STANDARD ENERGY CORP
Form 10KSB
June 28, 2004

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-KSB

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED March 31, 2004
OR
[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (the "Act")

Commission file number: 0-9336

STANDARD ENERGY CORPORATION
(Name of Small Business Issuer as specified in its charter)

Utah	87-0338149
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

447 Bearcat Drive Salt Lake City, Utah	84115-2517
(Address of principal executive offices)	(Zip Code)

Issuer's telephone number, including area code: (801) 364-9000

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: $.01 Par Value Common Stock

Check whether the Issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes X No .

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of Issuer's knowledge, in definitive proxy or information statement incorporated by reference in Part III of this Form 10-KSB, or any amendment to this Form 10-KSB .

The Issuer's revenue for the fiscal year ended March 31, 2004 was approximately $102,400.

As of June 28, 2004, 120,836,974 shares of the Issuer's common stock were issued and outstanding of which 52,648,761 shares were held by non-affiliates. As of June 28, 2004, the aggregate market value of shares held by non-affiliates, based upon the closing price reported by the Bulletin Board market reporting system, operated by Nasdaq of $0.01 bid, was approximately $5,264,877.

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PART I

ITEM 1. DESCRIPTION OF BUSINESS

General

Standard Energy Corporation's ("the Company") principal business is, and historically has been, the acquisition of unproven oil and gas leaseholds, primarily with the intent of reselling such leaseholds to third-parties. Historically, the Company has acquired primarily federal oil and gas leaseholds through the Bureau of Land Management's ("BLM") leasing program. The Company also obtains leases through purchases in competitive bidding programs offered by various state agencies, principally the States of Utah and Wyoming (the "Leasing Programs").

The Company evaluates the geologic potential of the leases, which it proposes to acquire, based primarily upon geologic information available through the Company's wholly-owned subsidiary, Petroleum Investment Company ("PIC"). The Company's President, Dean W. Rowell ("Rowell"), is materially involved in such evaluations which are based, among other factors, upon the results of prior exploratory and developmental activities on adjacent and contiguous properties, current lease sale trends and

Rowell's 40-year experience in the domestic oil and gas business.

The Company, which is known within the industry as a buyer and seller of leases, typically is approached by a potential buyer for one or more of its leasehold interests. Negotiations generally ensue and a dollar price and retained royalty interest is agreed upon and a sale concludes.

Oil and Gas Leases

The Company had limited participation in the Leasing Programs from 1986 through the year ended March 31, 2004, except through its participation agreements with certain unrelated third parties on a limited basis. The Company presently has limited funds available to participate in the Leasing Programs. The Company believes that the deposit feature of the Leasing Programs have made the Company's participation in such Leasing Programs very difficult as the deposit feature penalizes many of the less capitalized participants and provides a substantial advantage to Leasing Program participants which have greater financial resources than the Company. (See "Management's Discussion and Analysis of Financial Condition and Results of Operations")

The location and gross and net acreage of the Company's inventory of oil and gas leaseholds at March 31, 2004 were approximately as follows:

Location	Gross Acres	Net Acres
Utah	3,465	2,207
Wyoming	1,243	1,243
Total	4,708	3,450

A gross acre consists of 100% of the working interest. A net acre is calculated by gross acres multiplied by the percentage of working interest owned.

The above chart does not include the Company's interest in unrelated third-party leasehold acquisitions and leasehold sales. Third-party leasehold inventory was approximately 10,000 gross acres at fiscal year ended March 31, 2004. Also during the fiscal period, the Company's ability to acquire additional leaseholds was adversely affected. Because the Company has no financial basis in such leaseholds, the Company's financial statements and the foregoing acreage charts do not reflect the acquisition of such newly acquired leaseholds. As third-party leasehold sales take place, revenue is recorded under line item "Sales of oil and gas leasehold interest.

Management has adopted a policy of periodically evaluating each of the leaseholds held by the Company to determine whether the current market value of a leasehold justifies making additional rental payments with respect thereto. Based upon such evaluation, the Company abandons (writes off) those leaseholds for which it does not wish to continue making rental payments. The amount of acreage abandoned and sold by the Company in each of the last two fiscal years has caused the Company's balance of inventory to decline over the course of such period, primarily due to past downturns in the domestic oil industry. No independent appraisals are obtained by the Company on leases purchased, nor is there an independent committee of the Board of Directors which evaluates any of its leases.

The Company's policy is to acquire and hold leaseholds in inventory for a period generally not longer than five years in order to maximize the gain to the Company on such leasehold costs. The Company does not advertise for the sale of leases owned by it, but rather believes that most of its leasehold purchasers become aware of the Company's leaseholds through an examination of BLM records or other means. During the Company's two fiscal years ended March 31, 2004 and 2003, revenues from oil and gas lease royalties during such period were approximately $97,000 and $27,000 respectively, reflecting the upturn in the domestic oil industry. (See "Consolidated Financial Statements")

The Company's oil and gas leasehold inventory remains at approximately 13,000 net acres at the year ended March 31, 2004, including leaseholds acquired under third-party agreements. Although its leasing activity was reduced substantially due to the sharp decline in exploration activities during the last five fiscal years, the Company believes it can continue its present lines of business, including the purchase and sale of newly acquired oil and gas leaseholds, due to the increase in price of domestic oil and gas during the past two years.

The Company retains a royalty interest, ranging from 1% to 6%, in substantially all of the leaseholds which it has resold. Since 1981, the Company has not received any substantial earnings from retained royalty interests in resold leaseholds. The majority of the leases acquired by the Company are leaseholds granted by the BLM subject to a 12-1/2% gross royalty interest in favor of the federal government's BLM.

The majority of the Company's inventory of undeveloped leases are subject to the jurisdiction of the BLM, with the balance being leased from agencies of various Rocky Mountain states. As a result of the advance lease deposits required under the Leasing Programs, and the Company's current working capital difficulties, it may be expected that the percentage of leases acquired in the future from such states may increase. BLM leaseholds granted under the Leasing Program are leased by the BLM at an annual rental of $1.50 per acre, and $2.00 per acre for leases acquired and held for more than five years.

The majority of the Company's BLM leasehold inventory at March 31, 2004 consists of BLM leaseholds granted after January 1, 1994, and generally have an initial term of ten years, which may be extended for an additional two years if during the initial term such leasehold is "improved" by the commencement of drilling activities thereupon. Aggregate rentals paid by the Company during the years ended March 31, 2004 and 2003 for all oil and gas properties leased by it were approximately zero and zero, respectively. The Company retains the right to reacquire the lease if the purchaser fails to make rental payments due to the BLM on leases sold to unrelated third-parties by the Company.

Leasing Programs

The federal government's Leasing Program is administered by the BLM pursuant to the Minerals Leasing Act of 1920, as amended. Under such Act, properties are made available to the public by means of a competitive bidding system. Properties receiving no bid are assigned to the Leasing Program. In the Leasing Program, applicants filing for a given leasehold by a set date are deemed to have filed simultaneously with other applicants and thus are eligible to participate in the drawing. Under the Leasing Program, applicants are required to deposit the first year rental payments for each property applied for at the time of filing an application. Funds advanced to the BLM as deposits do not bear interest.

During fiscal 2004, the BLM took approximately 50 days, from the date funds were required to be deposited, to process refunds of deposits with respect to unawarded leases, which permitted participants to "rollover" their refunds into payments of advance deposits in the subsequent Leasing Program drawing period. However, there can be no assurance as to how long the BLM will take to refund such deposits in the future.

The BLM has on several previous occasions, since the Mineral Leasing Act of 1920, suspended and/or modified the BLM Leasing Program. No assurance can be given that current Leasing Programs will not be subsequently eliminated, modified or suspended, or that the Company will be able to actively participate in or derive profits from the Leasing Programs.

Geological Information Services

The Company, through its wholly-owned subsidiary, PIC, provides a variety of geologic lease evaluation services. PIC makes available to subscribers monthly reports containing information which evaluates leases offered in the Leasing Programs. Such information includes comprehensive geologic data, recommendations and reports with respect to leaseholds offered in the Leasing Programs, including PIC's evaluation of the production prospects of such leaseholds and, frequently, an estimated resale value for such leaseholds, the names of selected participants, results of auction sales and drawings, and other information. In addition to such monthly reports, PIC also sells information with respect to individual oil and gas properties throughout the Rocky Mountain area.

The geologic and other information which PIC makes available through its reporting services is obtained from different sources, including PIC's internal files which contain well and land oil and gas exploration data on a historical basis in the nine-state area comprising the Rocky Mountain region. Such data is interpreted and summarized by PIC's part-time in-house geologists and landmen.

PIC, through a wholly-owned subsidiary, also provides oil and gas mapping services with respect to properties located throughout the Rocky Mountain region. PIC prepares base survey and geologic maps on various scales, reflecting significant oil and gas well drilling activity in a particular area.

During the Company's two fiscal years ended March 31, 2004 and 2003, revenues contributed to the Company's consolidated revenues by PIC were approximately $5,400 and $6,500, respectively. The decrease in revenue contributed by PIC for such fiscal periods, as compared to prior fiscal years, reflects the depth of the downturn in the domestic oil and gas industry. Low oil prices since the initial 1986 collapse of worldwide oil prices caused PIC to terminate the services of several employees, including its geologists. Should higher oil prices hold for several years it is possible that PIC could again produce higher revenues for the consolidated business of the Company. (See "Management's Discussion and Analysis of Financial Condition and Results of Operations")

Oil and Gas Exploration and Production

The Company's oil and gas exploration and production operations are presently insignificant and no reserve information is available.

Competition

The Company experiences substantial competition in its business of buying and selling oil and gas leaseholds. The Company's competitors include oil companies, as well as numerous independent operators, many of whom have substantially greater resources than the Company and its affiliates. The Leasing Programs, and in particular, the feature which requires advance deposit of annual lease rentals at the time of applying for such leases, has the effect of favoring companies with financial resources greater than the Company's and its affiliates'.

With respect to its geologic information services, the Company experiences competition from individual operators who advise as to the geologic potential of properties listed for lease under the Leasing Programs and other oil and gas properties, as well as from publishers of newsletters providing certain information similar to that which the Company makes available to its subscribers. The Company believes itself to be a factor in the geologic information services industry in the Rocky Mountain States, premised upon the quality and volume of its land records, the number of subscribers to its publications and the extremely limited number of competitors, comprised mostly of individuals, offering similar, but what management believes to be less complete services to the general public.

The Company's competitors in oil and gas exploration, development and production include major oil companies, numerous independent oil and gas companies, individual proprietors and drilling programs. Many of such competitors possess greater financial resources than those available to the Company.

Research and Development of the Biofuels Technology

Essentially, the Company has two principal businesses. They are its traditional oil and gas exploration and production business that has, during the past 20-years, provided in excess of $13,000,000 to conduct the R&D effort to commercialize its second business, the commercial development of its Biofuels Technology, designed to economically solve the critical problem of disposing of Municipal Waste through the 100% recycle of Municipal Waste into useful products saleable at a profit.

Management of the Company believes its R&D efforts have produced trade secret and know-how protection which, in the future, should produce valuable patent protection to the Company's technologies from the Company's long experience and work conducted at its former "Research Center" in Utah.

Based on its R&D efforts, the Company believes the Mayfair Project would be the first business to economically produce ethanol transportation fuel from low-cost organic cellulosic materials ("Celmat") consisting of mostly paper products easily harvested from Municipal Waste through new generation enviro-friendly manufacturing plants fed by Municipal Waste, which plants would combine recycling, electric power and ethanol fuel production at several regional biofuels plant sites.

The Company further believes that its innovative Biofuels Technology would create a profit generating solution for three major contemporary domestic issues. First, it would provide an opportunity to significantly reduce the volume of Municipal Waste that currently must be landfilled or incinerated. Second, it offers a low-cost method of producing ethanol fuel, the only known commercially viable and publicly accepted renewable low-polluting transportation fuel that the Company believes someday will compete in price at the pump with gasoline. Third, it offers a low-cost method of producing electric power from clean burning lignin fuel. The reason for such optimism is the high Tip Fee currently paid by municipalities to landfills and incinerators for the dispose of Municipal Waste.

The Company's former Research Center provided the Company with sufficient data to design and construct the 12-Module design Mayfair Project for the 100% recycle solution to the disposal of Municipal Waste. The 12-Module proprietary design package data is available to entities expressing a written desire to invest funds in the Mayfair Project. Written materials include flow sheets, mass and energy balance, vendor equipment suppliers, construction design, operating plans, insurance guarantees and qualification of the selected construction contractors.

The Mayfair Project, fundamentally, is only an engineering concept where the Company is contemplating the construction retrofit of an existing industrial Municipal Waste plant complex utilizing the Company's Biofuels Technology to manufacture electricity, ethanol transportation fuel and other saleable products derived and harvested from the contents of Municipal Waste.

The Company is pursuing financing ideas through two wholly-owned subsidiaries, Mayfair Energy Corporation, a Pennsylvania corporation, and Biofuels, Inc., a Utah corporation. Final engineering plans and final financial arrangements with unrelated third-parties for financing and engineering contracts on the Mayfair Project were not finalized or completed as of June 27, 2004.

Government Regulations

The Company's business is subject to extensive federal, state and local regulation. Management believes that the Company operations are in material compliance with applicable laws, but is unable to predict what additional government regulations, if any, affecting the Company's business, may be enacted in the future; how existing or future laws and regulations might be interpreted; or whether the Company will be able to comply with such laws and regulations either in the markets in which it presently conducts business or wishes to commence business.

There can be no assurance that either the states or the federal government would not impose additional regulations upon the Company's activities which might adversely affect the Company's business.

Insurance

The Company does not currently have in force general liability insurance coverage but does have renters liability coverage on its headquarters office space. There can be no assurance the coverage limits of the Company's policy would be adequate, or that the Company can obtain liability insurance in the future on acceptable terms, or at all.

Environmental Matters

The Company is not aware of any pending or threatened claim, investigation, or enforcement action regarding environmental issues which if determined adversely to the Company, would have an adverse effect upon the capital expenditures, earnings, or competitive position of the Company.

Employees

As of June 28, 2004, the Company had three employees, including two executive officers and one part time employee. In addition, the Company's practice in connection with the Leasing Programs is to contract with geologists and landmen to assist the Company in the preparation of geologic information reports, etc. as needed. None of the Company's employees are represented by a union or subject to a collective bargaining agreement and the Company has never experienced a work stoppage. The Company believes its employee relations to be good.

Item 2. PROPERTIES

Headquarters

The Company's executive offices are located in a 2,500 square foot building. The premises are leased from a non-affiliated party, at an annual rental of approximately $18,000 per year. Management is of the opinion that such cost is comparable to or below normal rates in the area and believes that such facilities are adequate for the Company needs in the proximate future.

Oil and Gas Leaseholds

The location and gross and net acreage of the Company's inventory of oil and gas leaseholds at March 31, 2004 was approximately as follows:

Location	Gross Acres	Net Acres
Utah	3,465	2,207
Wyoming	1,243	1,243
Total	4,708	3,450

A gross acre consists of 100% of the working interest. A net acre is calculated by gross acres multiplied by the percentage of working interest owned.

Item 3. LEGAL PROCEEDINGS

On February 4, 2002 a Complaint in Civil Action was filed in the Court of Common Pleas, Philadelphia, Pennsylvania, against the Company and Mayfair Energy Corporation, a wholly-owned subsidiary of the Company, in which the compliant alleged that the Company and its subsidiary were in default of an amount due to Klehr, Harrison, Harvey, Branzburg & Eller, LLP, attorney's at law in the amount of $48,275.98. The Company's Philadelphia counsel, Schafkopf & Burgess, LLC, filed answers to the complaint, whereby the Company and Mayfair demand judgement in their favor and have asked for all counts to be dismissed.

On April 23, 2003 the Company settled the Complaint with the cash payment of $10,000 and eight payments payments of $1,000 each for eight months for a total of $18,000.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to the Company's shareholders for a vote during the fiscal year ended March 31, 2004.

PART II

Item 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED SECURITY HOLDER MATTERS

Price Range of Common Stock

The Company's shares of Common Stock are traded on the over the counter Bulletin Board ("OTCBB") electronic quotation service, operated by The Bulletin Board, Inc., an affiliate of The Nasdaq Stock Market, Inc. The following table sets forth the high and low bid quotations of the Company's common stock for the periods indicated, as reported by the OTCBB. The quotations set forth below represent prices between dealers and do not include retail markups, markdowns or commissions and may not represent actual transactions.

	Bid Price	
	High	Low
Fiscal Year 2003		
First Quarter	$ 0.06	$ 0.03
Second Quarter	0.06	0.03
Third Quarter	0.05	0.03
Fourth Quarter	0.03	0.02
Fiscal Year 2004		
First Quarter	$ 0.02	$ 0.01
Second Quarter	0.11	0.02
Third Quarter	0.05	0.01
Fourth Quarter	0.04	0.02
Fiscal Year 2005		
First Quarter .... (through June 28, 2004)	$ 0.03	$ 0.02

Approximate Number of Equity Security Holders:

Title of Class	holders as of June 28, 2004
Common Stock, par value $0.01 per share:	2,200
Preferred Stock, par value $0.01 per share:	None Issued

As of June 28, 2004, there were 120,836,974 shares of common stock outstanding and approximately 2,200 stockholders of record. The number of stockholders of record does not include an indeterminate number of stockholders whose shares are held by brokers and fiduciary depositories in "street name". Management believes there are in excess of 3,000 beneficial stockholders of the Company's common stock, including fiduciary depository firms.

Dividends

The Company has neither declared nor paid any dividends on its Common Stock since the inception of the Company, and the Board of Directors does not contemplate the payment of dividends in the foreseeable future. Any decision as to the future payment of dividends will depend on the earnings and financial position of the Company and such other factors as the Board of Directors may deem relevant. It is the present intention of management to utilize all available funds for the development of the Company's business.

Shares Issued in Unregistered Transactions

We issued shares of our common stock in unregistered transactions from 2002 through 2004. All of the following shares of common stock issued were issued in non registered transactions in reliance on Section 4(2)of the Securities Act of 1933, as amended (the "Securities Act"). The shares issued in 2003 were issued pursuant to Rule 504 of Regulation D promulgated under the Securities Act of 1933, as amended. The shares of common sock issued were as follows:

2002

There were no common shares issued in 2002.

2003

On July 31, 2002, Trachyte agreed to accept 15,000,000 newly issued shares of the Company's common stock in exchange for $300,000 of partial debt settlement of cash paid to the Company through July 31, 2002 and to accept a replacement note for the balance owed to Trachyte in the amount of $311,395 with interest at 12% per annum dated August 1, 2002. The shares were issued at $0.03 per share, which was the closing market bid price on July 31, 2002. An additional expense of $150,000 was recorded to value the shares at their market value. The shares are required to be held at least two years for investment purposes.

2004

There were no common shares issued in 2004.

Item 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

The Company's primary oil and gas business, the brokerage of leasehold interests, has not materially changed during the period ended March 31, 2004 due to the lack of capital to pursue the purchase of new leases. In light of this lack of capital the Company has been exploring other ways of generating revenues.

During the 2004 fiscal period, the Company continues to research and develop ("R&D") its biofuels technologies (the "Biofuels Technology") for the recycle of ordinary municipal solid waste, garbage, trash, paper and plastic material streams ("Municipal Waste") into recycled saleable products and the recovery of cellulosic materials ("Celmat") believed by the Company to be convertible into electric power and ethanol transportation fuel. (See "Research and Development of the Biofuels Technology")

As a result of its R&D efforts, and after working with engineering and management contractor, W.J. Scales & Company of Boerne, Texas (the "Scales Group"), management believes that the Company has developed what appears to be a commercial application of the Biofuels Technology for the future recovery of inorganic materials and Celmat from the recycle of Municipal Waste (the "Mayfair Project"). The Mayfair Project would be located in the Northeast U.S. where Municipal Waste landfills and transfer stations charge the highest dump rates ("Tip Fee") in the U.S. for the disposal of Municipal Waste.

If operations commence, it is anticipated that the Mayfair Project would utilize the Biofuels Technology in a facility that combines a Municipal Waste recycle plant, an ethanol fuel production plant and an electrical power plant. The facility would separate Municipal Waste into separate inorganic and organic recovery streams. The inorganic stream products would be sold into the existing commercial salvage ("Salvage") market and the organic stream products would be converted into specialty products such as electricity and ethanol transportation fuels.

There can be no assurance that the required capital will be available to construct the Mayfair Project and there can be no assurance that the Biofuels Technology will perform on a commercial basis. The Company's future operating results will depend on its ability to obtain adequate financing to construct the Mayfair Project. Expenses incurred for the Mayfair Project are currently being accounted for under line item "Research and Development Costs".

Results of Operations

The Company realized revenues of approximately $102,400 for the fiscal year ended March 31, 2004, compared with approximately $44,000 for the corresponding period ended March 31, 2003. Cash requirements during the period were obtained from a combination of internally generated cash flow from operations, loans, asset sales, and the sale of Rule 144 investment stock to private individuals.

There were no oil and gas leasehold sales for the fiscal period ended March 31, 2004, and there were approximately $9,500 fpr the corresponding period ended March 31, 2003. Revenues from the sale of the Company's geologic information services were approximately $5,400 for the fiscal period ended March 31, 2004, compared with approximately $6,500 for the corresponding period ended March 31, 2003. Revenues from the Company's geologic information services have declined steadily from the collapse of world crude oil prices in 1986. Recent world crude oil and natural gas price increases may stimulate domestic drilling activity which would, once again, create a need for the Company's geologic information services. Revenue from oil production was approximately $97,000 for the fiscal period ended March 31, 2004, compared to approximately $27,500 for the corresponding period ended March 31, 2003. Oil production revenues are down as a result of world crude oil and natural gas price fluctuations.

The Company incurred expenses related to its oil and gas leasehold sales of zero for the fiscal period ended March 31, 2004, compared to zero for the comparable period ended March 31, 2003. Expenses associated with the Company's geologic information services were approximately $3,000 for the fiscal period ended March 31, 2004, compared to approximately $3,000 for the comparable period ended March 31, 2003. Expenses associated with the Company's oil production and exploration activities were zero for the fiscal month period ended March 31, 2004, due to the abandonment in fiscal 1998 of the Company's last operated well. There were no costs for the comparable period ended March 31, 2002, due to the Company's exploration inactivity. General and administrative expense for the fiscal month period ended March 31, 2004 were approximately $104,000, compared to approximately $242,800 for the comparable period ended March 31, 2003. These low figures reflect the Company's basic inactivity in its oil and gas sector.

During the previous three year period all of the Company's R&D costs were expensed under line item General and Administrative expense. During the 2004 fiscal period, the Company created a line item for R&D costs to better distinguish expenses between general and administrative expenses and the expenses related to its various biofuels plant projects. These costs are being accounted for under line item "Project Costs" and were approximately zero for the fiscal period ended March 31, 2004, compared to approximately $30,000 for the comparable period ended March 31, 2003.

The Company's net loss for the 2004 fiscal period ended March 31, 2004 was approximately $1,700, compared to approximately $191,000 for comparable 2003 fiscal period and it expects to operate at a loss for the 2004 fiscal period, due to continued R&D costs incurred for the Mayfair Project, and costs related to its oil and gas business. Mayfair Project costs are accounted for under line item "Research and Development Costs". (See "Consolidated Financial Statements")

The Company does not expect to realize significant cash flows from the sale of leasehold interests, geologic information services, or oil production and exploration activities during fiscal 2004, nor does it expect significant leasehold sales in the foreseeable future, as the domestic oil industry activity continues unchanged due to uncertain world crude oil and natural gas prices.

The Company has available at March 31, 2004, unused tax operating loss carry forward of approximately $2,058,000 that may be applied against future taxable income through 2020. No tax benefit has been reported in the financial statements, because the Company believes there is a 50% or greater chance the carry forwards will expire unused. Accordingly, the potential tax benefits of the loss carry forwards are offset by a valuation account of the same amount.

Financial Condition

Management continues to explore additional financing alternatives for ongoing and future operations of the Company and has entered into an agreement with the Scales Group for the engineering, management, and construction of the Mayfair Project. There is no assurance that the efforts of management or the Scales Group to locate and secure additional financing will be successful, and the failure to secure the Mayfair Project financing would substantially alter management's assumptions as herein presented. (See "Consolidated Financial Statements").

Revenue reduction in the Company's overall oil and gas business is related to effects of the original worldwide collapse of crude oil prices in 1986 and the corresponding reduced oil and gas brokerage activity of the Company. Because of the reduced activity in its oil and gas business and a 1992 loss of approximately $4,100,000 in Biomass International, Inc. ("Biomass"), a former partially owned biomass material R&D subsidiary, the Company is currently experiencing cash flow difficulties.

The Company's most significant assets are (1) its oil and gas production income, (2) its oil and gas leaseholds held for resale, approximating 13,000 net acres at June 27, 2004, including leaseholds acquired under its unrelated third-party agreements, and (3) its plan for the full development of the Mayfair Project. Other assets are; (4) the approximate $2.1 million tax loss carry forward, and (5) 5,252,556 shares of Biomass. In 1994, Biomass ceased to exist as an R&D organization and in March 2000, Biomass was sold as a shell company to an unrelated third-party under a reorganization plan, ending a 12 year R&D effort.

Due to the proposed issuance of additional shares of Biomass to the unrelated third-party purchaser, the Company does not expect to hold in excess of 5% of the common stock of Biomass upon completion of the transaction and expects to recover little, if any, of its approximate $4,100,000 investment in Biomass represented by 5,252,556 shares of Biomass common stock. At June 27, 2004, the Biomass shares had no quoted bid price on the electronic OTC Pink Sheet market system. With no bid, or volume on a daily basis, sales of the Biomass shares appear impractical in the foreseeable future.

In order to continue in existence the Company is in need of additional financing from outside sources or from internal operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management can give no assurances that it will be successful in its endeavors to resolve its cash flow difficulties or that it will be able to retain and ultimately recover its costs in oil and gas leaseholds held for resale. The financial statements do not include any adjustments relating to the amounts and classification of assets, liabilities, income or expenses that might be necessary should the Company be unable to successfully resolve these uncertainties and continue in existence.

The Company foresees a need for additional equity financing in order to continue in existence, and may, in the future, seek to raise additional funds through asset sales, bank and/or other loans, debt, or equity offerings. Any such equity offerings, asset sales, or other financing may either be private or public and may result in substantial dilution to the then existing shareholders of the Company. Because of uncertainties existing in the domestic oil and gas industry and the Mayfair Project, the Company is not in a position to forecast future earnings or cash flow. The Company's future is very fluid and largely dependent on factors outside of its management's control.

For the fiscal period ended March 31, 2004, Dean W. Rowell, the President of the Company, continues to secure and guarantee loans for the Company: (1) He has guaranteed two credit cards up to approximately $110,000 with an outstanding balance of approximately $82,815 at the end of the period, and (2) he continues to loan the Company funds through his 100% owned privately-held Utah corporation, Trachyte Oil Company ("Trachyte") with an outstanding loan balance of approximately $220,095, plus interest of $51,897 for a total of $271,992 at the period ended March 31, 2004. Expenses incurred under the use of the credit cards are being accounted for under line item "Revolving Line of Credit" and expenses incurred under the loan agreement are being accounted for under line item "Notes payable to related parties".

Since fiscal 1991, Trachyte has materially supported the Company financially largely due to Mr. Rowell's efforts to secure loans from Trachyte for the Company and contribute the value of an assumed salary of $50,000 per year to additional paid in capital. The several transactions with Trachyte have provided the financial means for the Company to pursue its R&D of the Biofuels Technology and the commercialization of the Mayfair Project. Without such additional contributions by Mr. Rowell the Company would have been unable to pursue these goals. Final plans and final financial arrangements had not been completed for the Mayfair Project at June 28, 2004.

Plan of Operation

There have been no significant changes in capitalization or financial status during the past two years that are not reflected in the financial statements. The Company's plan of operation during the next twelve (12) months includes the following:

1. Pursue financing for the Mayfair Project.

2. Continue R&D, testing Municipal Waste processing equipment and testing existing and newly developed cellulose enzymes.

3. Continue the design and development of the Mayfair Project into three businesses -- Municipal Waste recycle, ethanol fuel production and electric power generation.

4. Pursue oil and gas lease acquisition with third party investors and investigate the possibility of entering into the wholesale electric power generation business.

Inflation

Inflation continues to apply moderate upward pressure on the cost of goods and services including those purchased by the Company. Management believes the net effect of inflation on operations has been minimal during the past two years.

Recent Accounting Pronouncements

There are no recent accounting pronouncements that will have a material impact on the Company's financial statements.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Management's Conflicts of Interest

Material conflicts of interest exist and will continue to exist between the Company, Trachyte, and Mr. Rowell, who is also the President of Trachyte, a privately-held Utah corporation, whose current major activities are the exploration and production of oil and gas resources. The Company's policy is to offer any new oil and gas property purchase first to the Company and then to Trachyte if the Company is unable to accept the financial obligation of any transaction. At June 28, 2004, Mr. Rowell beneficially owned approximately 54% of the common stock of the Company and 100% of the common stock of Trachyte.

Mr. Rowell owes a duty of due care and fair dealing to both the Company and Trachyte and the resolution of duties and conflicts in favor of one company over the other may impair his duties to each company. It is likely that any conflict of interest between the Company and Trachyte requiring a determination may have to be settled in favor of the Company to the detriment of Trachyte, as well as to the detriment of the current and future shareholders of Trachyte.

Item 7. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this Item is submitted as a separate section at the rear of this Form 10-KSB report.

Item 8. CONTROL AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

Based on an evaluation under the supervision and with the participation of Management, as of a date within 90 days of the filing date of this Annual Report on Form 10-KSB, our principal executive officer and principal financial officer have concluded that our disclosures controls and procedures (as defined in Rule 13a-14(c) and 25d-14(c) and 15d-14(c) under the Securities Act of 1934, are effective to ensure the information required to be disclosed in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time specified in SEC rules and forms.

(b) Changes in Internal Controls

There were no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation. There were no significant deficiencies or material weaknesses, and therefore there were no corrective actions taken. However, the design of any system of controls is based on part upon certain assumptions about the likelihood of future events and there is no certainty that any design will succeed in achieving its stated goal under all potential future considerations, regardless of how remote.

PART III

Item 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

Identification of Directors and Executive Officers

The current directors and executive officers of the Company, who will serve until the next annual meeting of shareholders or until their successors are elected or appointed and qualified, are set forth below:

Name	Age	Position
Dean W. Rowell	66	CEO/President/Chairman
Pamela K. Nelson	46	Vice President/Secretary
Michael M. Cannon	56	Director

Dean W. Rowell has been Chairman of the Board, President and Chief Executive Officer and Chief Financial Officer of the Company since its inception in April 1978 and was last elected by shareholders in 1996. Mr. Rowell has been involved in the oil and gas exploration and production industries for over 40 years. Prior to serving in his present capacities with the Company, he served as the president of a number of privately-held energy related companies. Mr. Rowell is also a director and President of the Company's wholly-owned subsidiaries, PIC, EnviroSystems, Biofuels, and Mayfair Energy Corporation. Mr. Rowell devotes approximately 80% of his time to the Company.

Pamela K. Nelson was last elected in 1996 and has been a Director of the Company since September 1978 and became a Vice President of the Company in 1979 and Corporate Secretary in 1983. Ms. Nelson has been involved in landwork and leasing services to the oil and gas industry for the last 28 years. Ms. Nelson is also a director, Vice President, Corporate Secretary and Manager of land and lease operations for the Company's wholly-owned subsidiary, PIC. She is a director, Vice President, Corporate Secretary of EnviroSystems, Biofuels, and Mayfair Energy Corporation, all wholly-owned subsidiaries of the Company. She devotes all of her paid time to the Company.

Michael M. Cannon, a cum laude graduate of the University of Utah, joined the Company in March 1982 and in September 1982 became a Vice President and Director, with responsibility for marketing and corporate communications. From January 1979 to March 1982, Mr. Cannon was President of an advertising and public relations agency, Cannon Communications, a substantial number of whose clients were members of the United States House of Representatives and the Senate. From November 1976 to January 1979, Mr. Cannon served as the press secretary for Gunn McKay, a United States Representative from the State of Utah. In 1985 Mr. Cannon served as a state director of the Independent Petroleum Association of Mountain States and was. Mr. Cannon is presently self-employed as a consultant in the Communications industry. Mr. Cannon resigned as an Officer of the Company, effective July 1, 1985, but remains as an outside Director being last elected in 1996, Mr. Cannon has been associated with the Company for over 15-years, and is a director of the Company's wholly-owned subsidiaries, PIC, and EnviroSystems.

Each Director shall hold office until the next annual meeting of shareholders or until his successor shall have been duly elected and qualified. Officers are elected annually by, and serve at the pleasure of, the Board of Directors.

Significant Employees

None

Family Relationships

There are no family relationships among the Company's officers and directors.

Other Involvement in Certain Legal Proceedings

There have been no events under the bankruptcy act, no criminal proceedings and no judgements or injunctions material to the evaluation of the ability and integrity of any executive officer of the Company in last five years.

Administration Action

None

Compliance With Section 16(a)

Section 16 of the Securities Act of 1934 requires the filing of reports for sales of the Company's common stock made by officers, directors and 10% or greater shareholders. A Form 3, and Form 4 must be filed within two days after the sale or purchase transaction. Based upon the review of Form 4, Form 3, and/or Form 5 filed with the Company, the Company is not aware of any delinquent filings of such forms by any reporting person.

Code of Ethics

We have not adopted a formal ethics policy for our chief executive officer or senior financial officers, due to our status as a Bulletin Board company with few management personnel. We believe that our Board can successfully oversee and manage our existing officers and employees. However, we believe that an ethics policy is important and intend to consider adopting such a policy in the future.

Audit Committee Financial Expert

The Board of Directors have determined that the company does not have an audit committee financial expert serving on an audit committee, due to our status as a Bulletin Board company with few management personnel.

Item 10. EXECUTIVE COMPENSATION

The following table sets forth the aggregate compensation paid by the Company for services rendered during the last three years to the Company's Chief Executive Officer and to the Company's most highly compensated executive officers other than the CEO, whose annual salary and bonus exceeded $100,000:

Summary of Annual Compensation Table

Name of Principal Position	Year	Salary	Commissions & Bonuses	Other Annual Compensation Awards (Auto)	Restricted Stock Awards	Option Awards
Dean W. Rowell	2004	$50,000(1)	-0-	$4,000	-0-	-0-
President/CEO	2003	$44,000(1)	-0-	$4,000	-0-	-0-
	2002	$44,000(1)	-0-	$4,000	-0-	-0-

____

(1) Represents the value of Mr. Rowell's contributed services.

None of the Company's executive officers received aggregate cash and cash equivalent compensation exceeding $100,000 in any of the last three fiscal years. No options to purchase any of the Company's securities were granted to any reporting person during the fiscal year ended March 31, 2004. During the same period, Rowell elected to sell stock in the Company due to limited corporate cash flow to partially compensate Rowell in absence of a salary.

Compensation Pursuant to Plans

None of the executive officers of the Company are parties to an employment agreement with the Company. Dean W. Rowell, the Company's Chairman of the Board, President, Chief Executive and Chief Financial Officer will continue to serve the Company as determined by the Board of Directors without a salary or employment agreement. On April 1, 1997, the Company discontinued the practice of providing Rowell a credit card but continues to provide Rowell with an automobile at a cost of approximately

$4,000 per year.

The Company has no other "plans" (as such term is used in Item 402 of Regulation S-K) with respect to further executive compensation.

Other Compensation

Not applicable.

Compensation of Directors

Directors of the Company receive no compensation for services as such.

Termination of Employment and Change of Control Arrangements

Not applicable.

Item 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the number of shares beneficially owned, as of June 28, 2004, by each Director of the Company, by all officers and Directors as a group and by all persons known to the Company as owning or possessing voting control over five (5%) percent or more of the Company's outstanding shares of Common Stock:

Name and Address	Number of Shares Owned	Percentage of Shares Outstanding
Dean W. Rowell (1)	65,467,113	54.2%
Pamela K. Nelson	2,708,100	2.2%
Michael M. Cannon	13,000	.0%
All Officers and Directors as a group	68,188,213	56.4%

(1) This figure includes all of the shares owned by Trachyte.

Item 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Transactions with Management and Others

Geologic and other information which PIC has or develops is available to Rowell as an officer of the Company, and he may use such information for the benefit of the Company in determining which leases to buy or sell. Such information is also available to Rowell, without cost, in connection with Rowell's participation in the Leasing Programs.

During the twelve year period since fiscal 1991, Trachyte has helped financially support the Company largely due to Rowell's efforts to secure loans from Trachyte for the Company during periodic cash flow difficulties. During such periods, the several transactions with Trachyte have provided the financial means for the Company to pursue commercialization of the Mayfair

Project, otherwise the Company would have been unable to pursue this goal. Final plans and final financial arrangements had not been completed for the Mayfair Project as of June 28, 2004.

During the fiscal period ended March 31, 2004, the Company continued to experience severe cash flow difficulties which have continued into the 2005 fiscal period. Since the Company has been unable to repay any of the loans from Trachyte during the past two fiscal periods, Trachyte has received a demand note from the Company, including interest at 12% per annum, with a principal and interest balance at March 31, 2004 of approximately $271,991.

On July 31, 2002, Trachyte agreed to accept 15,000,000 newly issued shares of the Company's common stock in exchange for $300,000 of partial debt settlement of cash paid to the Company through July 31, 2002 and to accept a replacement note for the balance owed to Trachyte in the amount of $311,395 with interest at 12% per annum dated August 1, 2002. The shares were issued at $0.03 per share, which was the closing market bid price on July 31, 2002. An additional expense of $150,000 was recorded to value the shares at their market value. The shares are required to be held at least two years for investment purposes.

On July 15, 1996, the Company formed Biofuels, Inc. ("Biofuels"), a wholly-owned subsidiary, for the purpose of investing in and developing the Biofuels Technology for the Mayfair Project. This effort was centered on management's belief that a Celmat to ethanol technology could be commercialized, based on the Company's extensive experience at its former research center from 1982 through 1992, and its experience in developing the Mayfair Project with the Scales Group through June 28, 2004.

Forward Looking Statements

The forgoing discussion in "Management's Discussion and Analysis of Financial Condition and Results of Operation" contain forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Act") and Section 21E of the Act, which reflect Managements current views with respect to the future events and financial performance. The Company cautions that words used in this document such as "experts", "anticipates", "believes" and "may" as well as similar words and expressions identify and refer to statements describing events that may or may not occur in the future, including among other things, statements relating to anticipated growth and increased profitability, as well as to statements relating to the Company's strategic plan, including plans to develop the Mayfair Project and to selectively acquire other companies. These forward-looking statements and the matters to which they refer to are subject to considerable risks and uncertainties that may cause actual results to be materially different from those described in this document, including, but not limited to future financial performance and future events, competitive pricing for services, costs of obtaining capital as well as national, regional and local economic conditions. Actual results could differ materially from those addressed in the forward-looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this Form 10-KSB report.

Indebtedness of Management

Reference is made to Section above entitled "Transactions with Management and Others".

Parents of Company

The only parents of the Company, as defined in 12b-2 of the Exchange Act, are the officers and directors of the Company. For information regarding the share holdings of the Company's officers and directors, see Item 11.

PART IV

Item 13. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

Exhibits to Form 10-KSB

Exhibits filed with this Report are incorporated by reference and set forth below:

Exhibit 31: Entitled "Certificate of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002".

Exhibit 32: Entitled "Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002".

The financial statement information required by this portion of Item 13 is submitted as a separate section at the rear of this Report entitled "Independent Auditors' Report".

Reports on Form 8-K

There were no Form 8-K's filed by the Company during the fiscal year ended March 31, 2004.

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Audit Fees - The aggregate fees billed by HJ & Associates for professional services rendered for the audit of our annual financial statements included in our Annual Report on Form 10-KSB for the fiscal years ended March 31, 2004 and March 31, 2003 and for the quarterly financial statements on Form 10-QSB were $5,950 and $5,750, respectively. There were no other fees charged to the Company by HJ & Associates.

CHANGES AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Exhibit "31"

Item 7. CERTIFICATE OF CHIEF EXECUTIVE AND CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Dean W. Rowell, certify that:

1. I have reviewed this annual report on Form 10KSB of Standard Energy Corporation;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition results of operations and cash flows of the registrant as of, and for, the periods presented in this Annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have;

(a) designed such disclosure controls and procedures to ensure hat material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

(b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days of this annual report) the "Evaluation Date"); and

(c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function);

(a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

(b) any fraud, whether or not material, that involved management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that

could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

SIGNA TURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

STANDARD ENERGY CORPORATION

By: /s/ Dean W. Rowell
Dean W. Rowell
President

June 28, 2004
Salt Lake City, Utah

EXHIBIT "32"

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Standard Energy (the "Company") on Form 10-KSB for the period ending March 31, 2004, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Dean W. Rowell, Chief Executive Officer (Chief Financial Officer) of the Company, certify, pursuant to 18 U.S.C. subsection 1350, as adopted pursuant to subsection 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge and belief:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/Dean W. Rowell
Dean W. Rowell
Chief Executive Officer (Chief Financial Officer)

Date: June 28, 2004

SIGNATURE PAGE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

STANDARD ENERGY CORPORATION

By: /s/ Dean W. Rowell
Dean W. Rowell
President

June 28, 2004
Salt Lake City, Utah

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated:

Signature	Capacity	Date
/s/ Dean W. Rowell Dean W. Rowell	President and Director (Principal Executive, Financial and Accounting	June 28, 2004

Officer)

/s/ Pamela K. Nelson Pamela K. Nelson	Vice President Corporate Secretary, Treasurer and Director	June 28, 2004
/s/ Michael M. Cannon Michael M. Cannon	Director	June 28, 2004

STANDARD ENERGY CORP ORATION
AND SUBSIDIARIES

CONSOLIDATED FINANCI AL STATEMENTS

March 31, 2004

C O N T E N T S

INDEPENDENT AUDITORS ' REPORT

The Board of Directors
Standard Energy Corporation and Subsidiaries
Salt Lake City, Utah

We have audited the accompanying balance sheet of Standard Energy Corporation and Subsidiaries as of March 31, 2004, and the related consolidated statements of operations, stockholders' equity (deficit) and cash flows for the years ended March 31, 2004 and 2003. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with accounting standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Standard Energy Corporation and Subsidiaries as of March 31, 2004, and the results of their operations and their cash flows for the years ended March 31, 2004 and 2003, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 7 to the consolidated financial statements, the Company has had no significant operating results to date and has a working capital deficit of $459,000, which together raises substantial doubt about its ability to continue as a going concern. Management s plans with regard to these matters are also described in Note 7. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

HJ & Associates, LLC
Salt Lake City, Utah
June 15, 2004

STANDARD ENERGY CORP   ORATION AND SUBSIDIARIES
Consolidated Balance   Sheet (Continued)

ASSETS

CURRENT ASSETS	March 31, 2004
Cash	$ 917
Total Current Assets	917

PROPERTY AND EQUIPMENT, net (Note 2)		12,232
OTHER ASSETS		
Cash surrender value life insurance		808
Oil and gas leases held for resale (Note 3)		42,043
Pledged drilling bonds (Note 3)		25,000
Total Other Assets		67,851
TOTAL ASSETS	$	81,000
LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$	33,945
Revolving line of credit (Note11)		82,815
Note payable (Note 10)		3,712
Note payable - related party (Note 5)		271,992
Total Current Liabilities		392,464
LONG TERM DEBT		
Note payable (Note 10)		8,658
Total Long Term Debt		8,658
Total Liabilities		401,122

STANDARD ENERGY CORP ORATION AND SUBSIDIARIES
Consolidated Balance Sheet (Continued)

COMMITMENTS AND CONTINGENCIES (Note 4)	
STOCKHOLDERS EQUITY (DEFICIT)	
Preferred stock, par value $0.01 per share: 10,000,000 shares authorized, no shares issued and outstanding	-
Common stock, par value $0.01 per share: 200,000,000 shares authorized, 120,836,974 shares issued and outstanding	1,208,369
Additional paid-in capital	7,961,073
Treasury stock	(83,253)
Accumulated deficit	(9,406,311)
Total Stockholders Equity (Deficit)	(320,122)

TOTAL LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIT)	$ 81,000

The accompanying notes are an integral part of these consolidated financial statements

STANDARD ENERGY CORP ORATION AND SUBSIDIARIES
Consolidated Stateme nt of Operations

	For the Years Ended March 31, 2004	2003
REVENUES		
Oil and gas information services	$ 5,400	$ 6,450
Oil and gas leasehold interests	-	9,447
Oil and gas lease royalties	97,030	27,763
Total Revenues	102,430	43,660
EXPENSES		
Oil and gas information services	3,271	3,271
Depreciation, depletion/amortization	5,664	5,664
General and administrative	103,676	242,880
Total Expenses	103,676	251,735

OPERATING LOSS	(1,246)	(208,075)
OTHER INCOME (EXPENSE)		
Gain on Leasehold held for resale	-	70,390
Interest and other income	31,136	2,302
Interest expense	(31,624)	(55,740)
Total Other Income (Expense)	(488)	16,952
NET LOSS	$ (1,734)	$ (191,123)
BASIC LOSS PER SHARE	$ (0.00)	$ (0.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	120,836,974	114,800,855

The accompanying notes are an integral part of these consolidated financial statements

STANDARD ENERGY CORP ORATION AND SUBSIDIARIES
Consolidated Statement of Stockholders' Equity (Deficit)
For the Years Ended March 31, 2004 and 2003

Additional
Treasury Stock Common
Stock Paid-In Accumulated
Shares Amount Shares
Amount Capital Deficit

Balance, March 31, 2001
1,037,420 $ (83,253) 105,851,974 $
1,058,519 $ 7,523,073 $ (8,984,919)

Common stock cancelled 0 0 (15,000)
(150) 0 0

Common stock issued for
payment on note payable
and accrued interest
related party at $0.02
per share 0 0 15,000,000
150,000 300,000 0

Contributed capital for
services rendered by an
officer 0 0 0

0 44,000 0

Net loss for the year
ended March 31, 2003
0 0 0
0 0 (191,123)

Balance, March 31, 2003
1,037,420 (83,253) 120,836,369
1,208,369 7,911,073 (9,404,577)
Contributed capital for
services rendered by an
officer 0 0 0
0 50,000 0
Net loss for the year
ended March 31, 2004 0 0 0
0 0 (1,734)

Balance, March 31, 2004 1,037,420 $ (83,253) 120,836,974
$ 1,208,369 $ 7,961,073 $ (9,406,311)

The accompanying notes are an integral part of these consolidated financial statements

STANDARD ENERGY CORP ORATION AND SUBSIDIARIES
Consolidated Stateme nt of Cash Flows

	For the Years Ended March 31, 2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (1,734)	$ (191,123)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation, depletion and amortization	3,660	5,664
Gain on Leasehold held for resale	-	(70,390)
Common stock cancelled	-	(150)
Common stock issued for services -related party	-	150,000
Contributed capital for services rendered by an officer	50,000	44,000
Changes in assets and liabilities:		
Increase in accounts payable and accrued expenses	(21,276)	42,752
Increase in deferred lease income	(942)	(4,266)
Net Cash Used by Operating Activities	29,708	(23,513)
CASH FLOWS FROM INVESTING ACTIVITIES		
Gain on Leasehold held for resale	-	100,000
Cash value life insurance	4,893	(4,028)
Net Cash Provided (Used) by Investing Activities	4,893	95,972
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes payable - related parties	(42,400)	(132,000)

Proceeds from notes payable		
- related parties	23,500	53,500
Net change to line of credit	(15,657)	4,936
Net Cash Provided (Used) by Financing Activities	(34,557)	(73,564)
NET DECREASE IN CASH	44	(1,105)
CASH AT BEGINNING OF YEAR	873	1,978
CASH AT END OF YEAR	$ 917	$ 873

The accompanying notes are an integral part of these consolidated financial statements

STANDARD ENERGY CORP ORATION AND SUBSIDIARIES
Consolidated Stateme nt of Cash Flows (Continued)

	For the Years Ended March 31,	
	2004	2003
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION		
CASH PAID FOR:		
Interest	$ -	$ 12,249
Income taxes	$ -	$ -
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Vehicle acquired through note payable	$ -	$ 18,556
Common stock issued for payment on note payable and accrued interest related party	$ -	$ 450,000
Contributed capital for services rendered by an officer	$ 50,000	$ 44,000
Common stock issued for services related party	$ -	$ 150,000

The accompanying notes are an integral part of these consolidated financial statements

STANDARD ENERGY CORP ORATION AND SUBSIDIARIES
Notes to the Consoli dated Financial Statements
March 31, 2004 and 2 003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Company was organized under the laws of the State of Utah on April 3, 1978. The Company's principal business activity is the acquisition and resale of unproven oil and gas leaseholds. The Company also provides a variety of geologic lease evaluation services and information. Further, the Company receives royalty income from leasehold interests held by the Company.

Principles of Consolidation

The consolidated financial statements include the accounts of Standard Energy Corporation and its wholly-owned subsidiaries, Standard EnviroSystems, Inc., Petroleum Investment Company, Petroleum Map Service Company and Mayfair Energy Corporation (formerly known as Mayfair Trashfuel Corporation) (collectively the Company) . Significant intercompany accounts and transactions have been eliminated in consolidation.

Oil and Gas Leasehold Interests Held for Resale

The Company's inventory of oil and gas leasehold interests held primarily for resale to other parties is valued at the lower of the costs to acquire the interests or market. Cost of sales is based on the cost of the specific leasehold interest sold.

Oil and Gas Activities

The Company follows the successful efforts method of accounting for its oil and gas exploration and production activities as prescribed by Statement No. 19 of the Financial Accounting Standards Board.

Property and Equipment

Property and equipment are valued at cost and, are depreciated or amortized principally by the straight-line method over their estimated useful lives. The useful lives of property and equipment for purposes of financial reporting range from five to seven years.

STANDARD ENERGY CORP   ORATION AND SUBSIDIARIES
Notes to the Consoli   dated Financial Statements
March 31, 2004 and 2   003

NOTE 1 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provision for Taxes

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely that not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Net deferred tax assets consist of the following components as of March 31, 2004 and 2003:

	2004	2003
Deferred tax assets		
NOL Carryover	$ (771,750)	$ (802,870)
Contribution Carryover	(4,311)	(4,311)
Total Deferred Tax Asset	-	-
Deferred tax liabilities:	-	-
Valuation allowance	776,061	807,181
Net deferred tax asset	$ -	$ -

The income tax provision differs from the amount of income tax determined by applying the U.S. federal income tax rate of 39% to pretax income from continuing operations for the years ended March 31, 2004 and 2003 due to the following:

	2004	2003
Book income	$ (675)	$ (16,040)
Services	19,500	17,160
Contribution carryover	-	(1,065)
Other	12,293	(55)
NOL Utilization	(31,118)	-
Valuation allowance	-	-
	$ -	$ -

At March 31, 2004, the Company had net operating loss carryforwards of approximately $2,058,000 that may be offset against future taxable income from the year 2004 through 2023. No tax benefit has been reported in the March 31, 2004 consolidated financial statements since the potential tax benefit is offset by a valuation allowance of the same amount.

STANDARD ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
March 31, 2004 and 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provision for Taxes (Continued)

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carryforwards for Federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carryforwards may be limited as to use in the future.

Basic Loss Per Share

The computation of basic loss per share of common stock is based on the weighted average number of shares of common stock outstanding during the periods presented. Common stock equivalents have not been included because they are antidilutive in nature.

For the Year Ended March 31, 2004		
Loss (Numerator)	Shares (Denominator)	Per Share Amount
$ (1,734)	120,836,974	$ (0.00)

For the Year Ended March 31, 2003		
Loss (Numerator)	Shares (Denominator)	Per Share Amount
$ (191,123)	114,800,855	$ (0.00)

Cash Flows Statement

For purposes of statements of cash flows, the Company considers all highly liquid debt investments purchased with a maturity of three months or less to be cash equivalents.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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NOTE 2 - PROPERTY AND EQUIPMENT

The following is a summary of property and equipment - at cost, less accumulated depreciation as of March 31, 2004:

Vehicle	$ 18,556
Computers	7,711
Furniture and fixtures	51,393
Printing systems	35,648
Well and land files and maps	305,000
Total	418,308
Less: accumulated depreciation	(406,076)
Total	$ 12,232

Depreciation expense for the years ended March 31, 2004 and 2003 was $3,660 and $5,664, respectively.

NOTE 3 - OIL AND GAS PROPERTIES

The Company's primary oil and gas businesses, brokerage of leasehold interests and sales related to its information services, have decreased significantly over the past few years. At March 31, 2004, the Company was holding of oil and gas leases for resale with a cost basis of $42,043.

During the year ended March 31, 2003, the Company sold its interest in a lease located in Montana for $100,000. The Company's basis was $29,610 which resulted in a gain on sale of $70,390.

The Company has negotiated agreements with certain non affiliates to provide capital to jointly participate in a leasing program for oil and gas leases. Under these agreements, the Company provides raw data and services to identify potential leases. The Company earns approximately 40% gross interest in each leasehold obtained. Because the Company has no cost in the leases, its share of the net proceeds is recognized as revenue when the leases are sold and are recorded as sales of oil and gas leasehold interests.

In connection with its lease brokerage activities, the Company has included in other assets pledged certificates of deposit in the amount of $25,000 which are to secure a statewide oil and gas lease bond in the State of Utah and an individual lease bond in the State of Wyoming.

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NOTE 4 - COMMITMENTS AND CONTINGENCIES

Office Lease

The Company entered into a lease extension agreement for office space which commenced December 15, 2002 for a term of one year with monthly lease payments of $1,500 per month.

NOTE 5 - RELATED PARTY TRANSACTIONS

The Company signed a $50,000 note payable to Trachyte on March 31, 1998 related to funds advanced to the Company. The note bears interest at 12.00% and is due upon demand. The note is unsecured and has increased as additional funds have been advanced. On July 31, 2002, the Company issued 15,000,000 shares of its common stock for payment on this note payable and accrued interest totaling $300,000. The shares were issued at a discount of $0.01 to market value. Accordingly, compensation expense in the amount of $150,000 (15,000,000 x $0.01) was recognized upon issuance of the shares. On August 1, 2002, the Company cancelled the original note payable and issued a new note payable for remaining balance of $311,395. The new note also bears interest at 12%, is due on demand and is unsecured. The principal balance due at March 31, 2004 was $220,095 plus accrued interest of $51,901.

During the years ended March 31, 2004 and 2003, an officer of the Company contributed services valued at $50,000 and $44,000, respectively, which is recorded as an increase in additional paid-in capital.

NOTE 6 - GOING CONCERN

These financial statements have been prepared assuming that the Company will continue as a going concern. The Company has incurred significant losses in the past which have resulted in working capital and accumulated deficits. These deficits have been caused primarily from the Company's investment in Biomass International, Inc. (a development stage company) and significantly reduced revenues from sales of its oil and gas leasehold interests and information services. Because of the currently depressed conditions in the oil and gas industry, coupled with the Company's cash flow difficulties, the Company's ability to retain and ultimately recover its investments in oil and gas leaseholds held for resale and other assets of the Company, is uncertain at this time. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in this regard are to seek additional financing through loans or through the issuance of equity securities and to seek increased sales

related to its oil and gas businesses. However, management can
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March 31, 2004 and 2003 give no assurance that it will be successful in its endeavor to resolve its cash flow difficulties or that it will be able to retain and ultimately recover its cost in oil and gas leaseholds held for resale and the other assets of the Company. The financial statements do not include any adjustments relating to the recoverability and classification of liabilities, income or expenses that might be necessary should the Company be unable to continue as a going concern.

NOTE 7 - CAPITAL STOCK

Preferred Stock

The Company has authorized 10,000,000 shares of preferred stock, $0.01 par value with such rights, preferences and designations and to be issued in such series as determined by the Board of

Directors. No shares are issued and outstanding at March 31, 2004.

NOTE 8 - INDUSTRY SEGMENTS

The Company operates in three principal industries: oil and gas information services, brokerage of oil and gas leasehold interests and oil and gas exploration and production. Information as to the Company's segments is summarized below as of March 31 for the years then ended:

	2004	2003
Revenues		
Oil and gas information services	$ 5,400	$ 6,450
Oil and gas leasehold interests	-	9,447
Oil and gas leases royalties	97,030	27,763
	$ 102,430	$ 43,660
Operating Loss		
Oil and gas information services	$ 2,014	$ 3,179
Oil and gas leasehold interests	-	-
Oil and gas royalties	97,030	27,763
Corporation and investment	(100,290)	(239,017)
	$ (1,246)	$(208,075)
Identifiable Assets		
Oil and gas leases held for resale	$ 42,043	$ 42,043
Pledged drilling bonds	25,000	25,000
Corporation and investment	13,957	22,466
	$ 81,000	$ 89,509
Depreciation, Depletion and Amortization		
Corporation and investment	$ 3,660	$ 5,664

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The Company has no intersegment sales or sales to affiliated customers. Operating loss consists of total revenues less total expenses, except for interest expense which has not been allocated to any segment. Identifiable assets by segment represent those assets that are used in the Company's operations in each industry. Corporate assets which are not allocated to any segment are principally cash, short-term investments, marketable securities and a portion of property and equipment. Capital expenditures in fiscal 2004 and 2003 were insignificant. The Company's oil and gas exploration and production operations are presently insignificant and no reserve information is available.

NOTE 9 - NEWLY ISSUED ACCOUNTING PRONOUNCEMENTS

During the year ended March 31, 2004, the Company adopted the following accounting pronouncements which had no impact on the financial statement or results of operations:

- SFAS No. 143, Accounting for Asset Retirement Obligations;
- SFAS No. 145, Recision of FASB Statements 4, 44, and 64, amendment of Statement 13, and Technical Corrections;
- SFAS No. 146, Accounting for Exit or Disposal Activities;
- SFAS No. 147, Acqusitions of certain Financial Institutions;and
- SFAS No. 148, Accounting for Stock Based Compensation.

- SFAS No. 149, Amendment of Statement 133 on Derivative Instruments and Hedging Activities;
- SFAS No. 150, Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity

In addition, during the year ended March 31, 2004, FASB Interpretations No. 45 and No. 46, along with various Emerging Issues Task Force Consensuses (EITF) were issued and adopted by the Company and has no impact on its financial statements.

NOTE 10 - NOTE PAYABLE

Note payable to vehicle financing agency, bearing no interest, monthly payments of $309, secured by vehicle	$	12,370
Less current portion		(3,712)
Long Term portion	$	8,648

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Future maturities of long term debt are as follows:

For the year ended March 31,		
2005	$	3,712
2006		3,712
2007		3,712
2008		1,234
Total	$	12,370

NOTE 11 - REVOLVING LINES OF CREDIT

Line of credit due to Wells Fargo Business currently in default, bearing interest at 8.0%, unsecured.	$	67,825
Line of credit due to American Express, Bearing interest at 9.49%, variable monthly payments, unsecured		14,990
	y$	82,815