



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

--Sam Roden, President and Founder

President's Corner

As I sit composing this piece, I look out and see a perfect late autumn day with its soft cold gray sky; a rainbow of crunchy leaves floats gently to the ground while my near-leafless trees stand like sentries silhouetted against my monochromatic horizon. It is a most perfect day. And yet a familiar question haunts me: *What is it going to take?* Seriously, yesterday WTI Crude was \$83.57 besting my earlier prediction of low \$70s. Eratz's wells are producing nice and steady and we're picking up oil regularly with the best yet to come on line, and domestic rig count is surprisingly still under 450 units. Saudi Arabia continues to curtail its oil production to re-engineer social entitlement programs, and the world's major oil conglomerates' focus is solidly on alternative energies. And all the while the world's demand for oil is jumping. And so I ask, **"What is it going to take for my prospects to commit--Charlie Bucket's golden ticket?"** Ok...ok, I get it. I'm sorry that you didn't make huge money on your first investment or hit it big with your fantasy IPO. All I can say is that most of you didn't marry the first girl you kissed either. For the Eratz family we are a proud band of brothers united in cause and deed. So Mr. Prospect, step up, step out in this direction and let's drill and hit oil together. Do it now.

Oil Patch Highlights

ERATZ is working diligently in the field to get wells drilled and completed as fast as possible. Our goal is to have our wells from Hughes 4 and on back in production by the end of January, and any well that is being repaired will be on line as soon as possible, and wells that require re-completion to obtain higher levels of production we're on top of them too. Crude prices are increasing. By March I predict WTI Crude will be a solid \$95 a barrel. But, friends, some problems remain. Many of the small towns that support our leases have been decimated by CoVid and the Delta Variant hit even harder. You just can't get great crews--you create them. It takes thousand of hours of shared experience working as a team and untiring work ethic to get the results we need. Our reputation as being good to our crews certainly helps, and we do have back-up crews, but the fact remains that labor is getting more scarce and more expensive. Right now I'm holding costs down, but early next year, unless something changes dramatically, I'll have to raise more money for future projects. Now is the time to step up. Eratz is actively pursuing three leases. Seismic shoots are scheduled for our first project of 2022, which should be out early February. In finding the right project, we follow a 10 step process (September's newsletter) that ensures we are doing the right project for our clients. The days of finding a 20-40 well site project are pretty much over, but they're still out there. Yet, we will never lease miles and miles of acreage--most of our leases are somewhere around 160-320 acres, and then we develop off of that. We expand our tracts only when the numbers are there because Eratz needs oil fields not cow pastures.

Company Highlights

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

Did You Know...

that according to www.bizjournal.com, May 2021, Jerry Jones, a genuine wildcatter and the owner of the Dallas Cowboys, is the richest oil tycoon in Texas, coming in at \$8.9 billion.

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The other day I was talking with a good friend and he shared this gem: ***The Seven Ps (of Business)***

- **Promote:** telling investors about your company like we do in our newsletters, industry cards, handbook and website.
- **Product Knowledge:** playing to your company's strengths and *staying in your lane* which is one Eratz's mantras.
- **Positioning employment:** delegating job duties with confidence. First, you must acquire the talent making sure they are on the right bus (accept corporate philosophy, demonstrate high character, possess superior work ethic, etc.) and then find the right seat (role) on that bus for each employee.
- **Power:** brute production and market position. The bottom line is BOPD, and that occurs in the field, not in a 17th story corner office.
- **Perspective:** how do others think and talk about you and your company, and where do you stand in your regional market and industry.
- **People:** knowing your investors and their investing habits. Identify their hot buttons and connect with them in meaningful ways. Assume nothing and take responsibility to educate them and set expectations. Without investors there wouldn't be an Eratz.
- **Pride:** believe in what you do and humbly seek wisdom and earn trust from all. See struggles and set backs as thinly veiled opportunities for personal and corporate refinement. Be proud of your accomplishments as a businessman and a company yet remain humble and thankful for all your blessings.

Things to Think About

Well, here we are in the last 60 days of 2021 and for many we're coming into deer season. Success in the field (to me that's the guy or gal that harvests three or more deer per season) doesn't just happen, it demands smart, diligent preparation and execution. Likewise, Eratz employs its technology, experience and wisdom to improve its odds of hitting oil. Be it harvesting deer or striking oil, it always start with a great lease. No surprises here: proven hunters and operators keep their successes on the QT, and they certainly don't beat their chests. And yet somehow others hear through the grapevine that something good has happened in the woods or in the oilfield. I imagine my contemporaries slowly shaking their heads and saying to themselves, "**Eratz bags another one...**" and so we keep quiet. And like a hunter makes ready his blind, Eratz also prepares its leases for long-term success. We start months or even years ahead before the bit hits the mud. Great hunters walk the grounds looking for site lines, surveying the ground for tracks, tree rubbings, scat, broken branches, leaf stripping and rutting signs. The best hunters think long term; they plant grass and wheat, fix fences, etc. Similarly, our geologists decipher rock formations, pull core samples, assess accessibility, review land sat and 3D imaging. We pour over drilling logs, talk with owners and land managers; we do this each time, again, often years in advance. Not surprisingly, hunters and O&G professionals are monitored by the state. Game wardens oversee what's happening in the field while the TXRRC covers the oil patch. And just like wardens you don't mess with the TXRRC!

What will be our next project? How do we prepare for the project that has multiple structures? Where is that lease that has been overlooked or underplayed? How do we make our good wells better? Do we drill deeper incurring more expenses and risks or continue with shallower wells with less upside? These are the questions that keep us moving forward every day.

What path would you take? Most of you are decision-makers with varying levels of risk aversion. I remain on the path that brought Eratz here, and yet I am compelled to stretch the proverbial envelope. Friends, if you aren't moving forward (extending your capabilities), you're falling behind. However, Eratz never seeks glory through fantasy geology or black-box completion techniques that could destroy daily production or drain our reserves because these diversions put the Eratz family at needless risk. In the end our success remains fixed on our core values: ***lean and clean, stay in our lane, and biggest bang for the buck.*** Would you change?

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.