



COPY

RE: 0706-E

January 31, 2007

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
2007 Financial Assurance Annual Budget Report
2006 4th 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:

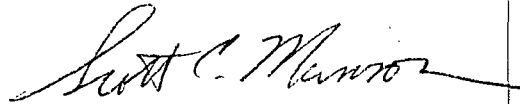
Enclosed are four (4) copies of Sequoyah Fuels Corporation's (SFC) 2007 Financial Assurance Annual Budget Report and our 2006 4th Quarter Financial Assurance Quarterly Report and Financial Statements. The information is being submitted to fulfill obligations in the referenced order contained in Part 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, 2007
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

2006 4th Quarter Financial Assurance Quarterly Report

SEQUOYAH FUELS CORPORATION

4TH QUARTER 2006 FINANCIAL ASSURANCE REPORT

Cost Center	2006 Annual	% Total	4th Quarter	%	4th Quarter	%	Year-To-Date	%
	Budget		Budget	Budget	Actual	Budget	Actual	Budget
EXPENSES								
Corrective Action								
SOW 1	\$3,558,000	66.6%	\$533,700.00	15.00%	\$ 393,314.00	11%	\$ 1,368,012.00	38.45%
DP/CMP/EIS								
SOW 2	\$231,500	4.3%	\$92,600.00	40.00%	\$ 62,659.00	27%	\$ 242,894.00	104.92%
ENV/CHAR. SAMPLG								
SOW 3	\$166,500	3.1%	\$41,625.00	25.00%	\$ 28,650.00	17%	\$ 131,865.00	79.20%
WASTE WATER TRT								
Sub Total	\$3,956,000	74.1%	\$ 667,925.00	16.88%	\$ 484,623.00	12%	\$ 1,742,771.00	44.05%
Administration								
Taxes & Depreciation	\$231,000	4.3%	\$171,633.00	74.3%	\$ 164,425.00	71%	\$ 229,205.00	99.22%
Utilities	\$80,300	1.5%	\$20,075.00	25.0%	\$ 15,711.00	20%	\$ 73,057.00	90.98%
Maintenance	\$40,000	0.7%	\$10,000.00	25.0%	\$ 17,632.00	44%	\$ 46,497.00	116.24%
Security	\$106,000	2.0%	\$26,500.00	25.0%	\$ 22,562.00	21%	\$ 113,913.00	107.47%
Executive	\$435,000	8.1%	\$108,750.00	25.0%	\$ 130,533.00	30%	\$ 474,511.00	109.08%
Legal	\$150,000	2.8%	\$37,500.00	25.0%	\$ 33,468.00	22%	\$ 143,079.00	95.39%
Human Resources	\$342,300	6.4%	\$85,575.00	25.0%	\$ 87,318.00	26%	\$ 340,943.00	99.60%
Sub-Total	\$1,384,600	25.9%	\$ 460,033.00	33.2%	\$ 471,649.00	34%	\$ 1,421,205.00	102.64%
TOTAL EXPENSES	\$5,340,600		\$ 1,127,958.00	21.1%	\$ 956,272.00	18%	\$ 3,163,976.00	59.24%
REVENUE								
ConverDyn Fees	\$0		\$0.00	25.0%	\$ -		\$ -	
Interest Income	\$200,000	48.19%	\$50,000.00	25.0%	\$ 70,537.00	35%	\$ 274,480.00	137.24%
Rent, Other	\$215,000	51.81%	\$53,750.00	25.0%	\$ 328,223.00	153%	\$ 611,130.00	284.25%
TOTAL REVENUE	\$415,000		\$103,750.00	25.0%	\$ 398,760.00	96%	\$ 885,610.00	213.40%

2007 Financial Assurance Annual Budget Report

SEQUOYAH FUELS CORPORATION
2007 ANNUAL FINANCIAL ASSURANCE BUDGET

Cost Center	2007 Annual	% Total	1st Quarter	%	2nd Quarter	%	3rd Quarter	%	4th Quarter	%
	Budget		Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
EXPENSES										
Corrective Action										
SOW 1	\$915,900.00	35.4%	\$ 228,975.00	25%	\$320,565.00	35%	\$228,975.00	25.0%	\$137,385.00	15.0%
DP/CMP/EIS										
SOW 2	\$233,650.00	9.0%	\$ 23,365.00	10%	\$93,460.00	40%	\$23,365.00	10.0%	\$93,460.00	40.0%
ENV/CHAR. SAMPLG										
SOW 3	\$178,650.00	6.9%	\$ 26,797.50	15%	\$62,527.50	35%	\$62,527.50	35.0%	\$26,797.50	15.0%
WASTE WATER TRT										
Sub Total	\$1,328,200.00	51.3%	\$ 279,137.50	21%	\$ 476,552.50	26%	\$ 314,867.50	23.7%	\$ 257,642.50	19.4%
Administration										
Taxes & Depreciation	\$133,000.00	5.1%	\$ 13,300.00	10%	\$13,300.00	10%	\$19,950.00	15.0%	\$86,450.00	65.0%
Utilities	\$74,900.00	2.9%	\$ 18,725.00	25%	\$18,725.00	25%	\$18,725.00	25.0%	\$18,725.00	25.0%
Maintenance	\$10,000.00	0.4%	\$ 2,500.00	25%	\$2,500.00	25%	\$2,500.00	25.0%	\$2,500.00	25.0%
Security	\$115,000.00	4.4%	\$ 28,750.00	25%	\$28,750.00	25%	\$28,750.00	25.0%	\$28,750.00	25.0%
Executive	\$430,300.00	16.6%	\$ 107,575.00	25%	\$107,575.00	25%	\$107,575.00	25.0%	\$107,575.00	25.0%
Legal	\$150,000.00	5.8%	\$ 37,500.00	25%	\$37,500.00	25%	\$37,500.00	25.0%	\$37,500.00	25.0%
Human Resources	\$346,800.00	13.4%	\$ 86,700.00	25%	\$86,700.00	25%	\$86,700.00	25.0%	\$86,700.00	25.0%
Sub-Total	\$1,260,000.00	48.7%	\$ 295,050.00	23%	\$ 295,050.00	23%	\$ 301,700.00	23.9%	\$ 368,200.00	29.2%
TOTAL EXPENSES	\$2,588,200.00		\$ 574,187.50	22%	\$ 771,602.50	30%	\$ 616,567.50	23.8%	\$ 625,842.50	24.2%
REVENUE										
ConverDyn Fees	\$0.00		\$ -	25%	\$ -	25%	\$0.00	25.0%	\$0.00	25.0%
Interest Income	\$150,000.00	29.13%	\$ 37,500.00	25%	\$ 37,500.00	25%	\$37,500.00	25.0%	\$37,500.00	25.0%
Rent, Other	\$365,000.00	70.87%	\$ 91,250.00	25%	\$ 91,250.00	25%	\$91,250.00	25.0%	\$91,250.00	25.0%
TOTAL REVENUE	\$515,000.00		\$ 128,750.00	25%	\$ 128,750.00	25%	\$128,750.00	25.0%	\$128,750.00	25.0%