

POTLATCH CORP
 Form 4
 November 17, 2004

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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 *
SIEGEL L PENDLETON

(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)
 11/15/2004

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)
 Chairman and CEO

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	11/15/2004		M		46,000	A	\$ 30.5421
Common Stock	11/15/2004		S		46,000	D	\$ 49.0712
Common Stock	11/16/2004		M		7,700	A	\$ 30.5421
Common Stock	11/16/2004		S		7,700	D	\$ 49.0129

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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 30.5421	11/15/2004		M	46,000 (1)	12/07/2000 12/07/2010	Common Stock	46,000	
Employee Stock Option (right to buy)	\$ 30.5421	11/16/2004		M	7,700 (1)	12/07/2002 12/07/2010	Common Stock	7,700	

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

SIEGEL L PENDLETON
601 W. RIVERSIDE AVENUE, SUITE 1100 X
SPOKANE, WA 99201

Chairman and CEO

Signatures

Malcolm A. Ryerse,
Attorney-in-fact 11/17/2004

__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 employee stock options on December 7, 2000, to vest in two equal annual installments. The grant was made under the stockholder-approved Potlatch Corporation 1995 Stock Incentive Plan. All these options have vested.

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(2) The employee stock option, after exercise, was sold at \$49.0712 per share.

(3) The employee stock option, after exercise, was sold at \$49.0129 per share.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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