STANDARD ENERGY CORP
Form 10QSB
February 19, 2008

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, 2007

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 19, 2008: 189,346,974 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 nine months Ended December 31, 2007

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

	2007 (Unaudited)	2007
CURRENT ASSETS		
Cash and Cash Equivalents	$ 1,893	$ 27,503
Accounts Receivable	3,400	8,510
Marketable Securities	6,625	347.919
Total Current Assets	11,918	383,932
PROPERTY AND EQUIPMENT, net	126,059	123,096
OTHER ASSETS		
Cash surrender value - life insurance	1,662	20,804
Oil and gas leases	107,354	49,754
Pledged drilling bonds	25,000	25,000
Total Other Assets	134,016	95,558
TOTAL ASSETS	$ 271,993	$ 602,586

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

3

STANDARD ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Continued)

LIABILITIES AND STOCKHOLDERS' EQUITY

	December 31 2007 (Unaudited)	March 31 2007
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 16,988	$ 55,778
Revolving lines of credit	106,142	269,376
Accounts payable - related party	15,600	0
Notes payable current portion	12,230	9,576
Total Current Liabilities	150,960	334,730
LONG TERM DEBT		

Note payable	55,693	37,415
Total Long Term Debt	55,693	37,415
Total Liabilities	206,653	372,145
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, 189,346,974 and 187,846,974 shares issued and outstanding respectively	1,893,469	1,878,469
Additional paid-in capital	8,056,091	7,996,091
Treasury stock	(83,253)	(83,253)
Accumulated other comprehensive income	(21,093)	27,069
Accumulated deficit	(9,779,874)	(9,587,935)
Total Stockholders' Equity	65,340	230,441
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 271,993	$ 602,586

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, 2007	For the Nine Months Ended December 31, 2006
REVENUES		
Oil and gas services	$ 1,500	$ 1,200
Oil production	31,820	45,795
Total Revenues	33,320	46,995
EXPENSES		
Oil and gas activities	8,056	4,906
Depreciation, depletion and amortization	11,340	5,848
Biofuels project costs	77,201	142,036
General and administrative	99,691	55,345
Total Expenses	196,288	229,844
OPERATING LOSS	(162,968)	(182,849)
OTHER INCOME (EXPENSE)		

Loss on disposition of asset	(12,120)	0
Forgiveness of debt	0	25,247
Interest and other income	5,654	1,926
Gain on sale of marketable securities	(7,527)	172,030
Interest expense	(14,978)	(9,412)
Total Other Income (Expense)	(28,971)	189,791
NET INCOME (LOSS)	(191,939)	6,942
Change in unrealized gain/loss on marketable securities	(48,162)	(14,061)
Total Comprehensive Loss	$ (240,101)	$ (7,119)
BASIC INCOME (LOSS) PER SHARE OF COMMON STOCK	$ (0.00)	$ 0.00
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	187,376,827	186,499,554

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 December 31, 2007	For the Three Months Ended December 31, 2006
REVENUES		
Oil and gas services	$ 450	$ 300
Oil production	6,228	12,447
Total Revenues	6,678	12,747
EXPENSES		
Oil and gas activities	742	1,108
Depreciation, depletion and amortization	4,051	2,245
Biofuels project costs	13,421	64,061
General and administrative	11,187	21,709
Total Expenses	29,401	(89,123)
OPERATING LOSS	(22,723)	(76,376)
OTHER INCOME (EXPENSE)		
Loss on disposition of asset	(12,120)	0
Forgiveness of debt	0	25,247
Interest and other income	187	1,264
Gain on sale of marketable securities	(54,615)	138,839
Interest expense	(4,446)	(3,501)
Total Other Income (Expense)	(70,994)	161,849

NET INCOME (LOSS)	(93,717)	85,473
Change in unrealized gain/loss on marketable securities	3,104	(39,400)
Total Comprehensive Income (Loss)	$ (90,613)	$ 46,073
BASIC INCOME (LOSS) PER SHARE OF COMMON STOCK	$ (0.00)	$ 0.00
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	187,657,380	186,499,554

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 Nine Months Ended December 31, 2007	For the Nine Months Ended December 31, 2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (191,939)	$ 6,942
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation, depletion and amortization	11,340	5,848
Contributed capital for services rendered by an officer	37,500	37,500
Realized gain on sale of marketable securities	7,527	(172,030)
Loss on disposition of asset	12,120	0
Changes in assets and liabilities:		
Increase(decrease) in accounts receivable	5,110	(26,207)
Decrease in accounts payable and accrued expenses	(23,190)	(2,132)
Net Cash Used by Operating Activities	(141,532)	(150,079)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of O&G Property	(57,600)	0
Proceeds from Insurance-Cash surrender value	19,142	0
Proceeds from sale of marketable securities	510,717	430,619
Payments for purchase of marketable securities	(225,112)	(310,835)
Payments for purchase of fixed assets	(26,423)	(26,596)
Net cash provided by Investing Activities	220,724	93,188
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes payable & lines of credit	(163,234)	(4,101)
Proceeds from sale of stock	37,500	0
Proceeds from notes payable & lines of credit	20,932	132,239
Net Cash Provided by (used by) Financing activities	(104,802)	128,138
NET INCREASE (DECREASE) IN CASH	(25,610)	71,247
CASH AT BEGINNING OF PERIOD	27,503	47,005
CASH AT END OF PERIOD	$ 1,893	$ 118,252

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

CASH PAID FOR:		
Interest	$ 5,618	$ 1,136
Income Taxes	$ 0	$ 0
NON CASH INVESTING AND FINANCING ACTIVITIES:		
Contributed capital for services rendered by an officer	$ 37,500	$ 37,500

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

STANDARD ENERGY CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2007
(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, 2007 Annual Report on Form 10-KSB. Operating results for the nine months ended December 31, 2007 are not necessarily indicative of the results that may be expected for the year ending March 31, 2008.

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 continues to provide Rowell with credit cards and two automobiles at a cost of approximately $10,000 per year, this cost will increase as needed by Mr. Rowell. The company provides a third vehicle to Mr. Rowell's daughter, Karen, who makes the full payment on the vehicle.

The Company traded in two older vehicles for two newer vehicles that are provided for Mr. Rowell's business use on a daily basis adding a line item to its financial statements that show the Company took a $12,120 loss on the disposition of assets. The car provides for daily office business travel. The truck is for field use and were exchanged to reduce annual maintenance expensive.

NOTE D - LEGAL PROCEEDINGS

On August 30, 2007 a Complaint of Civil Action was filed in the Third Judicial District Court, State of Utah in and for the County of Salt Lake. Salt Lake Department, against Standard Energy Corporation (the "Company"), and Dean W. Rowell, individually ("its affiliates"). The Complaint alleges that the Company and its affiliates failed to make payments as required by said Contract with Wells Fargo Bank. The Complaint asserts a claim for an the sum of $105,243.55, plus interest thereafter at the Contract rate of 19.80% per annum, until paid in full and a claim for court-ordered attorneys costs. The Company and its affiliates believe the Complaint to be highly inflated and will vigorously defend its position. The Company and its affiliates have discussed this case with its attorneys and believe that the amount accrued on the balance sheet is more than enough to cover the claim. The Company and its affiliates have engaged the law firm of Cohne, Rappaport & Segal to represent their interest in this matter. At February 19, 2008, no further action has been taken.

NOTE E - RELATED PARTY TRANSACTIONS

Diane Neeley and Karen Rowell are Mr. Rowell's daughters. Mr. Rowell hired them on an as needed consulting basis for additional research and marketing. They bill the Company as services are rendered. Ms. Neeley is paid $30 per hour and Ms. Rowell bills the Company per project on a agreed upon project amount. The cost to the Company during the period ended September 30, 2007 was approximately $11,257.00. During the quarter ended December 31, 2007 the Company did not utilized the services of Mr. Rowell's daughters.

On November 12, 2007, Trachyte sold oil and gas lease ML-50405 to the Company for $57,600. The lease is part of the Company's Greentown field development plans. Due to the Company cash flow situation, Trachyte agreed to accept cash payment for the lease over a 6-month period and upon final payment by the Company to Trachyte, Trachyte will make record title assignment to Standard.

9

NOTE F - INCOME TAXES

The Company or one of its subsidiaries files income tax returns in the

U.S. federal jurisdiction, and various states and foreign jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2004.

The Company adopted the provisions of FASB Interpretation No. 48 Accounting for Uncertainty in Income Taxes, on April 1, 2007. As a result of the implementation of Interpretation 48, the Company recognized approximately $0 increase in the liability for unrecognized tax benefits which was accounted for as a reduction to the April 1, 2007, balance of retained earnings.

Included in the balance at December 31, 2007, are $0 of tax positions for which the ultimate deductibility if highly certain but for which there is uncertainty about the timing of such deductibility. Because of the impact of deferred tax accounting, other than interest and penalties, the disallowance of the shorter deductibility period would not affect the annual effective tax rate but would accelerate the payment of cash to the taxing authority to an earlier period.

The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. During the years ended March 31, 2007, 2006 and 2005, the Company recognized approximately $0, $0, and $0 in interest and penalties. The Company had approximately $0 and $0 for the payment of interest and penalties accrued at March 31, 2007, and 2006, respectively.

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 two principal businesses. They are its traditional oil and gas lease activities including producing and non-producing lease and royalty holdings and its "Biofuel Projects".

10

During the 2008 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 wastes 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) commercial-grade bottled CO_2 gas,
Approximately (1/3) ethanol-based E85 gasoline.

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 organic materials from the recycle of "Municipal Waste". A Biofuels Project would most 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 $33,320 for the nine-month period ended December 31, 2007, compared with $46,995 for the corresponding period ended December 31, 2006. 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 $1,500 for the nine-month period ended December 31, 2007, compared with $1,200 for the corresponding period ended December 31, 2006. 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 $31,820 for the nine-month period ended December 31, 2007, compared to $45,795 for the corresponding period ended December 31, 2006.

The Company incurred expenses related to its oil and gas activities were $8,056 for the nine-month period ended December 31, 2007, compared to $4,906 for the comparable period ended December 31, 2006. General and administrative expenses for the period ended December 31, 2007 were $99,691 compared to $55,345 for the comparable period ended December 31, 2006. These low figures reflect the Company's basic inactivity in its oil and gas sector.

11

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 $77,201 for the nine-month period ended December 31, 2007, compared to $142,036 for the comparable period ended December 31, 2006.

The Company's net loss for the nine-month period ended December 31, 2007 was ($191,939), compared to a net gain of $6,942 for the comparable nine-month period ended December 31, 2006, and the Company expects to operate at a loss for the remaining 2008 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 2008, 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, 2007, unused tax operating loss carry forward of approximately $2,100,000 that may be applied against future taxable income through 2027. 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 following:

"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."

12

On February 8, 2008, deltapetro.com reported the following:

Tricinda Corp., the investment arm of billionaire Kirk Kerkorian, has completed the due diligence process and will proceed with its $684 million investment in Delta Petroleum Corp., Delta said Friday.

On December 31, Delta said Tricinda agreed to buy 36 million shares of the independent energy exploration and development company for $19 a piece. The deal represented a premium of 23 percent over Delta Petroleum's closing stock price before the announcement.

"With the completion of Tricinda's due diligence, we look forward to welcoming Tricinda as a shareholder and strategic partner in Delta," said Delta Petroleum Chairman and Chief Executive Roger Parker. "I am very confident that this transaction will allow Delta to significantly increase proved reserves, production and cash flow on a per share basis, thereby creating value for all of our shareholders."

In exchange for the cash infusion, Tricinda will have the right to nominate a third of Delta's directors.

Delta Petroleum shareholders are scheduled to vote on the transaction February 19.

The Company and its affiliate, Trachyte, own 100% interest in approximately 5,000 adjacent federal, state and fee lands. The Company Leases intermingle with Delta's more that 50,000 acres of Greentown leases and several oil and gas discovery wells where Delta began serious drilling in 2007 and discovered Greentown Field at the section 36-11 blow-out well in January 2007, the follow-up 32-42 well in February 2007 and the just reported December 17, 2007 Greentown Field 28-11 well that flow tested 1,379 barrels of 60 gravity crude oil condensate (very light oil) together with 7.5-million cubic feet of gas/day during an initial test of the Paradox Formation "O" zone (clastic zone #15) and most important because the well confirms a very large aerial extent to the Greentown Field over more than 1,200 vertical feet of potential producing column, both of which are the good news not everyone was expecting. (See deltapetro.com)

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 decreases in the Company's overall oil and gas lease royalties reflect the effects of depletion and 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 several and various well operators.

The Company had limited participation in the Leasing Programs for the nine-month period ended December 31, 2007, except through its participation agreements with certain unrelated third parties on a limited basis, due to limited availability of funds and 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 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 14,000 net acres at December 31, 2007 including leaseholds acquired under its unrelated third-party agreements and its plan for the full development of a Biofuels Project.

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".

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, 2007, 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 $106,142 with an outstanding balance of approximately $106,142 at the end of the period. It is currently in default.

14

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 19, 2008.

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 and investigate the possibility of entering into the wholesale electric power generation business.

4. Pursue oil and gas lease acquisition and production drilling at Greentown oil field with third party investors.

5. Continue to receive increased 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.

15

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 19, 2008, 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.

16

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 19, 2008.

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.

On September 18, 2007, Donald Falls an unrelated third party bought 1,500,000 newly issued shares of the Company's common stock at $0.025 per share in exchange for $37,500 cash. These share are to be held for investment purposes.

On November 12, 2007, Trachyte sold oil and gas lease ML-50405 to the Company for $57,600. The lease is part of the Company's Greentown field development plans. Due to the Company cash flow situation, Trachyte agreed to accept cash payment for the lease over a 6-month period and upon final payment by the Company to Trachyte, Trachyte will make record title assignment to Standard.

Research and Development of the Biofuels Technology

Essentially, the Company's oil and gas activities have supported its Biofuel Projects, during the past 20-years and provided in excess of $15,000,000 to conduct the R&D effort to commercialize 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 derived paper and woodchips, which Biofuels plants would combine paper waste recycling, lignin based electric power generation, ethanol production and E85 fuels production at several regional Biofuel Plant sites.

17

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 based E85 gasoline, 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 low-cost and low-polluting fermentation lignin fuels.

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 manufacture fermentation lignin fuels and to manufacture ethanol fuels convertible into E85 common carrier transportation fuels.

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".

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.

18

PART 1 - ITEM 3

CONTROL AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

Pursuant to Item 307 of Regulation S-B, based on an evaluation under the supervision and with the participation of Management, as of the period ended December 31, 2007 of this Quarterly Report on Form 10-QSB, the Company's principal executive officer and principal financial officer have concluded, to the best of our knowledge that the Company disclosures controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Act of 1934, are effective to ensure the information required to be disclosed in reports is accumulated and communicated to the Company management including the principal executive and the principal financial officer, to apply timely decisions regarding required disclosure under Rule 13a-15(e).

(b) Changes in Internal Controls

There were no changes in our internal controls or in other factors that have materially affected, or are reasonably likely to materially affect the Company's internal controls and procedures over financial reporting, under Item 308(c) of Regulation S-B. There is a material weakness dealing with timely reconciling of accounts, and therefore corrective actions will be 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 August 30, 2007 a Complaint of Civil Action was filed in the Third Judicial District Court, State of Utah in and for the County of Salt Lake. Salt Lake Department, against Standard Energy Corporation (the "Company"), and Dean W. Rowell, individually ("its affiliates"). The Complaint alleges that the Company and its affiliates failed to make payments as required by said Contract with Wells Fargo Bank. The Complaint asserts a claim for an the sum of $105,243.55, plus interest thereafter at the Contract rate of 19.80% per annum, until paid in full and a claim for court-ordered attorneys costs. The Company and its affiliates believe the Complaint to be highly inflated and will vigorously defend its position. The Company and its affiliates have discussed this case with its attorneys and believe that the amount accrued on the balance sheet is more than enough to cover the claim. The Company and its affiliates have engaged the law firm of Cohne, Rappaport & Segal 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.

Item 6. Exhibits and Reports on Form 8-K, filed during the quarter ended December 31, 2007.

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: February 19, 2008

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-15(e) and 15d-15(e) 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 December 31, 2007 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 19, 2008

21

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, 2007 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 19, 2008