

40-8027

June 9, 1998

RE: 9838-N

Certified Mail Receipt No. P 333 535 957
Return Receipt Requested

U.S. Nuclear Regulatory Commission
Mr. John W.N. Hickey
Mail Stop: 7 F27
11545 Rockville Pike
Rockville, MD 20852-2738

Dear Mr. Hickey:

The reorganization of Bank IV to Boatmans Bank and ultimately to Nations Bank resulted in the escrow account being transferred by Nations Bank to The Bank of New York. Sequoyah Fuels has retained a new escrow agent, BancFirst of Oklahoma and will be transferring the funds to this bank as soon as possible. Attached is a copy of BancFirst's acceptance as escrow agent for these funds. A fully executed copy of the escrow agreement will be forwarded to you before the actual fund transfer.

If you have any questions, call me at 918-489-5511, ext. 12 or Craig Harlin at 918-489-5511, ext. 14.

Sincerely,

Reggie Cook, Exec. VP/Controller
Sequoyah Fuels Corporation

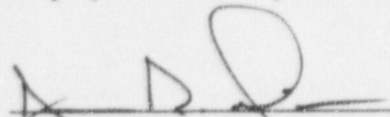
Enclosure

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Acceptance as Escrow Agent

BancFirst, an Oklahoma Corporation, accepted the appointment as Escrow Agent for the Sequoyah Fuels Corporation ("SFC").

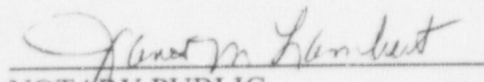


James R. Dickson
President, BancTrust

State of Oklahoma)
) ss.
County of Oklahoma)

Before me, the undersigned, a Notary Public, in and for said County and State, on this 3rd day of June, 1998, personally appeared, James R. Dickson, known to me to be the identical person who subscribed the name of BancFirst, to the foregoing instrument as its President and Trust Officer, and acknowledged to me that he executed the same as their free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.



NOTARY PUBLIC

(Seal)

My Commission Expires: 3/20/2001