

RE: 0641-E

October 19, 2006

**Certified Mail - Return Receipt Requested**  
**Receipt No. 7006 0100 0006 7846 9835**

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 3<sup>rd</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:

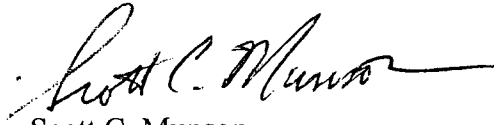
Enclosed are four (4) copies of Sequoyah Fuels Corporation's (SFC) 2006 3<sup>rd</sup> Quarter Financial Assurance Quarterly Report and Financial Statements. The information is being submitted to fulfill obligations in the referenced order contained in Part XII.2(a) and in Part XII.2(b) and (c).

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

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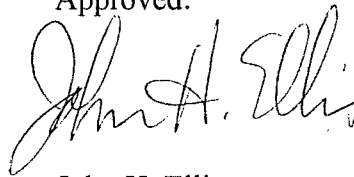
Should you have any questions regarding the enclosed information, please contact me at 918/489-5511, extension 20.

Sincerely,



Scott C. Munson  
Project Coordinator

Approved:



John H. Ellis  
President

JHE/SCM/bt

Enclosures as Stated

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

## 2006 3<sup>rd</sup> Quarter Financial Assurance Quarterly Report

# SEQUOYAH FUELS CORPORATION

## 3RD QUARTER 2006 FINANCIAL ASSURANCE REPORT

Cost Center	2006 Annual	% Total	3rd Quarter	%	3rd Quarter	%	Year-To-Date	%
	Budget		Budget	Budget	Actual	Budget	Actual	Budget
<b>EXPENSES</b>								
<b>Corrective Action</b>								
SOW 1	\$3,558,000	66.6%	\$1,245,300.00	35.0%	\$ 519,551.00	15%	\$ 974,698.00	27%
DP/CMP/EIS								
SOW 2	\$231,500	4.3%	\$23,150.00	10.0%	\$ 60,704.00	26%	\$ 180,235.00	78%
ENV/CHAR. SAMPLG								
SOW 3	\$166,500	3.1%	\$41,625.00	25.0%	\$ 2,555.00	2%	\$ 103,215.00	62%
WASTE WATER TRT								
Sub Total	\$3,956,000	74.1%	\$ 1,310,075.00	33.1%	\$ 582,810.00	15%	\$ 1,258,148.00	32%
<b>Administration</b>								
Taxes & Depreciation	\$231,000	4.3%	\$30,723.00	13.3%	\$ 26,969.00	12%	\$ 64,780.00	28%
Utilities	\$80,300	1.5%	\$20,075.00	25.0%	\$ 20,863.00	26%	\$ 57,346.00	71%
Maintenance	\$40,000	0.7%	\$10,000.00	25.0%	\$ 9,431.00	24%	\$ 28,865.00	72%
Security	\$106,000	2.0%	\$26,500.00	25.0%	\$ 25,704.00	24%	\$ 91,351.00	86%
Executive	\$435,000	8.1%	\$108,750.00	25.0%	\$ 128,810.00	30%	\$ 343,978.00	79%
Legal	\$150,000	2.8%	\$37,500.00	25.0%	\$ 36,469.00	24%	\$ 109,611.00	73%
Human Resources	\$342,300	6.4%	\$85,575.00	25.0%	\$ 85,719.00	25%	\$ 253,625.00	74%
Sub-Total	\$1,384,600	25.9%	\$ 319,123.00	23.0%	\$ 333,965.00	24%	\$ 949,556.00	69%
<b>TOTAL EXPENSES</b>	<b>\$5,340,600</b>		<b>\$ 1,629,198.00</b>	<b>30.5%</b>	<b>\$ 916,775.00</b>	<b>17%</b>	<b>\$ 2,207,704.00</b>	<b>41%</b>
<b>REVENUE</b>								
ConverDyn Fees	\$0		\$0.00	25.0%	\$ -		\$ -	
Interest Income	\$200,000	48.19%	\$50,000.00	25.0%	\$ 70,100.00	35%	\$ 203,943.00	102%
Rent, Other	\$215,000	51.81%	\$53,750.00	25.0%	\$ 119,364.00	56%	\$ 282,907.00	132%
<b>TOTAL REVENUE</b>	<b>\$415,000</b>		<b>\$103,750.00</b>	<b>25.0%</b>	<b>\$189,464</b>	<b>46%</b>	<b>\$486,850.00</b>	<b>117%</b>