



Wisdom & Trust

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Useful websites

www.oil-price.net

www.bloomberg.com/energy

Now Available:

[Eratz Oil and Gas Investor Handbook](#)

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President's Corner

The first quarter of 2019 is practically in the can and already we have a few gems for the highlight reel. I won't go in to the high highs and low lows, instead let's focus on oil and gas. Apparently the US is a net exporter of oil with a good portion of this larger capacity coming from major shale and small operator ventures. This is what we have been working for years. Thank you.

With Eratz we partner with three very different types of investors. The **Soft Investor** is the "stock guy" with an impressive streak of wins but tax time is looming. He's a man riding high on a major payout, bonus or stock cash out. There's a better than average chance he's been in the winner circle before, but the last time he stepped into that circle, Uncle Sam was waiting with his hands out. Undaunted, enthusiastic but now *sensitive* to the tax-man's appetite, he's convinced that he must diversify his portfolio even more so. There's a good chance he's just learning about this industry, but he knows one thing for sure: he must protect more of his wins and oil and gas are his best bet. Of course he wants to win...he's getting used to it...but the notion of using tax money, money that normally Uncle Sam pockets in April gives him a special charge. This investor is drawn to oil and gas on an emotional level.

The **Established Investor** invests in oil and gas routinely, probably two to three times a year. He is the bread and butter of Eratz. He is very knowledgeable about all things oil and gas, constantly researches, knows the pros and cons of each type of investment, and oil and gas are a logical part of his diversified portfolio. He makes his own decisions but has people who advise. Although not driven by emotion, this investor is definitely not the cold accountant. He is a smart, resourceful, fully alive man who loves to see his hard work and research pay off. He knows that sometimes not everything works out but he counters with probabilities of success. He respects his odds so he routinely moves forward because he's comfortable with his chances of real success. He appreciates our track record and attention to detail. He rests on things like Eratz staying in its lane and providing him the biggest bang for his buck. The **mature investor** has relied on oil and gas for decades. He owns several wells and invests because it makes sense and why fix what's not broken. Often time he's securing his legacy and is very comfortable with his situation. He wants to give back to his grandchildren and is very loyal to those who have traveled along with him. Eratz is fortunate because we have several mature investors.

Company Highlights

Rise early, work hard, hit oil; make million\$; repeat; go to the next reserve. Unfortunately, this happens only in the movies; the real world is quite a bit more...unpredictable. However to be fair, while watching the five-time Oscar-winning '52 black and white MGM expose, *The Bad and The Beautiful*, a gritty

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Did You Know...

OPEC controls 81% of the worlds total proven oil reserves. OPEC also exports 60% of the petroleum traded internationally.

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melodrama about the dank underbelly of Hollywood; there's a scene where Kirk Douglas, an exuberant and ambitious B-movie producer presses his studio mogul boss, played by Walter Pidgeon, to literally "reach for the stars" and shoot a real film, an oscar-worthy movie with great actors, grand scope, etc. Pidgeon responds quickly and predictably, "I've told you over and over--I don't care about awards! All I want is a decent movie ending with a kiss on the mouth and black ink on the books!" It hit me, "that's Eratz!" Sure, it would be great bringing in a million-barrel well, but that's never been our goal. We focus on perfecting vertical offset wells. By staying in our lane while employing technologies such as cross-grid 3D seismic mapping, land-sat imaging, classic spot-point maps, and 129 years of oil-geologist experience; we travel our lane much faster, more nimbly and more confidently. With our hands on the wheel and eyes fixed on the horizon, just like Pidgeon, it's safer, more reliable, fiscally responsible to perfect the smaller ventures. Skip the tall cowboy hats and shiny boots, our investors want dependable mailbox money!

Oil Patch Highlights

CNN Reported last month that for the first time since 1973 the US is the world's leading exporter of oil, and it doesn't look like it will cede its position anytime soon. American oil production has more than doubled over the last decade with Texas in the driver seat. Shale oil production in west Texas has been so significant that we vaulted over Russia and Saudi Arabia by delivering over 11 million barrels of crude per day. No doubt our vision of being energy independent is so close. Thank you.

Things to Think About

Most investors seek solid returns with peace of mind not the frenzied jumble of a wooden roller coaster. Right now the markets are mixed. Some experts say we should see \$71 WTI crude by the end of the year while others predict close to \$53. Anytime there's confusion about where the market is heading, fear dominates. I don't know which way the pendulum will swing... and it always swings... but what I do know is that regardless the direction, success starts in the morn way before the cock crows. Each day I squash fear by pursuing goals (SMART goals are goals that are Specific, Measurable, Attainable, Realistic with a Timetable) that are 100% within my control. I rise early, exercise, listen to a few talking heads on cable, check the markets, research the papers, read and plan my daily objectives. Luck is the residue of proper planning. Everybody should address concerns and prepare accordingly, but fear is not part of my day. Where most people see obstacles I'll probably see opportunities. *Positive Self Expectancy* drives my day because every 24 hours offer such promise and opportunity; that truth coupled with Providence are the only true ways to counter fear. Often I say, "What can I do differently and better to achieve a better outcome." Years ago I heard ***if it's to be, it's up to me.*** We have been blessed with so much, it's up to us to harness His generosity and move forward no matter the obstacles or prevailing winds.

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.

