

POTLATCH CORP
 Form 4
 November 01, 2005

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
RUNSTAD JUDITH M

(Last) (First) (Middle)

601 W. RIVERSIDE AVENUE,
 SUITE 1100

(Street)

SPOKANE, WA 99201

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
POTLATCH CORP [PCH]

3. Date of Earliest Transaction
 (Month/Day/Year)
10/28/2005

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	10/28/2005		M	A	\$ 39.413 5,249	D	
Common Stock	10/28/2005		S	D	\$ 44.98 0	D	
Common Stock	10/28/2005		M	A	\$ 30.5421 2,624	D	
Common Stock	10/28/2005		S	D	\$ 44.98 0	D	
Common Stock	10/28/2005		M	A	\$ 31.6066 1,312	D	

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Common Stock	10/28/2005	S	1,312	D	\$ 44.98	0	D	
Common Stock	10/28/2005	M	1,509	A	\$ 27.32	1,824	D	
Common Stock	10/28/2005	M	2,624	A	\$ 23.7002	4,448	D	
Common Stock						5,000	I	By Spouse

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Stock Option (right to buy)	\$ 39.413	10/28/2005		M	5,249 (1)	12/02/2001 12/02/2009	Common Stock	5,249
Stock Option (right to buy)	\$ 30.5421	10/28/2005		M	2,624 (2)	12/07/2002 12/07/2010	Common Stock	2,624
Stock Option (right to buy)	\$ 31.6066	10/28/2005		M	1,312 (5)	12/04/2004 12/04/2013	Common Stock	1,312
Stock Option (right to buy)	\$ 27.32	10/28/2005		M	2,624 (3)	12/06/2003 12/06/2011	Common Stock	2,624

Stock Option (right to buy)	\$ 23.7002	10/28/2005	M	2,624 (4)	12/05/2004	12/05/2012	Common Stock	2,624
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
RUNSTAD JUDITH M 601 W. RIVERSIDE AVENUE, SUITE 1100 SPOKANE, WA 99201				X

Signatures

Malcolm A. Ryerse, Attorney-in-fact	11/01/2005
**Signature of Reporting Person	Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The reporting person was granted stock options on December 2, 1999, to vest in two equal annual installments. The grant was made under the stockholder-approved Potlatch Corporation 1995 Stock Incentive Plan.
 - (2) The reporting person was granted stock options on December 7, 2000, to vest in two equal annual installments. The grant was made under the stockholder-approved Potlatch Corporation 2000 Stock Incentive Plan.
 - (3) The reporting person was granted stock options on December 6, 2001, to vest in two equal annual installments. The grant was made under the stockholder-approved Potlatch Corporation 2000 Stock Incentive Plan.
 - (4) The reporting person was granted stock options on December 5, 2002, to vest in two equal annual installments. The grant was made under the stockholder-approved Potlatch Corporation 2000 Stock Incentive Plan.
 - (5) The reporting person was granted stock options on December 4, 2003, to vest in two equal annual installments. The second installment has not vested as of the date of this report. The grant was made under the stockholder-approved Potlatch Corporation 2000 Stock Incentive Plan.
 - (6) The stock option, after exercise, was sold at an average price of \$44.98 per share.
 - (7) 1,115 of these stock options, after exercise, were sold at an average price of \$44.98 per share. The remaining 1,509 shares were acquired and added to the shares previously owned by the reporting person.
 - (8) All 2,624 of these stock options, after exercise, were acquired and added to the shares previously owned by the reporting person.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.