

RE: 0615-E

April 27, 2006

Certified Mail - Return Receipt Requested
Receipt No. 7004 1160 0004 4867 1490

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 1st 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 1st 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
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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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Myron Fliegel
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Rockville, MD 20852-2738

2006 1st Quarter Financial Assurance Quarterly Report

SEQUOYAH FUELS CORPORATION
1ST QUARTER 2006 FINANCIAL ASSURANCE REPORT

Cost Center	2006 Annual Budget	% Total	1st Quarter Budget	% Budget	1st Quarter Actual	% Budget
EXPENSES						
Corrective Action						
SOW 1	\$3,558,000	66.6%	\$ 177,900	5%	\$ 217,439	6%
DP/CMP/EIS						
SOW 2	\$231,500	4.3%	\$ 23,150	10%	\$ 55,874	24%
ENV/CHAR. SAMPLG						
SOW 3	\$166,500	3.1%	\$ 41,625	25%	\$ 35,704	21%
WASTE WATER TRT						
Sub Total	\$3,956,000	74.1%	\$ 242,675	6%	\$309,017	8%
Administration						
Taxes & Depreciation	\$231,000	4.3%	\$ 20,790	9%	\$ 18,783	8%
Utilities	\$80,300	1.5%	\$ 20,075	25%	\$ 18,026	22%
Maintenance	\$40,000	0.7%	\$ 10,000	25%	\$ 12,046	30%
Security	\$106,000	2.0%	\$ 26,500	25%	\$ 34,268	32%
Executive	\$435,000	8.1%	\$ 108,750	25%	\$ 116,210	27%
Legal	\$150,000	2.8%	\$ 37,500	25%	\$ 34,168	23%
Human Resources	\$342,300	6.4%	\$ 85,575	25%	\$ 83,234	24%
Sub-Total	\$1,384,600	25.9%	\$ 309,190	22%	\$ 316,735	23%
TOTAL EXPENSES	\$5,340,600		\$ 551,865	10%	\$ 625,752	12%
REVENUE						
ConverDyn Fees	\$0		\$ -	25%	\$ -	
Interest Income	\$200,000	48.19%	\$ 50,000	25%	\$ 46,761	23%
Rent, Other	\$215,000	51.81%	\$ 53,750	25%	\$ 46,840	22%
TOTAL REVENUE	\$415,000		\$ 103,750	25%	\$93,601	23%