



# Wisdom & Trust

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### Useful websites

[www.oil-price.net](http://www.oil-price.net)

[www.bloomberg.com/energy](http://www.bloomberg.com/energy)

### Now Available:

[Eratz Oil and Gas Investor Handbook](#)

### Contact Us

[wisdom@eratz.com](mailto:wisdom@eratz.com)

972-392-2677

## President's Corner

I hope you had a great 4th! This is one of my favorite holidays because it holds so many meanings and memories. I remember all my great family gatherings with their laughter, the fireflies, watermelons, hotdogs, hamburgers, Shasta cola and, of course, the fireworks. Today seems so... different, certainly more staid. And the notion of a gang of kids with firecrackers and Roman candles seems criminal, but that's what happens: our perspective changes. As we get older we become more easily frightened, more cautious, more suspicious, less comfortable with true joy and less accepting. But with this past 4th...and every 4th to come and all the days in between... let's embrace and celebrate how blessed we are, how great this country is with its boundless gifts, opportunities and its citizens. The US of A is not perfect because we aren't, but let's strive to be better, more respectful, more loving and more caring to each other for we have so much. It's been a great last six months, you'll read about Harris #1 well later, but success just doesn't happen, it's by design. And Eratz's design employs due diligence, patience, staying in our lane and protecting our loyal investors, and we have the track record to prove this. For those of you who have received several newsletters by now and have not moved forward, ask yourself why? The price of WTC is steady, the tax shielding is incredible, and the chance of making mailbox money for years to come are certainly major draws. But, I've heard from too many, "well...I've been busy..." I get that...but my mother (she was a very very busy mother of two "active" boys and a daughter; and married to my father who worked 50+ hours a week.) stressed to me, "*if you want something done right, give it to a busy person!*" **Being busy is not an excuse**, its the best reason to move forward with Eratz! **Successful people do their homework and they do it real time.** Honestly, you can collect only so many O&G prospectives, watch so many episodes of *The Price is Right*, power walk the mall so many miles, play so many rounds of golf, cruise the oceans, trim the yard and till your garden, and then run so many errands before you burn out from the tedium and monotony. What keeps a man vital? Relevance and contribution are life affirming but require purpose and drive. Successful people surround themselves with competent, dedicated, like-minded people and they depend on them to do their jobs. I might not be able to control the length of a relationship, but I certainly can influence its depth and width. That's how I operate, and I have been in continuous business since 1989 without a hitch. If by definition you say you are successful, relevant and purposeful, call me now and let's move together on this new chapter!

## Oil Patch Highlights

Even with the heightened tension, Saudi-led OPEC still calmly runs the show; its clear that they are playing the long game. Saudi Arabia in particular wants oil to be a stable \$80 per barrel because this price weens them off their collective entitlement policies and still nets them a handsome profit. So determined to that end, Saudi's ARAMCO's IPO is now scheduled for 2021 as it manages the multi-faceted OPEC's oil price forward.

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 Harris#1 Well, please visit our website: [www.eratz.com](http://www.eratz.com)

### Did You Know...

West Texas Intermediate (WTI), also known as Texas light sweet, is a grade of crude oil used as a benchmark in oil pricing. This grade is described as Medium crude oil because of its relatively low density, and sweet because of its low sulfur content.

### Contact Us

[wisdom@eratz.com](mailto:wisdom@eratz.com)  
972-392-2577

Simultaneously, SA is shifting more of its focus from fuel to downstream petrochemical production because ***even when, not if, the world no longer needs gasoline or diesel fuel***, it will still need jet fuel, fertilizers, plastics, etc. ARAMCO insiders insist their IPO will take place, but the King wants to be absolutely sure that the roll out rolls out big to the tune of over \$2 trillion dollars. Oil will be around for a long time, my friends.

## Company Highlights

I have great news: Harris #1 came on line flowing strong on June 14th. It flowed 7.5 barrels an hour, making 150 barrels in 20 hours. Consequently we stopped the pumps in order to choke back the pump 1/24<sup>th</sup> (the size of a pin head) and it still flowed 50 more barrels the next day! Since then we added a timer, pumping one hour on, two off to level production to 40-50 BOPD. We stemmed the flow to keep salt water out. And there's more. In June we picked up 169 barrels of oil and had 7.2 feet of oil in tank-#2 and a remaining 2.5 in tank-#1. And after my lease inspection review, we'll tweak the timer and strokes-per-minute to keep the oil flowing at the best rate. Recall that in May I shot a seismic grid, and now that the rain has moved out, the seismic results confirm my leasing decision. And with Nash holdings it gets better. I have protected our leasing rights that will guarantee several upcoming projects. I've sent Eratz clients and those engaged prospects development information, landsat and 3-D seismic layout grid data, for these two leases. My geologists believe we are poised to develop the next big oil field in the county. So the next exciting question is: which lease does Eratz drill first?

## Things to Think About

Back in the day, even a rumor of an international face-off between the US and a foreign potentate, the price of oil would skyrocket, explode, shimmer and then fizzle...up and down, up and down...the price of our oil and gas was held hostage to the whims of nations and politicians; times have indeed changed. Consider what's happening with Iran and the US. Between multi-national war ships steaming the Straights of Hormuz and the mining of massive oil tankers, the world waits for the proverbial shoe to drop. Now look what's actually happened to the price of a barrel of Brent or WTC. True, there have been spikes, but not nearly the wild swings we experienced in the past. The market gurus have been screaming, "The sky is falling! the sky is falling!" but the market responded, not reacted, with a surprising calm. Why the sedate response? I believe you can thank largely the US oil and gas industry for smoothing...basically mellowing...price swings and tempering international tension. Since we are no longer dependent on foreign oil, we have the luxury of a much more measured national response. Specifically, WTC production in the Permian Basin is not only largely responsible for our relatively stable oil prices, but it also allows the US to be more benign and patient. True, we're still the world's policeman and that's a different discussion all together, but do we need the oil flowing out the Strait, really? Probably not and I suspect our need will become less and less. Is this a good thing? Perhaps at first glance, but ponder the turbulence of the Middle East for the last 70 years. Has it not been about relevance on the world stage? For decades, this region's strife has been about peoples' autonomy, clashes between emerging middle classes and theocracies and hunger for self determination. Now, close your eyes and imagine in the not-too-distant future when the world no longer needs Middle East oil...Hmmm.

**Again. it's important to Eratz—and to you as well--that you familiarize yourself with our website, [www.eratz.com](http://www.eratz.com). You should know who we are, what we do and how we do it.**

