leads, Alberta Environment and Parks.

Please refer to the Attachment *2022 Disposition renewal update* for details.
