STANDARD ENERGY CORP
Form 10QSB
November 09, 2005

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

FORM 10-QSB

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

FOR THE QUARTER ENDED September 30, 2005

OR

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

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 Exchange Act:
None

Securities registered pursuant to Section 12(g) of the Exchange 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 Securities Exchange Act of 1933, as amended (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 .

Common Stock outstanding at November 8, 2005: 187,536,974 shares of $0.01 par value Common Stock.

DOCUMENTS INCORPORATION BY REFERENCE:
None

1

FORM 10-QSB

Financial Statements and Schedules

STANDARD ENERGY CORPORATION

For six months Ended September 30, 2005

The following table of contents of financial statements and other information of the registrant and its consolidated subsidiaries are submitted herewith:

PART I - FINANCIAL INFORMATION

PART II - OTHER INFORMATION

PART I - ITEM 1

STANDARD ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS

	September 30	March 31

	2005 (Unaudited)	2005
CURRENT ASSETS		
Cash	$ 1,121	$ 6,592
Total Current Assets	1,121	6,592
PROPERTY AND EQUIPMENT, net	62,924	8,572
OTHER ASSETS		
Cash surrender value - life insurance	8,807	8,807
Oil and gas leases held for resale	42,043	42,043
Pledged drilling bonds	25,000	25,000
Note receivable-related party	2,473	0
Total Other Assets	78,323	75,850
TOTAL ASSETS	$ 142,368	$ 91,014

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

STANDARD ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

	September 30 2005 (Unaudited)	March 31 2005
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 36,102	$ 33,945
Revolving lines of credit	80,465	75,664
Notes payable current portion	3,712	3,712
Notes payable - related party	0	7,497
Total Current Liabilities	120,279	120,818

LONG TERM DEBT		
Note payable	3,091	4,947
Total Long Term Debt	3,091	4,947
Total Liabilities	123,370	125,765
STOCKHOLDERS' EQUITY (DEFICIT)		
Preferred stock, par value $.01 per share: 10,000,000 shares authorized, no shares issued and outstanding	0	0
Common Stock, par value $.01 per share: 200,000,000 shares authorized, 187,536,974 and 150,036,974 shares issued and outstanding, respectively	1,875,369	1,500,369
Additional paid-in capital	7,717,256	8,011,073
Treasury stock	(83,253)	(83,253)
Accumulated deficit	(9,490.374)	(9,462,940)
Total Stockholders' Equity (Deficit)	18,998	(34,751)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 142,368	$ 91,014

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

4

STANDARD ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Six Months Ended September 30, 2005	For the Six Months Ended September 30, 2004
REVENUES		
Oil and gas services	$ 3,402	$ 2,250
Oil production	36,597	32,332
Other income	0	6,510
Total Revenues	39,999	41,092
EXPENSES		
Oil and gas activites	2,408	2,676
Depreciation, depletion and amortization	1,830	1,831
Biofuels project costs	29,454	26,022
General and administrative	29,201	28,354
Total Expenses	62,893	58,883
OPERATING INCOME (LOSS)	(22,894)	(17,791)

OTHER INCOME (EXPENSE)		
Interest and other income	292	431
Interest expense	(4,832)	(13,632)
Total Other Income (Expense)	(4,540)	(13,201)
NET INCOME (LOSS)	$ (27,434)	$ (30,992)
BASIC INCOME (LOSS) PER SHARE OF COMMON STOCK	$ (0.00)	$ (0.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	164,791,072	120,836,974

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

5

STANDARD ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended September 30, 2005	For the Three Months Ended September 30, 2004
REVENUES		
Oil and gas services	$ 2,002	$ 1,050
Oil production	21,596	18,492
Other income	0	6,510
Total Revenues	23,598	26,052
EXPENSES		
Oil and gas activites	1,182	1,457
Depreciation, depletion and amortization	915	916
Biofuels project costs	0	0
General and administrative	33,781	31,777
Total Expenses	33,781	34,150
OPERATING INCOME (LOSS)	(10,183)	(8,098)
OTHER INCOME (EXPENSE)		
Interest and other income	148	218
Interest expense	(2,368)	(6,801)
Total Other Income (Expense)	(2,220)	(6,583)

NET INCOME (LOSS)	$ (12,403)	$ (14,681)
BASIC INCOME (LOSS) PER SHARE OF COMMON STOCK	$ (0.00)	$ (0.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	179,384,800	120,836,974

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

STANDARD ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Six Months Ended September 30, 2005	For the Six Months Ended September 30, 2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (27,434)	$ (30,992)
Adjustments to reconcile net loss to net cash provided by (used by) operating activities:		
Depreciation, depletion and amortization	1,830	1,831
Contributed capital for services rendered by an officer	25,000	25,000
Changes in assets and liabilities:		
Increase in accounts payable and accrued expenses	2,157	0
(Decrease) in deferred lease income	0	0
Net Cash Provided by (Used by) Operating Activities	1,553	(4,161)
CASH FLOWS FROM INVESTING ACTIVITIES	0	0
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes payable - related party	(9,970)	(43,000)
Proceeds from notes payable - related party	0	37,540
Net change to lines of credit & notes payable	2,946	9,485
Net Cash Provided by (Used by) Financing activities	(7,024)	4,025
NET INCREASE (DECREASE) IN CASH	(5,471)	(136)
CASH AT BEGINNING OF PERIOD	6,592	917
CASH AT END OF PERIOD	$ 1,121	$ 781
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
CASH PAID FOR:		
Interest	$ 100	$ 1,092
Income Taxes	0	0
NON CASH INVESTING AND FINANCING ACTIVITIES:		
Contributed capital for services rendered		

by an officer	25,000	$ 25,000
Issued 37,500,000 common shares for land	56,183	0

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

STANDARD ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2005
(Unaudited)

NOTE A - BASIS OF FINANCIAL STATEMENT PRESENTATION

The accompanying unaudited condensed financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted in accordance with such rules and regulations. The information furnished in the interim condensed financial statements include normal recurring adjustments and reflects all adjustments, which, in the opinion of management, are necessary for a fair presentation of such financial statements. Although management believes the disclosures and information presented are adequate to make the information not misleading, it is suggested that these interim condensed financial statements be read in conjunction with the Company's most recent audited financial statements and notes thereto included in its March 31, 2005 Annual Report on Form 10-KSB. Operating results for the six months ended September 30, 2005 are not necessarily indicative of the results that may be expected for the year ending March 31, 2006.

NOTE B - 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 changing 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 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 recoverably and classification of liabilities, income or expenses that might be necessary should the Company be unable to continue as a going concern.

8

NOTE C - PURCHASE OF LAND FOR STOCK

On March 1, 2005 the Company entered into a Heads of Agreement ("HOA") with Trachyte to purchase approximately 75 acres of land owned by Trachyte, reserving to Trachyte all mineral rights. Trachyte is owned and operated by the Company's principle shareholders, President and CEO. Under the agreement Trachyte sold the acreage to the Company for $56,183 which is the carryover basis of the related party. The acreage allows the Company to move forward on its Green River Utah Ethanol and Power Plant Project. The land is suitable for a power plant, due to its location on the banks of the Green River, one mile downstream from the town of Green River, Utah. It also has potential rail and truck access to accept incoming natural gas and lignin feedstocks. The Company issued 37,500,000 shares of the Company's newly issued shares as consideration for the acquisition. These shares are to be held for at least a two year investment period and they were issued on July 20, 2005.

PART I - ITEM 2

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

The Company's 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 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.

Fundamentally, the Company has three principal businesses. They are its traditional oil and gas lease activities, its producing and non-producing royalty holdings and its Biofuels Project.

During the 2006 fiscal period, the Company continues to research and develop its biofuels technologies for the recycle of ordinary MSW, garbage, trash, paper and plastic material streams 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.

As a result of its R&D efforts management believes that the Company has developed what appears to be a commercial application of its "Biofuels Technology" for the future recovery of inorganic materials and Celmat from the recycle of "Municipal Waste" ("Biofuels Project"). A Biofuels 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.

9

There can be no assurance that the required capital will be available to construct a Biofuels 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 a Biofuels Project. Expenses incurred for a Biofuels Project would be accounted for under line item "Biofuel Project Costs".

Results of Operations

The Company realized revenues of approximately $40,000 for the six-month period ended September 30, 2005, compared with approximately $41,000 for the corresponding period ended September 30, 2004. 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.

Revenues from the sale of the Company's oil and gas lease services were approximately $3,400 for the six-month period ended September 30, 2005, compared with approximately $2,200 for the corresponding period ended September 30, 2004. 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 $36,500 for the six-month period ended September 30, 2005, compared to approximately $32,300 for the corresponding period ended September 30, 2004. Oil production revenues are up as a result of world crude oil and natural gas price fluctuations.

The Company incurred expenses related to its oil and gas activities were approximately $2,400 for the six-month period ended September 30, 2005, compared to approximately $2,600 for the comparable period ended September 30, 2004. General and administrative expense for the fiscal month period ended September 30, 2005 were approximately $58,600, compared to approximately $54,300 for the comparable period ended September 30, 2004. These low figures reflect the Company's basic inactivity in its oil and gas sector.

During the previous two year period all of the Company's R&D costs were expensed under line item General and Administrative expense. During the 2005 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 "Biofuel Project Costs" and were $16,087 for the three-month period ended September 30, 2005, compared to $14,894 for the comparable period ended September 30, 2004.

The Company's net loss for the six-month period ended September 30, 2005 was approximately $27,400, compared to approximately $31,000 for comparable 2005 six-month period and it expects to operate at a loss for the 2006 fiscal period, due to continued R&D costs incurred for a Biofuels Project, and costs related to its oil and gas business. Biofuel Project costs when appropriate will be accounted for under line item "Biofuel Project Costs".

The Company does not expect to realize significant cash flows from its oil and gas activities during fiscal 2006, nor does it expect significant leasehold sales in the foreseeable future, as the domestic oil industry activity continues to change due to uncertain world crude oil and natural gas prices.

The Company has available at March 31, 2005, unused tax operating loss carry forward of approximately $2,002,000 that may be applied against future taxable income through 2025. 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. There is no assurance that the efforts of management to locate and secure additional financing will be successful, and the failure to secure a Biofuels Project financing would substantially alter management's assumptions as herein presented.

Revenue increased in the Company's overall oil and gas lease royalties are related to effects of the worldwide increase of crude oil prices.

The Company had limited participation in the Leasing Programs for the six-month period ended September 30, 2005, 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's limited ability to participate in the BLM's leasing program and to obtain oil and gas leaseholds for resale due to a lack of funds could continue to effect its future operations.

The Company's most significant assets are its oil and gas production income, its oil and gas leaseholds held for resale, approximating 8,000 net acres at November 8, 2005, including leaseholds acquired under its unrelated third-party agreements and its plan for the full development of a Biofuels Project.

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 a Biofuels 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 six-month period ended September 30, 2005, Dean W. Rowell, the President of the Company, continues to secure and guarantee loans for the Company: (1) He has guaranteed one credit card up to approximately $80,000 with an outstanding balance of approximately $80,000 at the end of the period, currently in default, and (2) he continues to loan the Company funds through his 100% owned privately-held Utah corporation, Trachyte with an outstanding loan balance of ($3,473) for the period ended September 30, 2005. 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 - Related party".

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 a Biofuels 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 a Biofuels Project at November 8, 2005.

On March 1, 2005 the Company entered into a Heads of Agreement ("HOA") with Trachyte to purchase approximately 75 acres of land owned by Trachyte, reserving to Trachyte all mineral rights. Trachyte is owned and operated by the Company's principle shareholders, President and CEO. Under the agreement Trachyte sold the acreage to the Company for $56,183 which is the carryover basis of the related party. The acreage allows the Company to move forward on its Green River Utah Ethanol and Power Plant Project. The land is suitable for a power plant, due to its location on the banks of the Green River, one mile downstream from the town of Green River, Utah. It also has potential rail and truck access to accept incoming natural gas and lignin feedstocks. The Company issued 37,500,000 shares of the Company's newly issued shares as consideration for the acquisition. These shares are to be held for at least a two year investment period and were issued on July 20, 2005.

12

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 a Biofuels 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 a Biofuels 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.

5. Continue to receive royalty income through Company owned overriding royalty interests.

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.

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.

Off-Balance Sheet Arrangements

The only off-balance sheet arrangement pending is an agreement entered into on March 1, 2005, by the Company whereby, the Company entered into a HOA with Trachyte to purchase approximately 75 acres of land owned by Trachyte for $56,183 to be paid for in common shares at $0.01 per share totalling 37,500,000 shares. The shares were issued July 20, 2005. The Company may use the land to construct a Biofuels Project in the future.

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 November 8, 2005, Mr. Rowell beneficially owned approximately 65% 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.

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 fourteen 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 a Biofuels Project, otherwise the Company would have been unable to pursue this goal. Final plans and final financial arrangements had not been completed for a Biofuels Project as of November 8, 2005.

During the six-month period ended September 30, 2005, the Company continued to experience severe cash flow difficulties which have continued into the 2006 fiscal period. Since the Company has been unable to repay all 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 September 30, 2005 of approximately ($2,473).

14

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 a Biofuels 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 a Biofuels Project.

Research and Development of the Biofuels Technology

Essentially, the Company has three principal businesses. They are its traditional oil and gas activities, its royalty holdings and its Biofuels Project. They have, 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 Biofuels 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 eastern U.S. municipalities to landfills and to incinerators for the disposal of Municipal Waste.

15

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 a Biofuels 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-QSB report.

PART 1 - ITEM 3

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 Quartely Report on Form 10-QSB, the Company's principal executive officer and principal financial officer have concluded that the Company 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 the Company 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 the Company's 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.

16

PART II - OTHER INFORMATION

Item 1. Legal Proceedings. None.

Item 2. Changes in Securities. None.

Item 3. Defaults On Senior Securities. None.

Item 4. Submission of Matters to a Vote of Security Holders. None.

Item 5. Other Information. None.

Item 6. Exhibits and Reports on Form 8-K, filed during the quarter ended September 30, 2005.

Exhibit "31" - Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit "32" - Certification of Chief Executive and Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

SIGNA TURE

Pursuant to the requirements 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
(Registrant)

By: /s/Dean W. Rowell
Dean W. Rowell, President and
Chief Financial Officer

Date: November 8, 2005

17

Exhibit 31

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 quarterly report on Form 10QSB of Standard Energy Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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-15e and 15d-15e for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and

c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/Dean W. Rowell
Dean W. Rowell
President, Chief Executive Officer (Chief Financial Officer)
and Director

Date: November 8, 2005

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 Quarterly Report of Standard Energy (the "Company") on Form 10-QSB for the period ending September 30, 2005 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
President, Chief Executive Officer (Chief Financial Officer)
and Director

Date: November 8, 2005