



# Wisdom & Trust

May 1, 2021

Volume 6, Number 3

## In This Issue

President's Corner

Oil Patch Highlights

Company Highlights

Things to Think About

### 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

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

972-392-2677

**"Mail back your enclosed postcard and receive our Eratz Oil and Gas Investor's Handbook!"**

--Sam Roden, President and Founder

## President's Corner

Going on 40 years, I have been blessed to be able to follow my life's passion and to share my family's good fortunes with so many others. There is a special comfort knowing that my life's work has had such a positive impact on the the lives of many. Make no mistake, It hasn't always been clear blue skies and puppy dog tails; there have been tough, uncertain times-- that's life. I've made tough calls, clinched my teeth and prayed for strength and guidance, but I am stronger for these trials, The late martial art great Bruce Lee said it best, "Do not pray for an easy life, but the strength to endure a difficult one." So its abundantly clear I must train hard, be prepared, and run the good race personally and professionally. The clouds have parted, there's blue sky and the wind is freshening. With WTI crude over \$63bbl (Eratz partners begin to make money at \$32) and gas at the pump at \$2.54/gallon, these are much better times. But even in less than great times, we have been blessed with loyal investor friends. They read our letters, answered our calls (as we answered theirs); they appreciated our postcards and they loved our newsletters. And they kept faith, "**Faith is the substance of things hoped for, the *evidence* of things not seen. (Hebrew 11:1 KJV)** and now faith takes form, the mailbox money is flowing and getting larger and our family's pleasure and satisfaction grows daily. Friends, this is what it's all about.

Our family members are receiving mailbox money. It's time to put your faith in action knowing that Eratz will continue to do the right thing as it has been over 30 years!

## Oil Patch Highlights

Higher oil prices worldwide is real. Alex Kimani of Oilprice.com, proffers three factors that are driving our current market.

**OPEC Meeting: Strong Oil Demand.** The anticipated May gathering was canceled suggesting that nothing is changing on their end; however, their technical committee forecasts the world consumption of oil will increase by 6M bbl/day for 2021. The optimism is being driven by the United States, where a demand recovery is seen outpacing much of the world while China's oil demand has even managed to surpass pre-pandemic levels according to **BP Plc** (NYSE:BP).

**Economic Inflection Point.** Data confirms the positive direction of the U.S. labor market which has rebounded from the pandemic lows while durable goods orders continue to rise affirming that economic growth is accelerating. This rise should help eliminate the labor market slack and maybe even add a bit to inflation.

**CoVid 19.** The global pandemic remains, by far, the biggest wildcard in the long-term oil price outlook. The trends have been really encouraging in the U.S., UK, and China; mixed in Europe with Corona Virus restrictions easing in some countries while others remain hesitant to normalize but very worrisome rumbling in India, Brazil and Japan where OPEC+ says a resurgence could wipe out 350K barrels per day in global oil demand.

## Company Highlights

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

Did You Know...

The largest oil reserve in Texas is privately owned and located on the Permian Basin in Val Verde County with an estimated 74.2M barrels of oil and gas reserves.

Contact Us

wisdom@eratz.com

972-392-2677

With our most recent strike at Harris 1 (where we hit four oil zones: 50 foot in the Mississippi reef at 4600 feet. The other three zones calculate a total of 50 additional feet upper zone Atoka conglomerate at 4200; basil conglomerate at 4250 and Bend conglomerate at 4400), this medley of old world wisdom harmonizing with 21<sup>st</sup> century technology supports our belief that by *staying in our lane* and *having skin in the game*, Eratz delivers the *biggest bang for the buck* for its investors. We expect three more development wells before the end of 2021 while our two senior geologists scour through reams of old RR commission records, operator logs, and talk to senior land managers to give us an edge on anything that can help our team pull the proverbial “rabbit out the hat”. Hitting oil is hard enough, but hitting oil for well under a million per well is the real trick, and we’ve been performing this act for over 30 years! Soon, we should be picking up oil every week which will not only increase our corporate credit but also our daily production to 100 more barrels a day. News like this never stays quiet in O&G, so this well-deserved good fortune will accelerate funding our 2021-2022 projects. As you read this, we are already looking into three counties.

## Things to Think About

What do Oil and Gas have in common with Cancel Culture? Regrettably too much. Allow me to unpack this notion so you can see the line between the two is uncomfortably short. But first let’s stake the case that having differing opinions is a good thing. Our nation’s founding fathers were famous for their passionate opinions on everything. In fact, I say it’s precisely this diversity that made our country the most admired and longest lasting form of self governance the world has ever known. In her 2005 book, *Team of Rivals*, the Pulitzer-prize winning author Doris Kearns Goodwin made it maddeningly clear how opposed Lincoln’s own cabinet was to Lincoln as the President, as a politician, and even as a person. It was ugly. But in the end this same fractious body of opposing personalities and thinkers become not only believers in Lincoln, but also his true friends. Their diversity did not create chasms, but an opportunity to form a more perfect union.

Our Cancel Culture--and it’s real--does not tolerate differences of opinions. It appears that if one doesn’t espouse the same beliefs, think the same thoughts, or prostrate oneself to the prevailing politically-correct group think, one will be branded as either unfit, cruel, racist or all of the above. I’m not saying that I agree with every sound bite, approve of every act, but I do believe that our country’s strength is built on protecting the rights of individuals to express themselves. Am I a racist, misogynist, corrupter of all that is good? No. But I do know that history is crystal and repeats. What do Nazi Germany, Mao Tse-tung, Joseph Stalin, Pol Pot, and one can make cases for Xi Jinping Kim Jong-un and Iran’s Hassan Rouhani have in common? They did not or do not tolerate opinions differing from state-sponsored dogma. Individuals that defied prevailing thoughts tend to go dark--**quickly and permanently**. Oil is under attack; it has always been a favorite target of the well-intended, mostly ignorant social influencers. The Cancel Culture purveyors would have us shutter our industry this very moment. Are we, oil and gas believers deaf to deserved concerns, the environmental risks? Definitely not. In the last 40 years clean technologies and environmentally-safe practices have drastically cut our industry’s carbon footprint and little is made about how the Big 5 are transitioning into sustainable energies albeit several decades off. Are any of these truths lauded by our politically-correct cancel-culture “friends”? No and never will be because these facts do not fit current world narrative nor do they conform to their skewed *idea* of what America should be. Cancel Culturists may drive their expensive Teslas--highly unlikely--or the ubiquitous Prius but do they bemoan the fact that over 50% of all the world's autos are made with petrochemicals? Hmmm. **Something to think about.**

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.

