



# 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

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## President's Corner

***Everybody saw it coming. Somebody should have done something. Nobody did anything.***

These words haunt because in my last newsletter I stressed how CoVid-19 was already an economic pandemic, yet I was so sure that our national oil policy would respond intelligently to the oil glut *and* stagnant world economy. Flash forward 60 days. We know the state of our economy, so I am not going there. We are hurting, yet we are strong. Every day I see brilliant examples of how Main Street America, Neighbor Joe and Jane are showing their beautiful colors by helping others in time of need. This is America in its truest form. I am not worried how we are going to comeback from this set back. Oh sure, these months will be etched into our national lexicon, just like the *War to End All Wars, The War, The Great Depression, Vietnam, Desert Storm, 9-11, Too Big to Fail* and now *The Pandemic*; and we will get through this too. Personally, there are just two things I can control. My attitude and my response (not reaction) to adversity. I will not let me, my family, my neighbor, my community, nor my nation and especially not my Heavenly Father down with a bad attitude. We choose our attitude; our attitude determines our destiny. We can't always choose our circumstances but attitudes are influenced by the inputs we receive (often by choice), but we respond by the choices we make. I choose perseverance over defeat, faith over worry, productivity over slothfulness and humility over pride.

You could not write a better novel On America Strong. We should all have the mind set that as Buffet (Warren not Jimmy) has quoted many times, "Be fearful when others are greedy and greedy when others are fearful." Friends, if you have the resources, this is the time. As penned, there is a huge transfer of wealth going on. Oil is trading low but, heck, Eratz started when oil was just \$8/barrel--and we still made money! In the 30+ years that Eratz has made money for its clients, I recall oil jumping \$20 in one week when the US engaged Saddam. The price climbed reasonably quickly in the '90s when horizontal drilling and fracking became common--speak, but the price of oil really jumped when Bush II went back to the Middle East; my investors enjoyed \$149 oil. Drilling on American soul for American oil is my mantra and vertical offset drilling remains the safest, least scarring and the best opportunity for my investors. Did you know oil and gas directly affects about 80% of the stock market? I will continue to rise early work hard for you; hit oil and get the best price for our oil and make you a return on your investment with ERATZ. We expect our readers to gravitate to our level of excitement by getting our oil and gas investors handbook, reading our newsletters, study up and gaining confidence to make that decision to become a partner in our projects. Friends, get excited about diversifying your portfolio and leaning on Eratz to send you mailbox money!

## Oil Patch Highlights

Recently Saudi Arabia and Russia ended their production war at the oil pump. President Trump, knowing super cheap oil helps no one, jumped in and negotiated a tenuous production cut back. I know President Trump means well, but face it, these two heavy-weight one-trick OPEC ponies are desperate and desperate countries do

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.

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desperate things. Like its been said, pigs get fat, but hogs get slaughtered. We can not let that happen.

Oil will remain vital in super-high octane fuels and plastics but as far as automobiles, especially with the science behind global warming being so compelling, the day of fossil fuel for our seven-passenger SUVs and \$70K trucks are coming to a close.

My chart shows oil on the rise and I envision my investors waiting by their mailbox for their checks and their wives kissing them on their cheeks. Stay calm. Oil will rise. The stock markets will rebound and maybe, just maybe, we can all come together and address some world problems. I just can not imagine anyone in Mumbai or Guangzhou wanting to go back to their old CO-& NO<sup>2</sup> choked ways. Have you seen the blue skies over these cities? No, I suspect things are forever changed.

Incidentally, we just celebrated the 50<sup>th</sup> anniversary of Earth Day...how fitting.

## Company Highlights

With seven inches of rain in March (the second wettest March on record) and about the same amount in April, it has been a very wet spring. We are scheduled to move on two wells: the Harris #2 needs a better access road but we need the tract to dry out. Without dry weather, we will face tons of slogging mud and \$\$\$ in damage penalties. Nash/Hughes #1 have cattle grazing and that is not changing until the end of May. Another issue is we need reliable, experienced people working these projects. Because of the furloughs and layoffs due to CoVid 19 stay in place orders and our stagnant economy, these professionals are not there in numbers, but this too will change.

Back in February, I decided that after I picked up April oil that I would not pick up oil until August. Additionally, I may govern down production a bit. But by the end of August, I predict oil to be around \$30/barrel and pushing into \$50 by late first quarter of 2021 with both new ventures moving solidly forward. All other wells are pumping just fine.

## Things to Think About

Did you know that our national storage reserves capacity sits at only 14 million barrels? Between 2017 through 2019 oil and gas drilling has declined 5% per year each year, and by end of this year, 2020 new drilling will decrease by 50%. So the net decline (new holes in the ground) should be 30% of what it was in 2016. That is scary! Did you also know that 20% of our reserves are based on expensive shell reserves? Accountants hate expensive non-performing assets. And this is another reason you should be scared. I know geology, and we have a squadron of knowledgeable people that have the same opinion as ERATZ. The shale play is super expensive, fraught with expensive downtime and fixes. Many shale wells, if not shuttered, are mostly big fermented salt-water sprinklers. Ask yourself if shale wells are so great why are most of these companies filing bankruptcy and laying off hundreds of employees? We can not control what OPEC, (especially what Russia and Saudi Arabia are doing--they have their own issues), but we can orchestrate a measured response on domestic production. My idea? until we get those 80 tankers off the oceans and into tanks and open up some space in our domestic holdings, we should change how the US buys oil. Does it not make sense to buy domestic oil one month and foreign oil the next?

**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.**

