

ZUEHLKE GERALD L
 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 *
 ZUEHLKE GERALD L

(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)
 Vice President and CFO

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 | | 1,890 \$ 39.2939 | D | |
| Common Stock | 11/15/2004 | | S | | 1,890 \$ 48.757 0 | D | |
| Common Stock | 11/15/2004 | | M | | 2,100 \$ 42.2707 | D | |
| Common Stock | 11/15/2004 | | S | | 2,100 \$ 48.757 0 | D | |
| Common Stock | 11/15/2004 | | M | | 2,100 \$ 45.9619 | D | |

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| | | | | | | | |
|--------------|------------|---|-------|---|-----------|-------|---|
| Common Stock | 11/15/2004 | S | 2,100 | D | \$ 48.757 | 0 | D |
| Common Stock | 11/15/2004 | M | 7,139 | A | \$ 27.32 | 7,139 | D |
| Common Stock | 11/15/2004 | S | 7,139 | D | \$ 48.757 | 0 | D |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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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) | \$ 39.2939 | 11/15/2004 | | M | | <u>1,890</u> (1) | | 12/07/1997 | 12/07/2005 | Common Stock | 1,890 |
| Employee Stock Option (right to buy) | \$ 42.2707 | 11/15/2004 | | M | | <u>2,100</u> (3) | | 12/05/1998 | 12/05/2006 | Common Stock | 2,100 |
| Employee Stock Option (right to buy) | \$ 45.9619 | 11/15/2004 | | M | | <u>2,100</u> (4) | | 12/04/1999 | 12/04/2007 | Common Stock | 2,100 |
| Employee Stock Option (right to buy) | \$ 27.32 | 11/15/2004 | | M | | <u>7,139</u> (5) | | 12/06/2003 | 12/06/2011 | Common Stock | 7,139 |

buy)

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| ZUEHLKE GERALD L 601 W. RIVERSIDE AVENUE, SUITE 1100 SPOKANE, WA 99201 | | | Vice President and CFO | |

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, 1995, to vest in two equal annual installments. The grant was made under the stockholder-approved Potlatch Corporation 1989 Stock Incentive Plan. All these options have vested.
- (2) The employee stock option, after exercise, was sold at \$48.757 per share.
- (3) The reporting person was granted employee stock options on December 5, 1996, 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.
- (4) The reporting person was granted employee stock options on December 4, 1997, 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.
- (5) The reporting person was granted employee 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. All these options have vested.

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.