



Wisdom & Trust

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Useful websites

www.oil-price.net

www.bloomberg.com/energy

Coming Soon:

[Eratz Oil and Gas Investor Handbook](#)

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President's Corner

Thank you for reading our first newsletter of 2017. You are the reason we stay in business. Since I pursue long-term relationships built on **Wisdom and Trust**, my focus remains on the positive, looking forward to the future, and grateful for what I have. Over the past year I have talked with many of you, and since most of you have received several of my newsletters and industry cards, I hope you have not just enjoyed them, but took them to heart. We desire that you become a more informed oil and gas investor. Our best client is one who engages us with his eyes wide open and informed. Surprisingly, many of you still haven't reviewed our website. We hear too often, "oh, I just scanned it," or "I will...just too busy." It begs the question, "Are you serious?"

As mentioned previously, you've received our letters. You should recall that our corporate goal is to make you an investor in one of our projects. **Everything** we do, say, print, send, verify and confirm is to that end. We know oil and gas is not for everyone. But for those of you who are truly committed to this historic opportunity, you should invest with Eratz and if you haven't, why not? We've been in business since 1989 operating our World Headquarters since 1991 without lawsuits or bankruptcies. There is no reason why you shouldn't invest with Eratz. And most importantly we make our clients money, so please call World Headquarters @ 972-392-2677 for more information.

Company Highlights

If you've read a PPM you've noticed that most are thick, glossy books with lots of photos of off-shore platforms and landscapes dotted with pump jacks--and don't forget the bar charts! You slowly nod as you scan memo after memo; they're in English, but they read more like Latin or time-share brochures. Since production values rival *Cosmopolitan* you rightly conclude they cost a fortune to print.

Most oil and gas companies put a tremendous amount of time and money on publishing their PPMs and those expenses hit the bottom line. A good rule of thumb is this: the greater the hype, the worse the project. Additionally, most private placements wells have 50 or more investors per well. For Eratz it's less than 22. Now, it takes between 15 to 100 PPMs to generate one investor so the math speaks for itself. But the real issue remains content. We talked with a client who discovered that his early 2015 investment with another company was eventually diverted to another venture without his consent. We will keep you posted, but sadly most PPMs are boiler plate with legal verbiage that allows such investor dollar discretion (misdirection). As you know, ignorance is still not a legal defense. There are O&G companies who routinely play this card just to legally pilfer investors' monies. So do your research, be suspicious of over-the-top hype, and read the book.

Do you have an article you want to submit? Let us know by emailing us at the address below.

Redirect

For up to date information on Sykes #1 Well, please visit our website: www.eratz.com

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Become astute about oil and gas. And if you have a question and it's not addressed in the PPM, ask the company where you can find it in the book. And never be afraid to ask the difficult question. Remember this sage advice: fool me once--shame on you; fool me twice--shame on me.

Oil Patch Highlights

Over the years operating in the fields we have come across a lot of challenges but the most vexing is Mother Nature. Sure, it might take a long time to get the electrical co-op to bring the juice, or a road might crumble, but Mother Nature is very unpredictable and we don't just mean the weather. Years ago we had a well that looked like it was going to be a water disposal well, but on a hunch we decided to lift the stem just four feet Bamm!!! that well came in flowing 175 barrels a day for weeks. Even pay zones are capricious, three dimensional and sometimes even time, the fourth dimension, comes a calling. We use the best technology and tremendous experience on every well, but as we've stated before: Success in the oil and gas business is 90% who you are doing business and 10% luck.

Things to Think About

As of October 28 the US drilling rig count spiked to 441 from 425 on September 30. We are far from being out the woods but it is a sustained uptick. From 2400 rigs in 2014 at \$100 oil, we have market clarity at \$55. What is not-worth is that as our domestic rig count grows steadily. Consider how OPEC struggles to maintain member accord as Iran remains the proverbial fly in the ointment. While a majority of OPEC's membership wants to lower or maintain current production levels, Iran wants to increase its country's production levels. Why would Iran be so irascible? Well...there's precedence. Going back to 1973 you'll recall how an Iran-led OPEC flexed its new-found economic muscle with a series of oil embargoes. You remember the long gas lines, exhaust-belching stretched Detroit metal and the worst part? realizing that our vaunted US economy was a slave to the Middle East. Americans never forgot that--nor should we-- and it shapes our domestic energy policy today. Moving forward six years and once again the focus was on Iran with the 1979-81 hostage crisis. Economic sanctions were levied and for many years belligerent Iran was on the outside looking in on the world economic stage. Recently the last of those economic sanctions were lifted. Relevance? Because of its protracted limited ability to participate in the world oil market, Iran was forced over the years to diversify its economy. With most OPEC members relying on oil exports for survival and to fund their public entitlement programs, Iran's economic serendipity has insulated them from the full effects of the oil glut crisis. For virtually all OPEC members, oil is the cake; for Iran it's just thin icing...and it is no secret that Iran doesn't care about the Saudi-led consortium. So Iran just pumps away as a proverbial raspberry to all oil-producing countries. Isn't it odd how our West Texas Intermediate crude market moves to the beat of a different drummer, independent of OPEC--just like Iran.

Again, it's important to Eratz—and to you as well—that you familiarize yourself with our website, www.eratz.com. You should know who we are, what we do and how we do it.