



RE: 0605-E

January 31, 2006

**Certified Mail - Return Receipt Requested**  
**Receipt No. 7004 1160 0004 4867 1407**

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  
**2006 Financial Assurance Annual Budget Report**  
**2005 4<sup>th</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) 2006 Financial Assurance Annual Budget Report and our 2005 4th Quarter Financial Assurance Quarterly Report and Financial Statements. 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.

Rita Ware  
January 31, 2006  
Page 2

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, Oklahoma 73101-1677

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

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

J. Trevor Hammons  
Assistant Attorney General  
Environmental Protection Unit  
4545 North Lincoln Boulevard, Suite 260  
Oklahoma City, OK 73105-3498

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

2005 4<sup>th</sup> Quarter Financial Assurance Quarterly Report

Faint, illegible text spanning the width of the page, likely a header or introductory paragraph.

---

Table with multiple columns and rows of data, mostly illegible due to low resolution. The table appears to be a financial statement or data report.

**SEQUOYAH FUELS CORPORATION**  
**4TH QUARTER FINANCIAL ASSURANCE REPORT**  
**JANUARY 30, 2006**

Cost Center	2005 Annual Budget	% Total	4th Quarter Budget	% Budget	4th Quarter Actual	% Budget	Year-To-Date Actual	% Budget
<b>EXPENSES</b>								
<b>Corrective Action</b>								
SOW 1	\$2,359,500.00	58.28%	\$589,875.00	25.00%	\$ 1,184,275.00	201%	\$ 3,689,143.00	156%
DP/CMP/EIS								
SOW 2	\$166,500.00	4.11%	\$66,600.00	40.00%	\$ 46,278.00	69%	\$ 236,066.00	142%
ENV/CHAR. SAMPLG								
SOW 3	\$105,000.00	2.59%	\$26,250.00	25.00%	\$ 74,537.00	284%	\$ 185,595.00	177%
WASTE WATER TRT								
Sub-Total	\$2,631,000.00	64.99%	\$682,725.00	25.95%	\$ 1,305,090.00	191%	\$4,110,804.00	156%
<b>Administration</b>								
Taxes & Depreciation	\$279,000.00	6.89%	\$207,297.00	74.30%	\$ 152,239.00	73%	\$ 226,682.00	81%
Utilities	\$80,500.00	1.99%	\$20,125.00	25.00%	\$ 20,126.00	100%	\$ 89,342.00	111%
Maintenance	\$30,000.00	0.74%	\$7,500.00	25.00%	\$ 9,286.00	124%	\$ 60,322.00	201%
Security	\$38,000.00	0.94%	\$9,500.00	25.00%	\$ 23,727.00	250%	\$ 106,057.00	279%
Executive	\$457,500.00	11.30%	\$114,375.00	25.00%	\$ 152,344.00	133%	\$ 458,823.00	100%
Legal	\$250,000.00	6.18%	\$62,500.00	25.00%	\$ 56,335.00	90%	\$ 188,912.00	76%
Human Resources	\$282,250.00	6.97%	\$70,562.50	25.00%	\$ 115,002.00	163%	\$ 341,782.00	121%
Sub-Total	\$1,417,250.00	35.01%	\$491,859.50	34.71%	\$ 529,059.00	108%	\$1,471,920.00	104%
<b>TOTAL EXPENSES</b>	<b>\$4,048,250.00</b>		<b>\$1,174,584.50</b>	<b>29.01%</b>	<b>\$ 1,834,149.00</b>	<b>156%</b>	<b>\$5,582,724.00</b>	<b>138%</b>
<b>Revenue</b>								
ConverDyn Fees	\$0.00	0.00%	\$0.00	25.00%	\$ -		\$ -	
Interest Income	\$150,000.00	41.67%	\$37,500.00	25.00%	\$ 59,193.00	158%	\$ 251,602.00	168%
Rent, Other	\$210,000.00	58.33%	\$52,500.00	25.00%	\$ 214,137.00	408%	\$ 363,087.00	173%
<b>TOTAL REVENUE</b>	<b>\$360,000.00</b>		<b>\$90,000.00</b>	<b>25.00%</b>	<b>\$ 273,330.00</b>	<b>304%</b>	<b>\$614,689.00</b>	<b>171%</b>



## SEQUOYAH FUELS CORPORATION 2006 FINANCIAL ASSURANCE BUDGET

Cost Center	2006 Annual	% Total	1st Quarter	%	2nd Quarter	%	3rd Quarter	%	4th Quarter	%
	Budget		Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
<b>EXPENSES</b>										
<b>Corrective Action</b>										
SOW 1	\$3,558,000.00	66.6%	\$ 177,900.00	5%	\$1,601,100.00	45%	\$1,245,300.00	35.0%	\$533,700.00	15.00%
DP/CMP/EIS										
SOW 2	\$231,500.00	4.3%	\$ 23,150.00	10%	\$92,600.00	40%	\$23,150.00	10.0%	\$92,600.00	40.00%
ENV/CHAR. SAMPLG										
SOW 3	\$166,500.00	3.1%	\$ 41,625.00	25%	\$41,625.00	25%	\$41,625.00	25.0%	\$41,625.00	25.00%
WASTE WATER TRT										
<b>Sub Total</b>	<b>\$3,956,000.00</b>	<b>74.1%</b>	<b>\$ 242,675.00</b>	<b>6%</b>	<b>\$ 1,735,325.00</b>	<b>26%</b>	<b>\$ 1,310,075.00</b>	<b>33.1%</b>	<b>\$ 667,925.00</b>	<b>16.88%</b>
<b>Administration</b>										
Taxes & Depreciation	\$231,000.00	4.3%	\$ 20,790.00	9%	\$20,790.00	9%	\$30,723.00	13.3%	\$171,633.00	74.3%
Utilities	\$80,300.00	1.5%	\$ 20,075.00	25%	\$20,075.00	25%	\$20,075.00	25.0%	\$20,075.00	25.0%
Maintenance	\$40,000.00	0.7%	\$ 10,000.00	25%	\$10,000.00	25%	\$10,000.00	25.0%	\$10,000.00	25.0%
Security	\$106,000.00	2.0%	\$ 26,500.00	25%	\$26,500.00	25%	\$26,500.00	25.0%	\$26,500.00	25.0%
Executive	\$435,000.00	8.1%	\$ 108,750.00	25%	\$108,750.00	25%	\$108,750.00	25.0%	\$108,750.00	25.0%
Legal	\$150,000.00	2.8%	\$ 37,500.00	25%	\$37,500.00	25%	\$37,500.00	25.0%	\$37,500.00	25.0%
Human Resources	\$342,300.00	6.4%	\$ 85,575.00	25%	\$85,575.00	25%	\$85,575.00	25.0%	\$85,575.00	25.0%
<b>Sub-Total</b>	<b>\$1,384,600.00</b>	<b>25.9%</b>	<b>\$ 309,190.00</b>	<b>22%</b>	<b>\$ 309,190.00</b>	<b>22%</b>	<b>\$ 319,123.00</b>	<b>23.0%</b>	<b>\$ 460,033.00</b>	<b>33.2%</b>
<b>TOTAL EXPENSES</b>	<b>\$5,340,600.00</b>		<b>\$ 551,865.00</b>	<b>10%</b>	<b>\$ 2,044,515.00</b>	<b>38%</b>	<b>\$ 1,629,198.00</b>	<b>30.5%</b>	<b>\$ 1,127,958.00</b>	<b>21.1%</b>
<b>REVENUE</b>										
ConverDyn Fees	\$0.00		\$ -	25%	\$ -	25%	\$0.00	25.0%	\$0.00	25.0%
Interest Income	\$200,000.00	48.19%	\$ 50,000.00	25%	\$ 50,000.00	25%	\$50,000.00	25.0%	\$50,000.00	25.0%
Rent, Other	\$215,000.00	51.81%	\$ 53,750.00	25%	\$ 53,750.00	25%	\$53,750.00	25.0%	\$53,750.00	25.0%
<b>TOTAL REVENUE</b>	<b>\$415,000.00</b>		<b>\$ 103,750.00</b>	<b>25%</b>	<b>\$ 103,750.00</b>	<b>25%</b>	<b>\$103,750.00</b>	<b>25.0%</b>	<b>\$103,750.00</b>	<b>25.0%</b>