



# 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)

[www.oilprice.com](http://www.oilprice.com)

### Now Available:

[Eratz Oil and Gas Investor Handbook](#)

### Contact Us

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## President's Corner

It's election time. Every four years we are poised to make choices affecting the direction of our country. I do not have to remind you that it is a responsibility to exercise your right to vote, so please do so. There are so many issues we are facing, but I stress "we" because we are all in in this together, and "we" will find a way to move forward while staying resolute to our ideals. At least that is my prayer. Speaking of prayers, the other day while watching Dr. Jeffress on TV, this nationally-recognized minister spoke of The Seven Scrolls found in Revelation. As I listened intently, I was struck with how this not only applies to living a meaningful and abundant life, but also how Eratz continues to thrive while so many of its contemporaries have either closed, been absorbed or merged. Obviously Dr. Jeffress was talking directly to me because any success Eratz has comes from God.

The seven attributes are: power, riches, wisdom, trust, glory, humility and strength. Power equates to production. To be able to deliver wells that produce for several years without major headaches point to Eratz's ability to put the bit in the right spot the first time. When you chose wisely, you should achieve production--that's power. Riches is return on investment. Eratz wells have a profit run between 8 - 12 years on average. We expect to have our clients not only experience tremendous tax advantages but also make good money as well. It is right and just to do well and good. Wisdom is huge. I don't move unless I am directed by Him to do so. I don't force anything, but I also don't give up on what is right and good. Recently after two years of exhaustive legal research and with the understanding of very loyal investors, Eratz acquired a really exciting 200-acre lease. Obedience and patience comes part and parcel when seeking wisdom. Trust is a tremendous honor and responsibility and takes years to develop but it can be lost in seconds. I have earned my clients' trust with over 30 years of continuous operation under the same banner because my clients know I will do the right thing for them regardless. Glory is the celebration, the renown and pride from bringing a well on line and then having it payout over several years. I still get a charge knowing clients are receiving mailbox money from older wells. Humility is rarely talked about in oil and gas; however, as a blessed steward who has been gifted a life's work that he has loved for almost 40 years, I am grateful and humble knowing how favored I am. I rest in this beautiful lyric of Alan Jackson's *Small Town Southern Man*, "...the greatest contribution are the ones you leave behind." Knowing what we do together impacts generations is a comforting balm. And lastly, there is strength. Strength of character, strength of conviction, strength of faith, and these come from God. I often pray, "Lord, don't grant me an easy life, but the strength to endure and prosper in it." and He has.

## Oil Patch Highlights

I briefly mentioned in President's Corner a lease that was finalized. In the last two years by dispatching geologists, land managers and making personal visits, I have garnered the signatures of 19 far-flung mineral owners. Hughes #1, a former Texaco holding, is a 200-acre Mississippi reef lease. I can only surmise reasons for this tract not being developed decades ago were the logistics in collecting the signatures, plus off-shore drilling was the bright shiny new toy that all the majors were leap-frogging each other to launch. So, here we are 70 years

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**Did You Know...**  
**George Mitchell, the Father of Fracking, launched his first commercially-viable fracked gas well in the Barnett Shale in 1997. It took him 15 years to perfect his technology.**

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later completing the Hughes #1 and putting the finishing touches on 10 miles of Seismic grid so we can spud three offsets. Additionally, the dedicated new-prospects-only well will start before the end of this year. We've been blessed to have good solid producers, but every operator with 20-40 bbl/day wells knows he is that much closer to a gusher with a million-barrel reserve, and that's exactly where Eratz is.

## Company Highlights

No doubt 2020 will go down as one of the strangest in the last 50 years. Personally, in the last 30 years I have never experienced such a crisis in oil and gas, yet with Providential guidance, I have managed to keep my doors open and moving forward with steady progress. It is so true that when most see obstacles, I typically see opportunities. For example, Eratz has allied with three seasoned rock hounds with 120+ years of experience between the; one is 84 and is still scrambling rocks! And it always start with the leases. Again, when times are tough, generally people become more conservative, eschewing hype and flash for solid steady performance. Double that for landowners, and that's precisely how Eratz manages to acquire such exceptional leases. Eratz picked up two leases and has a line on two more. Perhaps when it really has to count, people count on Eratz. To that end, for all my prospects that told me that they would invest at the end of the year, good news: I will have that dedicated project just for you! Expect an announcement letter soon. ***Pandemic II: The Rebound.*** We knew this noxious sequel was coming to a house near you--well, It's here, and we just can't attend--simply endure it smartly. The Texas Railroad Commission has been sidelined, so much so that the work, research, paper-pushing normally attributed to this agency has been left to operators and lease owners. Well, I've been doing all of this too. If it doesn't kill you, it'll make you stronger (and wiser), so our saltwater disposal well has been approved. Drilling will start in December.

## Things to Think About

Recently on a cable business show, the talking head said that, and I'm paraphrasing, "if you remove all the highs and lows due to outliers, crazy world events and such, the average price for oil hovers around \$40-\$50 bbl." The price of anything goes up when scarce...thank you Dr. John M. Keynes. To offset higher prices and stimulate an economy, one increases production... thank you Voodoo Economics President Reagan. I'm not one to argue, especially when world energy production is currently larger than demand. But noting this, consider the tremendous effort and attention that China, Russian operators, OPEC, Danish operators and even Israel expend in launching their expensive ocean bed and NLG projects. Now compare this to America's and Australia's sharp focus on hydrogen and cold fusion technology. And when this happens--and it will--oil and gas will still be critical in petrol-based products, but not to fuel cars. This will never happen in our lifetime? Look no further than California where Governor Gavin Newsom ordered regulators to phase out the internal combustion engine and ban the sale of all new gasoline-fueled cars after 2035. Van Nuys could be the next Havana by 2040. Oh, friends, if you think times are interesting now...

**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.**