



Wisdom & Trust

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Useful websites

www.oil-price.net

www.bloomberg.com/energy

www.oilprice.com

Now Available:

[Eratz Oil and Gas Investor Handbook](#)

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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

Welcome news in the world of oil and gas: the spot price of WTI crude oil is in the low \$70s and climbing steadily--this is a good time to be in energy.

We know that success is driven by design and hard work coming together. Years ago Eratz implemented sweeping changes not only in how we integrated land-sat imaging and 3D sonic mapping with our very experienced geologist scouring log books from Exxon, Getty and BP leases from the 40s and 50s, and talking to all kinds of good people, but Eratz also completely overhauled how it stays connected with its investors and prospects through phone calls, postcards, newsletters, its highly acclaimed handbook, website and private placement memorandums. We know you want to know. This is absolutely critical in attracting and keeping investors. Incidentally, Eratz made money for its investors when oil was \$40 less per barrel.

If you have been with us over nine months yet haven’t moved forward, then oil is most-likely not for you. Here’s an insight that maybe I shouldn’t share, but I will. In 2015 Eratz carried over 375 prospects and investors in its database; now it is rarely above 100. And less than 3% of those asked to be removed. I removed them. With field and operational experience going on 40 years, one gets a real sense who has the stuff to be in oil. It’s like Goober who reminds his friends while sitting on his stool at the 19th Hole drinking his third beer retelling his story how he has his dad’s rare 1969 Camaro ZL1 with the all-aluminum 427. He brags how he’s going to give it to his first granddaughter on her graduation from college. Sadly, it’s been rotting away for 40 years in a fly-bitten, leaky barn, and even his closest friends know Goober will never get to it. Great intentions, but Goober lives in the **“I’m gonna” world.**

If you’ve been with me for over nine months, I’ll call you one last time as a courtesy, but, friends, I live in the real world. *Drilling Oil on American Soil* is more than a saying its my truth; it’s our truth. Solid Investors read our material, visit our website and take our calls, but most importantly they commit. Our smart investors show faith and intelligence by investing and re-investing in Eratz projects. I encourage you take my call and please please puh-leeze, I beg you, don’t be a Goober and say, “I’m gonna.”

Oil Patch Highlights

Rain, rain and more rain in West Texas. Access roads that flooded had to be rebuilt, and since the roads are fresh, we can’t pick up oil out of fear a tanker will slide off the side of a fresh road. Its challenging. Speaking of water, what is the best way to drill a salt-water disposal well? You don’t. You buy or lease one. The cost of a salt water disposal well is quite high, and most times the down-hole costs exceed traditional punches. With the increasingly more expensive and ever-expanding regulations imposed by EPA and the Texas RR Commission, disposing of waste water is a huge issue. And, friends, this disposal well better be close. Trucking tanker after tanker of water down the road is expensive. Luckily we always own or we secure the rights of a nearby disposal well when we launch a project.

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

Did You Know...

Texas is the top crude oil and natural gas producing state in the nation. In 2020, Texas accounted for 43% of the nation's crude oil production.

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Company Highlights

With a nice string of success, the flies are buzzing. Every week I talk with several geologists, a number of land managers and dozens upon dozens of brokers, all emboldened by our success. How did we fund projects in 2016-2020 when so many of our contemporaries shut their doors? Great leases. In August I will visit Houston's 2021 National Association of Petroleum annual meeting. I'll meet industry contacts, reconnect with good people and simply advance our flag. Unfortunately, the tall Stetson cowboys and black-flag bandits will be there too. Did you know over 70% of *oil and gas brokers* phone solicitors are unregistered? Be careful. When Eratz introduces itself to a prospect we always preface each conversation with, **"we are in compliance with all laws and regulations in your state...if you require further information, I will transfer you to someone on deck (that would be me)."** Although my staff may call, you will always be talking with me about the nuts and bolts of each project. What are some tells that you might be talking to a pretender? If they overnight a PPM that's slicker than a Playboy with a DVD, if there is a strong sense urgency to commit or talk of how much money another investor made, you're probably on a Missouri boat ride (courtesy *The Outlaw Josey Wales*) Based on projected funding we are scheduled to drill six new wells in 2022. On average I invest \$100K on each well before I even pick up the phone to talk to other investors. In Mid July we will start drilling on Hughes #2 in Young County, 4800ft. We plan to officially start calling investors in late August for Hughes #3. Although official notifications won't start until mid to late August, I've been assured by several investors they're in, so half of Hughes #3 is already spoken for. That's a good thing.

Things to Think About

With the world's economies improving; oil demand rising; CoVid 19 declining; Iran exports peaking (about a million barrels a day in defiance to the US-led sanctions), coupled with oil has almost doubled from the same time last year, and the national average for gas is \$3.11/gallon, you should ask yourself, **"Why is the world's oil-rig count so low (359 for the US or 65% of world total) while our Strategic Petroleum Reserve that is not close to being full selling oil? Could it be..."**

- ...that the Big 5 are serious about energy diversification? Money spent on new finds and new technologies have been diverted into alternative energy research and production.
- ...that everyone makes money when oil settles in the \$70-\$80 range? Why put more product into the pipeline only to drive prices down.
- ...that it discourages new shale oil plays, especially in the US? Horizontal fracking is expensive, fraught with problems, constantly in litigation, socially distasteful, and, honestly, the oil isn't that great.
- ...that we, specifically the US, return to a past energy policy? Twenty or more years ago, it was common knowledge that we would buy cheap foreign oil just to keep our national oil reserves healthy. This return to policy ensures the US remains politically, militarily and economically integral to practically every first and second World country.
- ...that Global Warming is real? With rising sea-water levels and a huge uptick in the number and severity of hurricanes, many cities and towns are already experiencing predictable catastrophic weather events. Many weather experts predict that nine small islands states like Maldives, Solomon Islands and Somoa are in real danger of disappearing. Indonesia is just one good tsunami from being decimated. And it's not just coastal, in the US tornado-clusters are much more common and much more powerful (E4-E5s are common) resulting in death, misery and destruction in the \$billions.

I proffer these reasons for the low rig count. I'm sure you can think of more, so give me your thoughts about my thoughts. Please email wisdom@eratz.com, **subject: Rig Count.**

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.

