



40-8027

COPY

RE: 0435-E

*Please docket*

July 23, 2004

**Certified Mail - Return Receipt Requested**  
Receipt No. 7003 0500 0000 9275 6893

Ms. Rita Ware  
U.S. Environmental Protection Agency - Region 6  
RCRA Enforcement Branch  
Compliance Assurance and Enforcement Division (6EN)  
1445 Ross Avenue  
Dallas, TX 75202-2733

RE: Sequoyah Fuels Corporation  
2004 2<sup>nd</sup> Quarter Financial Assurance Quarterly Report  
RCRA § 3008(h) Administrative Order on Consent  
U. S. EPA Docket No. VI-005-(h)93-H  
EPA I. D. No. OKD051961183

Dear Ms. Ware:

Enclosed are four (4) copies of Sequoyah Fuels Corporation's (SFC) 2004 2<sup>nd</sup> Quarter Financial Assurance Quarterly Report/Financial Statement. The information is being submitted to fulfill obligations in the referenced order contained in Part XII.2(a) and in Part XII.2(b) and (c).

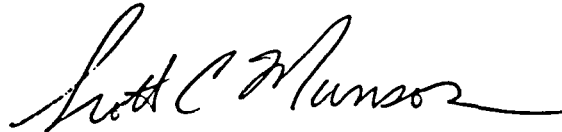
The list of recipients of copies of these reports will receive all information contained in this submittal.

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Rita Ware  
April 27, 2004  
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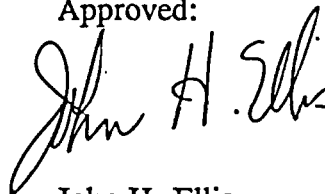
Should you have any questions regarding the enclosed information, please contact me at 918/489-5511, extension 20.

Sincerely,



Scott C. Munson  
Project Coordinator

Approved:



John H. Ellis  
President

JHE/SCM/bt

Enclosures as Stated

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**2004 2<sup>nd</sup> Quarter Financial Assurance Quarterly Report/Financial Statement**

**SEQUOYAH FUELS CORPORATION FINANCIAL ASSURANCE REPORT  
2ND QUARTER 2004**

Cost Center	2004 Annual Budget	% Total	2nd Quarter Budget	% Budget	2nd Quarter Actual	% Budget	Year-To-Date Actual 2nd qtr.	% Budget
<b>EXPENSES</b>								
<b>Corrective Action</b>								
SOW 1	\$2,764,331.00	60.77%	\$691,082.75	25.00%	\$411,787.20	14.90%	\$622,598.00	22.52%
DP/CMP/EIS								
SOW 2	\$243,138.50	5.34%	\$97,255.40	40.00%	\$75,653.55	31.12%	\$115,435.00	47.48%
ENV/CHAR. SAMPLG								
SOW 3	\$103,638.50	2.28%	\$31,091.55	30.00%	\$37,798.85	36.47%	\$57,537.00	55.52%
WASTE WATER TRT								
Sub Total	\$3,111,108.00	68.39%	\$819,429.70	26.34%	\$525,239.60	16.88%	\$795,570.00	25.57%
<b>Administration</b>								
Taxes & Insurance	\$318,000.00	6.99%	\$19,716.00	6.20%	\$19,490.00	6.13%	\$39,246.00	12.34%
Utilities	\$88,800.00	1.95%	\$22,200.00	25.00%	\$19,237.00	21.66%	\$37,407.00	42.13%
Maintenance	\$15,000.00	0.33%	\$3,750.00	25.00%	\$4,708.00	31.39%	\$17,830.00	118.87%
Security	\$36,000.00	0.79%	\$9,000.00	25.00%	\$9,741.00	27.06%	\$19,754.00	54.87%
Executive	\$438,277.00	9.63%	\$109,569.25	25.00%	\$122,947.40	28.05%	\$218,946.00	49.96%
Legal	\$300,000.00	6.59%	\$75,000.00	25.00%	\$174,492.00	58.16%	\$254,310.00	84.77%
Human Resources	\$242,000.00	5.32%	\$60,500.00	25.00%	\$73,365.00	30.32%	\$142,181.00	58.75%
Sub-Total	\$1,438,077.00	31.61%	\$299,735.25	20.84%	\$423,980.40	29.48%	\$729,674.00	50.74%
<b>TOTAL EXPENSES</b>	<b>\$4,549,185.00</b>		<b>\$1,119,164.95</b>	<b>24.60%</b>	<b>\$949,220.00</b>	<b>20.87%</b>	<b>\$1,525,244.00</b>	<b>33.53%</b>
<b>Revenue</b>								
ConverDyn Fees	\$4,763,000.00	90.07%	\$1,190,750.00	25.00%	\$0.00	0.00%	\$398,388.00	8.36%
Interest Income	\$300,000.00	5.67%	\$75,000.00	25.00%	\$40,288.00	13.43%	\$89,686.00	29.90%
Rent, Other	\$225,000.00	4.25%	\$56,250.00	25.00%	\$50,404.00	22.40%	\$101,724.00	45.21%
<b>TOTAL REVENUE</b>	<b>\$5,288,000.00</b>		<b>\$1,322,000.00</b>	<b>25.00%</b>	<b>\$90,692.00</b>	<b>1.72%</b>	<b>\$589,798.00</b>	<b>11.15%</b>