



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

I hope you had a merry Christmas and a happy new year. Few of us wish a repeat of 2021, but let's admit it was better than 2020. We still have local and regional issues and national and international concerns but overall things are better. Great? No; better? Yes. However, as for Eratz investors 2021 was a great year.

It's hard to believe that Eratz is in its seventh year sending our Wisdom and Trust newsletter. But I do believe that through our 36 editions of this newsletter, thousands of industry postcards, our recognized website and hundreds of Oil Investors Handbooks that we have created a close-knit Eratz investor family. No matter, we will continue to pivot from our core beliefs of staying in our lane, biggest bang for the buck and staying lean and clean. We've had remarkable successes in 2021 and we expect no less in 2022. And success for us starts with finding the great leases and the right partners. And I believe we've also been successful at both ends.

True, oil is everywhere but finding the right partners, individuals that understand, appreciate and buy into your process... well that's a different proposition. Setting real expectations and bringing home the bacon are what makes investors happy or at least content and coming back. We all know in this business it's about relationships, followed by customer service and ending with a solid return on investment and growth. That's why we take such steps to stay connected with (others would say *married*) to our clients. It's fitting because in good marriages there must be give and take, patience, understanding, putting the needs of others first, encouragement and assuming the best of each other. Oil partners are no different.

Oil Patch Highlights

Oil prices jumped in 2021. When you consider the WTI bbl average in Q4 2020 @ \$43.65 compared to Q4 2021 @ \$78.27, that's an amazing 79% increase! But let's not get too excited, history tells us this is neither sustainable nor prudent for anyone. I sincerely believe in 2022 oil will peak at \$93bps--still a nice 19% advance. I can just imagine the mystical Carnac tapping the sealed Funk & Wagnell envelope to his bejewelled turban and with eyes closed divines the answers to the hidden riddle, "**Bonzai, Ah Sings Victorian London, \$121.39bps**" Carnac pauses "**What are three common pipe dreams?**"

Production increases are critical for Russia and helpful for OPEC, but honestly, can you think of anything else of theirs besides petroleum that we want? However, their 400,000 bbl per day increase doesn't help America one bit--or does it? Considering that the US for the past few years has been selling off our National Strategic Petroleum Reserve to pay for our national deficit, the shelving of the Keystone pipeline, international challenges to our offshore pipelines and our major domestic oil producers reluctance to increase production, cartoonist Walt Kelly's Pogo said it best, "**We have met the enemy and he is us.**" Despite it all, oil prices have steadily grown. Perhaps there is some deeper agenda behind this conundrum. We could be taking a page from oil policy of decades back. Just maybe the US is letting OPEC deplete their

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

Did You Know...

Though named after the Permian Period, the Permian Basin got its start as many as 1.3 billion years ago as tectonic shifts started molding the West Texas landscape into what it is today.

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reserves, beat each other up bringing oil to market while we focus on alternative energies, and oil producers know lifting costs for new ventures are so much higher now than they were seven years ago. And the pandemic only makes it worse. Whatever the reasons, its fair to say that the US petroleum industry is very involved (even if it's passive) in the direction of our national policy. There are many other scenarios and conspiracy theories getting air time, but whatever is playing out, Eratz just keeps its bit in the ground, stays in its lane and drills lean and clean. And makes money for our investors.

Company Highlights

The new year new has begun. Our outlook is strong. Our research and hard work are paying off. We are dialed in for six wells this year on two different leases. Our first project will be up and running mid January. Additionally we are putting the final touches on a new lease. With the holiday slow down, we just missed picking up oil by 20 barrels each on three leases. No worry, we'll pick them up this week--and pick-ups are scheduled for many more weeks. This month we are shooting seismic on a large tract we are considering to lease. Again, it takes a team of talent and resources to pull all this together. It starts with location, then research and ending with hard work. It requires land managers, geologists and gas attorneys who help you pursue your ideas while you maneuver around all the out-of-left-field obstacles like Covid, vanishing oil service companies, lack of trucks, you name it Eratz faces it everyday. But through it all, we must be doing something right--50% of our planned projects are committed with previous investors.

Things to Think About

Wherever you are be there. This truth demands that I must be in the moment, mentally, intellectually and physically present in whatever I'm doing. So many of us live in the past while others camp in the future, but today is the only day I have a chance to make a difference so I better be present. Do you remember the first time your mom and dad stopped at a gas station and you really noticed what was going on? You probably recall an attendant briskly walking towards and warmly greeting your mom and dad by asking, "what'll be?" The attendant (sometimes more than one) checked fluids, air pressure and of course pumped gas while your dad watched his every step. For perspective, in 1968 the average gallon of gas was \$.34 and adjusted for inflation that's right in line with today's \$2.62. Those were the good old days but really were they better? Gasoline took up a much larger portion of dad's paycheck--same with food; milk was \$1.04 in 1968. I've seen a gallon dip below \$2.00 just within the last three years. So really, energy and food costs take up quite a bit less in our monthly paycheck. Many times I've said, "**we are all in the oil business, it just depends on what side of the pump your on.**" This was just as true in 1968 as it is now. But instead of dad's watching every move of the attendants, Eratz's informed, educated, diversified investors watch every step we take--and I wouldn't have it any other way. Which side of the pump are you on? Are you on the side that delivers the gas or on the side that pumps the gas? I am present. Either way you're in the oil business. Back in the fall of 1968 sporting my Chuck Taylor All-Stars, I remember stepping into a smeary puddle of oil, and lo and behold that was the day I became an oil man. So it's true, **the more it changes the more it stays the same**, I think this applies to the oil business. Oil was, is and will be *present* for a long time and it'll last another 50+ years and that's forever--we'll at least according to my grandson.

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.

