

COPY

RE: 0538-E

July 26, 2005

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Receipt No. 7004 1160 0004 4866 7516

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
2005 2nd 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) 2005 2nd Quarter Financial Assurance Quarterly Report. 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 following list of recipients of copies of these reports will receive all information contained in this submittal.

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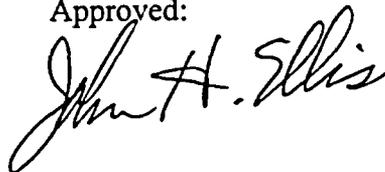
Should you have any questions regarding the enclosed information, please contact me at 918/489-5511, extension 20.

Sincerely,



Scott C. Munson
Project Coordinator

Approved:



John H. Ellis
President

JHE/SCM/bt

Enclosures as Stated

xc: Saba Tahmassebi, Engineer Manager
Land Protection Division
OK Dept. of Environmental Quality
PO Box 1677
Oklahoma City, OK 73101-1677

James V. Barwick, Esq.
Assistant Attorney General
Environmental Protection Unit
4545 North Lincoln Boulevard, Suite 260
Oklahoma City, OK 73105-3498

Alvin H. Gutterman
Morgan, Lewis & Bockius LLP
1111 Pennsylvania Avenue, NW
Washington, DC 20004

U.S. Nuclear Regulatory Commission ✓
Myron Fliegel
Mail Stop 7 J8
11545 Rockville Pike
Rockville, MD 20852-2738

Jeanine Hale
Cherokee Nation
P.O. Box 948
Tahlequah, OK 74465

**2ND QUARTER 2005
SFC FINANCIAL ASSURANCE REPORT**

JULY 8, 2005

Cost Center	2005 Annual Budget	% Total	2nd Quarter Budget	% Budget	2nd Quarter Actual	% Budget	Year-To-Date Actual	% Budget
EXPENSES								
Corrective Action								
SOW 1	\$2,359,500.00	58.28%	\$589,875.00	25.00%	\$984,943.00	41.74%	\$1,419,429.00	60.16%
DP/CMP/EIS								
SOW 2	\$166,500.00	4.11%	\$66,600.00	40.00%	\$87,987.00	52.85%	\$144,328.00	86.68%
ENV/CHAR. SAMPLG								
SOW 3	\$105,000.00	2.59%	\$26,250.00	25.00%	\$43,388.00	41.32%	\$68,869.00	65.59%
WASTE WATER TRT								
Sub Total	\$2,631,000.00	64.99%	\$682,725.00	25.95%	\$1,116,318.00	42.43%	\$1,632,626.00	62.05%
Administration								
Taxes & Depreciation	\$279,000.00	6.89%	\$17,298.00	6.20%	\$19,535.00	7.00%	\$39,214.00	14.06%
Utilities	\$80,500.00	1.99%	\$20,125.00	25.00%	\$32,941.00	40.92%	\$50,157.00	62.31%
Maintenance	\$30,000.00	0.74%	\$7,500.00	25.00%	\$11,593.00	38.64%	\$43,671.00	145.57%
Security	\$38,000.00	0.94%	\$9,500.00	25.00%	\$26,402.00	69.48%	\$45,877.00	120.73%
Executive	\$457,500.00	11.30%	\$114,375.00	25.00%	\$121,133.00	26.48%	\$196,638.00	42.98%
Legal	\$250,000.00	6.18%	\$62,500.00	25.00%	\$62,137.00	24.85%	\$107,313.00	42.93%
Human Resources	\$282,250.00	6.97%	\$70,562.50	25.00%	\$74,584.00	26.42%	\$149,942.00	53.12%
Sub-Total	\$1,417,250.00	35.01%	\$301,860.50	21.30%	\$348,325.00	24.58%	\$632,812.00	44.65%
TOTAL EXPENSES	\$4,048,250.00		\$984,585.50	24.32%	\$1,464,643.00	36.18%	\$2,265,438.00	55.96%
Revenue								
ConverDyn Fees	\$0.00	0.00%	\$0.00	25.00%	\$0.00		\$0.00	0.00%
Interest Income	\$150,000.00	41.67%	\$37,500.00	25.00%	\$71,381.00		\$125,364.00	83.58%
Rent, Other	\$210,000.00	58.33%	\$52,500.00	25.00%	\$48,355.00		\$99,051.00	47.17%
TOTAL REVENUE	\$360,000.00		\$90,000.00	25.00%	\$119,736.00		\$224,415.00	62.34%