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Useful websites

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

Company's Highlights

Eratz goes deep! The undoubted master of the medium-depth vertical offset, Eratz has secured the rights to drill to 10,000 (as we say "down to the granite") with a few turns along the way (horizontal). We've done it before and have been very successful, but these affordable opportunities come along once in a blue moon. Do you know what happens when an operator has success in the field? The landmen, geologists and landowners search you out! ***Potential*** is tough word because no one feeds their family on ***potential*** (oil trapped in the ground). Eratz only takes care of others when oil is warmed, tanked and sold to refineries. As we've shared in our newsletters, ***We find oil. You found us.*** Now, add: ***Let's make money!*** We have the technologies and experience to go deeper with direction, but this requires specialized team-work to make this dream work, but drilling is drilling, so by the end of 2025 Eratz will be drilling those wells. We have drilled 13 projects out of our 30-well program, Aldridge 2, Hughes 5 and 6, and the Shirley are our newest ventures. The Sloan is slated for later this year. All Mississippi reef wells are below 6000 feet with 100,000 to 300,000 barrell reserves per well. Eratz needs partners that are in for all the wells. Our Power Clients (PCs) **expect** mailbox money, not just tax deductions, just as Eratz **expects** our PCs to make their best efforts to be in those wells. Friends, we're projecting a minimum of 750,000 barrels of oil spread among Eratz's last five wells. If we use a very conservative $80 oil over 12 years, this yields $12M in mailbox money per well spread over a well's life. As you've read many times, it all starts with a great lease, and that's why we're assembling PCs to secure these great tracts with bigger reserves. Are you in?

Oil Patch Highlights

Rise early. Work hard. Find oil. That's been my mantra for over 40 years. You can't fake it. Lots of people try, but in the oil patch, investors and operators know by the end of the day if you've wasted their time. Many O&G companies have gone out of business, while others have merged, but in business, as in life, and as Eastwood plainly delivered, *"…adapt, improvise or overcome* (or we die)". Fortunately, Eratz remains largely unscathed because we do stay in our lane; we do stay lean and clean; we do have skin in the game; and we do give the biggest bang for the buck. These are the cornerstones of our success since 1989. Eventhough the Eratz experience has morphed over the decades, what keeps us relevant hasn't. We arrive on site early and stay late. We keep it close, helmets on and phones off. We perform honest-to-goodness hard ***work***, which, according to many, ***work*** must be the new 4-letter unmentionable word. Yet, Eratz is fortunate because our teams are old-school. First, they show up. Second, none of this half-assism so common on younger teams, and third, each team member is a capable generalist able to perform the many critical oil rig tasks. Labor costs and equipment costs are up. Infact, my labor costs are about the same I paid when oil was $120/barrel! But, the roads are good; the gates are locked, and we're picking up oil while being good stewards of the land. The price of oil is soft

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

Did You Know…

That some credit production from the Permian Basin to the Allied victory during World War II. At the time, the Permian Basin was responsible for half of the world's oil and gas production.

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mainly due to the expected late summer market doldrums, and it's just too darn hot some days--the average heat index for August is 113°F!

There is wide confusion on the direction of the price of oil. Some "experts" predict it will go as low as the high $50s; while Kramer of Squawk Box says we could easily see $100 oil within a year. I'll split the difference and stick with--as I have always penned--the mid $70s. WTIC should slowly climb as the weather cools and a big jump will occur if there's peace between Ukraine and Russia. Let's pray for peace. Oh, Eratz's break-even point is one of the lowest in the country at $32!

For my Potential Oil Investor (POI) that's converting to a PC, you've read everything thus you should have a clear understanding what we're all about. My PCs and POIs are in the proverbial eye of the storm. It's sureally calm now, but it's going to get wild. However, when oil prices jump so do the price of energy investments. This is the best time to take the intelligent leap of faith just before the world gets greedy!

Things to Think About

We're six months into President Trump's tenure, and the tariffs have kicked in. No surprise, those countries that have large tariffs will have smaller GNP growth because of the tariff-lifted oil. Do you recall in May when President Trump went to Saudi Arabia on the behalf of Boeing to secure The Kingdom's commitment to buy 32 737 MAX airliners?--this is part of the Kingdom's $600B investment package in the US. What you probably didn't know is that President Trump also secured assurances from ARAMCO that it will continue to sell oil in US dollars thereby assuring the US remains in control of the oil flow, AND to "emphasize the US's preferences" on where The Kingdom ships its oil and the routes it takes. Some observers said President Trump was laying down the law to OPEC to not "race to the bottom" by tracking the less expensive, albeit much less desirable, Russian oil. The likely net effect of Trump's posturing and deal making should be $80 oil by Christmas. And besides, does anyone really think that oil producers want lower oil price when everyone knows that $80 is the market inflection point where everyone is happy?

Presidents Corner

We are as determined and enthusiastic during times of adversity as we are in the sunniest days of prosperity. We aren't disappointed when things seem disappointing because we focus on the brilliant future, regardless of the circumstances, conditions or events. Eratz stays strong because of great leases, our teams--the best in the business, and our loyal PCs. The O&G business is hard. Let's be honest. I get only one shot to make it right while most of my PCs had to suffer dozens of calls from fantasy oil companies before we connected--frustrating, but true. I'm an oilman, not a promoter, and I believe real investors eventually find real oilmen, and this oilman keeps the money in the field. Eratz doesn't mail slick brochures or blast social media. Our approach has never changed, and It all starts with a great lease and honest rapport. I take each POI by the hand and go through several levels of easy-to-understand reading material. The real buyers will ask the tough questions. If a POI isn't probing, and I'm doing all the talking, we probably should part ways. Maybe we should Facetime or GoogleMeet and see eye to eye and save ourselves the time and trouble? In the end, Eratz might not be a good fit, and that's ok. Dear POI, the worst thing that can happen is that we part company as friends, that's why I ask my POIs more than once, "Can you really do this?" Eratz needs buyers, not Artificial Investors (AIs). Historically, September is when things really get cooking in O&G. There are just a few POIs that have been reading our Wisdom and Trust newsletter without committing. If they had stepped up, they would be receiving mailbox money now, or I'm drilling those wells that they should have been a partner. A few reading this letter are professional visitors not oil barons, so I have to ask, which one are you: a PC, a POI, or an AI?

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.