STANDARD ENERGY CORP
Form 10QSB
February 09, 2007

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 December 31, 2006

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 February 9, 2007: 187,536,974 shares of $0.01 par value Common Stock.

DOCUMENTS INCORPORATION BY REFERENCE:
None

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FORM 10-QSB

Financial Statements and Schedules

STANDARD ENERGY CORPORATION

For nine months Ended December 31, 2006

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

	December 31	March 31

	2006 (Unaudited)	2006
CURRENT ASSETS		
Cash and Cash Equivalents	$ 118,252	$ 47,005
Accounts Receivable	9,321	7,189
Marketable Securities	207,625	169,440
Total Current Assets	335,198	223,634
PROPERTY AND EQUIPMENT, net	81,842	61,094
OTHER ASSETS		
Cash surrender value - life insurance	15,691	15,691
Oil and gas leases held for resale	49,754	49,754
Pledged drilling bonds	25,000	25,000
Total Other Assets	90,445	90,445
TOTAL ASSETS	$ 507,485	$ 375,173

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

STANDARD ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Continued)

LIABILITIES AND STOCKHOLDERS' EQUITY

	December 31 2006 (Unaudited)	March 31 2006
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 11,447	$ 37,654
Revolving lines of credit	200,370	85,573
Notes payable current portion	4,793	3,712
Total Current Liabilities	216,610	126,939
LONG TERM DEBT		
Note payable	13,495	1,235

Total Long Term Debt	13,495	1,235
Total Liabilities	230,105	128,174
STOCKHOLDERS' EQUITY		
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 shares issued and outstanding	1,875,369	1,875,369
Additional paid-in capital	7,971,191	7,933,691
Treasury stock	(83,253)	(83,253)
Accumulated other comprehensive income	(5,072)	8,989
Accumulated deficit	(9,480,855)	(9,487,797)
Total Stockholders' Equity	277,380	246,999
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 507,485	$ 375,173

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

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

	For the Nine Months Ended December 31, 2006	For the Nine Months Ended December 31, 2005
REVENUES		
Oil and gas services	$ 1,200	$ 3,402
Oil production	45,795	67,528
Total Revenues	46,995	70,930
EXPENSES		
Oil and gas activities	4,906	3,613
Depreciation, depletion and amortization	5,848	2,745
Biofuels project costs	142,036	48,105
General and administrative	77,054	44,827
Total Expenses	229,844	99,290
OPERATING LOSS	(182,849)	(28,360)
OTHER INCOME (EXPENSE)		

Forgiveness of debt	25,247	0
Interest and other income	1,926	1,608
Gain on sale of marketable securities	172,030	5,473
Interest expense	(9,412)	(7,155)
Total Other Income (Expense)	189,791	(74)
NET INCOME (LOSS)	6,942	(28,434)
Change in unrealized gain on marketable securities	(14,061)	(19,943)
Total Comprehensive Income (Loss)	$ (7,119)	$ (48,377)
BASIC LOSS PER SHARE OF COMMON STOCK	$ (0.00)	$ (0.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	187,536,974	172,400,610

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

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

	For the Three Months Ended December 31, 2006	For the Three Months Ended December 31, 2005
REVENUES		
Oil and gas services	$ 300	$ 0
Oil production	12,447	30,931
Total Revenues	12,747	30,931
EXPENSES		
Oil and gas activities	1,108	1,204
Depreciation, depletion and amortization	2,245	915
Biofuels project costs	64,061	18,651
General and administrative	21,709	15,626
Total Expenses	(89,123)	(36,396)
OPERATING LOSS	(76,376)	(5,465)
OTHER INCOME (EXPENSE)		
Forgiveness of debt	25,247	0
Interest and other income	1,264	1,316
Gain (loss) on sale of marketable securities	138,839	5,473
Interest expense	(3,501)	(2,324)
Total Other Income (Expense)	161,849	4,465

NET INCOME (LOSS)	85,473	(1,000)
Change in unrealized gain on marketable securities	(39,400)	(19,943)
Total Comprehensive Income (Loss)	$ 46,073	$ (20,943)
BASIC LOSS PER SHARE OF COMMON STOCK	$ (0.00)	$ (0.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	187,536,974	187,536,974

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

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

	For the Nine Months Ended December 31, 2006	For the Nine Months Ended December 31, 2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$ 6,942	$ (28,434)
Adjustments to reconcile net loss to net cash provided by (used by) operating activities:		
Depreciation, depletion and amortization	5,848	2,745
Contributed capital for services rendered by an officer	37,500	37,500
Realized gain on sale of marketable securities	(172,030)	0
Changes in assets and liabilities:		
Increase (decrease) in accounts payable and accrued expenses	(26,207)	857
(Increase) in accounts receivable	(2,132)	0
Net Cash Provided by (Used by) Operating Activities	(150,079)	12,668
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	430,619	0
Payments for purchase of marketable securities	(310,835)	(204,849)
Payments for purchase of fixed assets	(26,596)	(9,911)
Net cash provided by Investing Activities	93,188	(214,760)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes payable - related party	0	(35,970)
Payments on notes payable & lines of credit	(4,101)	0
Contributed capital	0	193,635
Proceeds from notes payable & lines of credit	132,239	47,178
Net Cash Provided by (used by) Financing activities	128,138	204,843
NET INCREASE (DECREASE) IN CASH	71,247	2,751
CASH AT BEGINNING OF PERIOD	47,005	6,592
CASH AT END OF PERIOD	$ 118,252	$ 9,343

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

CASH PAID FOR:		
Interest	$ 1,136	$ 100
Income Taxes	$ 0	$ 0
NON CASH INVESTING AND FINANCING ACTIVITIES:		
Contributed capital for services rendered by an officer	$ 37,500	$ 37,500
Issued 37,500,000 common shares for land	$ 0	$ 56,183

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

STANDARD ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2006
(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, 2006 Annual Report on Form 10-KSB. Operating results for the nine months ended December 31, 2006 are not necessarily indicative of the results that may be expected for the year ending March 31, 2007.

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.

NOTE C - CAR AND USE OF COMPANY CREDIT CARD

The Company will provide Mr. Rowell with an automobile. The Company will also provide Mr. Rowell with a Company credit card. The expected cost to the Company will be approximately $10,000 per year.

NOTE D - LEGAL PROCEEDINGS

On November 17, 2006 a Complaint of Civil Action was filed in the District County, City and County of Denver, Colorado, against Standard Energy Corporation (the "Company"), Trachyte Oil Company a private company of Dean W. Rowell and Dean W. Rowell, individually ("its affiliates"). The Complaint alleges that the Company and its affiliates failed to perform and breached their contractual obligation to convey certain oil and gas lease interests to Delta Petroleum. The Complaint asserts a claim for an unspecified amount of damages against the Company and its affiliates for breach of contract and a claim for court-ordered specific performance of the conveyances in the alleged contract. The Company and its affiliates believe the Complaint to be without merit and will vigorously defend against it. The Company and its affiliates have engaged the law firm of Cooley Godward Kronig LLD to represent their interest in this matter.

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, with the intent of reselling or drilling and developing such leaseholds with 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 lease and royalty holdings and its "Biofuel Projects".

During the 2007 fiscal period, the Company continues to research and develop (R&D) its Biofuel Technologies for the recycle of ordinary municipal solid waste (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 approximately (1/3) lignin fuel for generating electric power, approximately (1/3) bottled CO_2 gas, and ethanol covertiable into approximately (1/3) transportation fuel (E85 fuels).

As a result of its R&D efforts management believes that the Company has developed what appears to be a commercial application of its biofuel technologies for the future recovery of Celmat inorganic materials from the recycle of "Municipal Waste". A Biofuels Project would mostly likely be located in the western and 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 and other cellulosic waste materials.

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 technologies 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 $46,900 for the nine-month period ended December 31, 2006, compared with approximately $70,900 for the corresponding period ended December 31, 2005. 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 Company's oil and gas lease services were approximately $1,200 for the nine-month period ended December 31, 2006, compared with approximately $3,400 for the corresponding period ended December 31, 2005. 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 $45,700 for the nine-month period ended December 31, 2006, compared to approximately $67,500 for the corresponding period ended December 31, 2005.

The Company incurred expenses related to its oil and gas activities were approximately $4,900 for the nine-month period ended December 31, 2006, compared to approximately $3,600 for the comparable period ended December 31, 2005. General and administrative expense for the period ended December 31, 2006 were approximately $77,000, compared to approximately $44,800 for the comparable period ended December 31, 2005. These low figures reflect the Company's basic inactivity in its oil and gas sector.

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 approximately $142,000 for the nine-month period ended December 31, 2006, compared to approximately $48,100 for the comparable period ended December 31, 2005.

The Company's net income for the nine-month period ended December 31, 2006 was approximately $6,942, compared to a net loss of approximately ($28,400) for the comparable nine-month period ended December 31, 2005, and expects to operate at a loss for the 2007 fiscal period, due to continued R&D costs incurred for a Biofuels Project, and costs related to its oil and gas business.

The Company does not expect to realize significant cash flows from its oil and gas activities during fiscal 2007, 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 price fluctuations.

The Company has available at March 31, 2006, 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

On January 11, 2007, Delta Petroleum Corp's (Delta) website deltapetro. com/PressRelease reported . . .

"The GreenTown State 32-42 has been completed in 8 of 12 pay intervals, and production tested at a combined rate of 2.0 million cubic feet of gas per day (Mmcfg/d) and 500 barrels of condensate per day (Bc/d)." And said further . . .

"The GreenTown State 36-11 has been completed in 2 of 12 pay intervals, and production tested at a combined rate of 4.5 Mmcfg/d and 125 Bc/d" and that "the wells are located 7.5 miles apart yet appear very analogous, with 1,077 and 906 feet of potential productive clastics, respectively, over the 12 separate intervals".

Delta also said "it is projecting that future wells will be drilled to an average depth of 9,800' for expected costs of $3.0 to $3.5 million each. Initial expectations are that wells will be drilled on 80-acre spacing. Numerous well locations are being permitted and drilling activity should resume within the next 60 days."

The Company and its affiliate, Trachyte, own 100% interest in approximately 5,000 adjacent federal, state and fee lands to the Delta 36-11 discovery well. The discovery well could be of great potential importance to future Company operations.

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 decreased in the Company's overall oil and gas lease royalties which are related to effects of the worldwide fluctuation of oil and gas prices. The fluctuation of oil and gas prices could also cause a fluctuation of the amount of oil/gas produced by the various well operators.

The Company had limited participation in the Leasing Programs for the nine-month period ended December 31, 2006, 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 13,941 net acres at December 31, 2006, 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 nine-month period ended December 31, 2006, Dean W. Rowell, the President of the Company, continues to secure and guarantee loans for the Company and he has guaranteed one credit card up to approximately $94,000 with an outstanding balance of approximately $94,000 at the end of the period. It is currently in default.

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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 technologies 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 February 9, 2007.

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.

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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

There are currently no off-balance sheet arrangements.

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 February 9, 2007, 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 fifteen 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 February 9, 2007.

On July 15, 1996, the Company formed Biofuels, Inc. ("Biofuels"), a wholly-owned subsidiary, for the purpose of investing in and developing the Biofuel Technologies 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.

During December, 2005 Trachyte sold to Standard Energy two oil and gas Utah State leases totaling approximately 951 acres at approximately $9,911 for both leases. Also, Trachyte sold a third lease to Delta Petroleum Corporation, an unrelated third party, and contributed $193,635 of the revenue from that transaction to Standard Energy.

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 Biofuel Projects. 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 Biofuel Technologies, designed to economically solve the critical problem of disposing of Municipal Waste through the 100% recycle of Municipal Waste into useful recycled 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 biofuel technologies from the Company's long experience and work conducted at its current and former "Research Centers".

Based on its R&D efforts, the Company believes a Biofuels Project would be the first business to economically produce ethanol transportation fuel from low-cost organic 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 generation, ethanol production and E85 fuels production at several regional Biofuel Plant sites.

The Company further believes that its innovative Biofuel Technologies 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. Second, it offers a low-cost method of producing ethanol E85 fuels, the only known commercially viable and publicly accepted renewable low-polluting transportation fuel, that today is competitive 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 U.S. municipalities to landfills for the disposal of Municipal Waste. Paper waste in MSW together with woodchips could be used to make lignin and ethanol fuels convertible into E85 common carrier transportation fuels.

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.

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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 Quarterly 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.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

On November 17, 2006 a Complaint of Civil Action was filed in the District County, City and County of Denver, Colorado, against Standard Energy Corporation (the "Company"), Trachyte Oil Company a private company of Dean W. Rowell and Dean W. Rowell, individually ("its affiliates"). The Complaint alleges that the Company and its affiliates failed to perform and breached their contractual obligation to convey certain oil and gas lease interests to Delta Petroleum. The Complaint asserts a claim for an unspecified amount of damages against the Company and its affiliates for breach of contract and a claim for court-ordered specific performance of the conveyances in the alleged contract. The Company and its affiliates believe the Complaint to be without merit and will vigorously defend against it. The Company and its affiliates have engaged the law firm of Cooley Godward Kronig LLD to represent their interest in this matter.

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.

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Item 6. Exhibits and Reports on Form 8-K, filed during the quarter ended December 31, 2006.

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.

SIGNATURE

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: February 9, 2007

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: February 9, 2007

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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 December 31, 2006 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: February 9, 2007