



RE: 0444-E

October 13, 2004

Certified Mail - Return Receipt Requested
Receipt No. 7003 0500 0001 2470 0627

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 - 40-8027
2004 3rd 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 3rd 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.

NmSS61

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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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U.S. Nuclear Regulatory Commission ✓
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Rockville, MD 20852-2738

2004 3rd Quarter Financial Assurance Quarterly Report/Financial Statement

**SEQUOYAH FUELS CORPORATION FINANCIAL ASSURANCE REPORT
3RD QUARTER 2004**

Cost Center	2004 Annual Budget	% Total	3rd Quarter Budget	% Budget	3rd Quarter Actual	% Budget	Year-To-Date Actual	% Budget
EXPENSES								
Corrective Action								
SOW 1	\$2,764,331.00	60.77%	\$691,082.75	25.00%	\$407,282.00	14.73%	\$1,029,880.00	37.26%
DP/CMP/EIS								
SOW 2	\$243,138.50	5.34%	\$24,313.85	10.00%	\$55,494.00	22.82%	\$170,929.00	70.30%
ENV/CHAR. SAMPLG								
SOW 3	\$103,638.50	2.28%	\$20,727.70	20.00%	\$24,318.00	23.46%	\$81,855.00	78.98%
WASTE WATER TRT								
Sub Total	\$3,111,108.00	68.39%	\$736,124.30	23.40%	\$487,094.00	15.66%	\$1,282,664.00	41.23%
Administration								
Taxes & Insurance	\$318,000.00	6.99%	\$42,294.00	13.30%	\$39,589.00	12.45%	\$78,835.00	24.79%
Utilities	\$88,800.00	1.95%	\$22,200.00	25.00%	\$19,778.00	22.27%	\$57,185.00	64.40%
Maintenance	\$15,000.00	0.33%	\$3,750.00	25.00%	\$5,651.00	37.67%	\$23,481.00	156.54%
Security	\$36,000.00	0.79%	\$9,000.00	25.00%	\$8,466.00	23.52%	\$28,220.00	78.39%
Executive	\$438,277.00	9.63%	\$109,569.25	25.00%	\$95,078.00	21.69%	\$314,024.00	71.65%
Legal	\$300,000.00	6.59%	\$75,000.00	25.00%	\$164,400.00	54.80%	\$418,710.00	139.57%
Human Resources	\$242,000.00	5.32%	\$60,500.00	25.00%	\$62,261.00	25.73%	\$204,442.00	84.48%
Sub-Total	\$1,438,077.00	31.61%	\$322,313.25	22.41%	\$395,223.00	27.48%	\$1,124,897.00	78.22%
TOTAL EXPENSES	\$4,549,185.00		\$1,058,437.55	23.27%	\$882,317.00	19.40%	\$2,407,561.00	52.92%
Revenue								
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%	\$43,754.00	14.58%	\$133,440.00	44.48%
Rent, Other	\$225,000.00	4.25%	\$56,250.00	25.00%	\$51,848.00	23.04%	\$153,572.00	68.25%
TOTAL REVENUE	\$5,288,000.00		\$1,322,000.00	25.00%	\$95,602.00	1.81%	\$685,400.00	12.96%