

# OIL INVESTING

2021



PANEX PRIMER #3

OIL INVESTING 101 IN 2021



# WHAT EXACTLY

is oil?

Crude oil, or hydrocarbons, began their formation millions of years ago. Hydrocarbons (oil and natural gas) are a fossil fuel that have been formed from large amounts of tiny plants and animals, such as algae and zooplankton. Once these organisms die, they begin to fall to the bottom of the sea and, over time, get trapped under multiple layers of sand and mud. As time goes by, and as the organisms get buried deeper and deeper below the surface, the temperature and pressure begin to rise. The amount of pressure, temperature and the type of organism determines whether it will become oil or natural gas.

Oil is created at a lower temperature than natural gas. The higher the temperature, the lighter the oil will be. When the temperatures rise even more, and the organisms being affected, are made of mostly plants, then natural gas is formed.

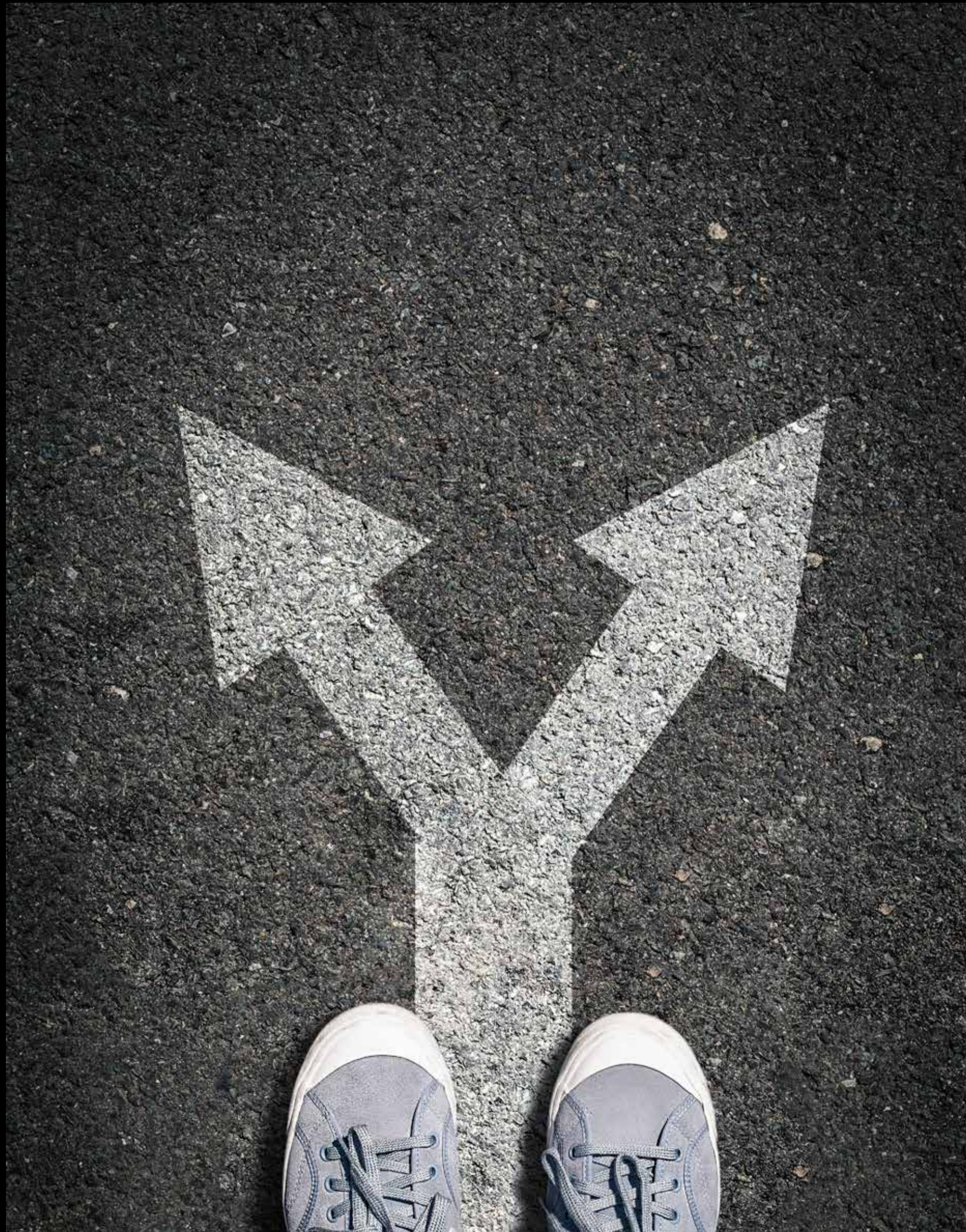


Once the oil and natural gas is formed, it migrates through pores in the rock until it gets trapped under cap rock and clay where the oil can no longer continue to migrate. This is where we find hydrocarbons today!

There are over 6,000 uses for the products created from oil. One 42-gallon barrel of oil creates 19.4 gallons of gasoline. The rest, (over half of the 42-gallon barrel), is used to make those other 6,000 products.

From things like all of the plastics you see used in the world today, to the asphalt you drive on. From football cleats to ink, to medicine, there is a component of oil in nearly every living human being's life.

**If you have heard that oil is going away, don't believe it. It will take a very long time to replace all the products that come from oil.**



# HOW DO I KNOW IF OIL IS RIGHT FOR ME?

Oil investments can come with huge potential returns, but they also come with risk. In some cases, high risk, as in Wildcat drilling where you go into unproven territory in search of a gusher.

Unless you are an adrenaline junkie, stay away from high risk oil deals. They don't classify them as high risk for nothing.

In general, you must be the type of investor who can tolerate *some* risk, but you don't have to bet the farm to find success in the oil patch.

You must also be Accredited. Under the SEC accredited investor definition, natural persons are accredited investors if their income exceeds \$200,000 in each of the two most recent years (or \$300,000 in joint income with a person's spouse) and they reasonably expect to reach the same income level in the current year. Natural persons are also accredited investors if their net worth exceeds \$1 million (individually or jointly with a spouse), excluding the value of their primary residence.

**The "Accredited Investor" definition is a central component of Regulation D. It is intended to encompass those persons whose financial sophistication and ability to sustain the risk of loss of investment or ability to fend for themselves render the protections of the Securities Act's registration process unnecessary.**





## RISKS & REWARDS WHAT ARE THEY?

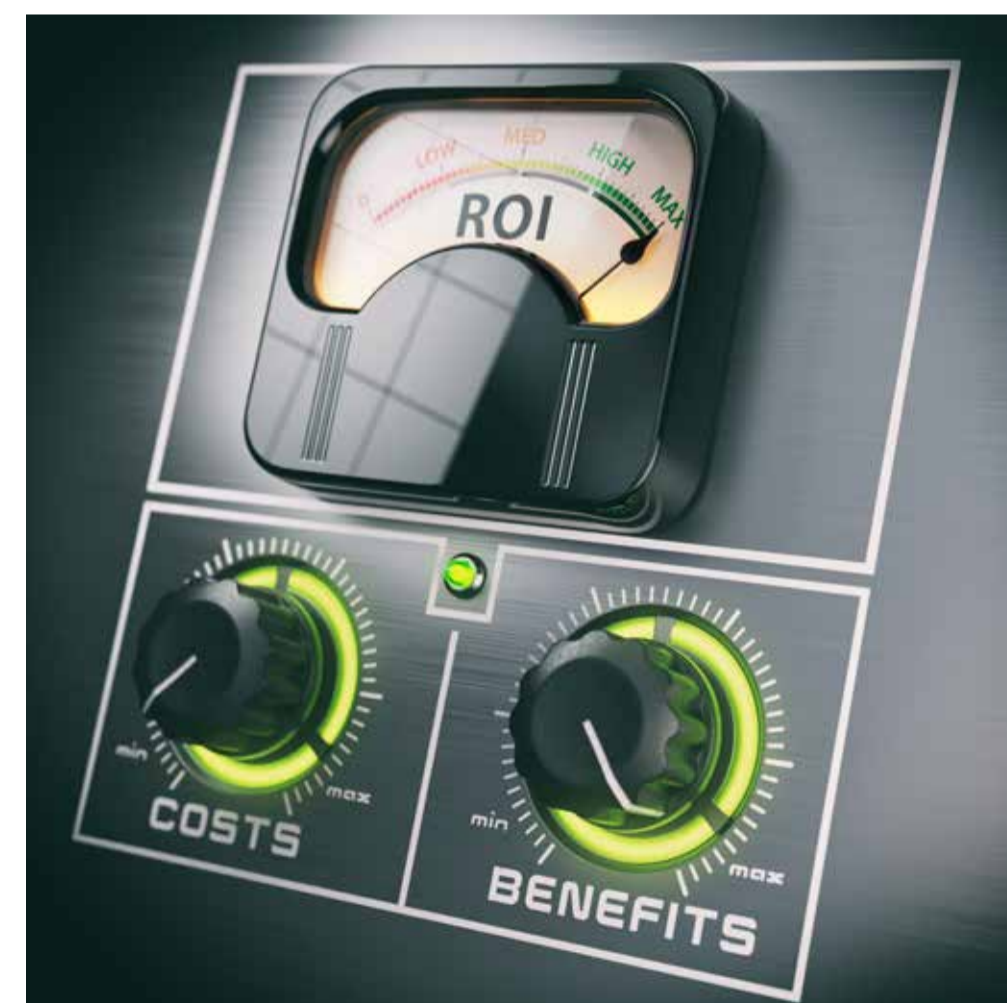
It is commonly known that oil exploration can be risky. Especially if you are trying to discover oil in a place where it has not been found before, (Wildcat Drilling). If you drill a "Dry Hole" you can lose all of your investment.

A safer bet is to invest in a project that is producing oil from proven acreage. This is one of the best ways to mitigate risk, because you know going in that the oil is there.

In terms of potential rewards, the sky is the limit. A successful well can produce for 20 years or even longer, providing a steady stream of revenue long after the initial investment is recouped.

Additionally, there are tremendous tax advantages which we will cover on the next page...

**High potential returns do not mean the risk must be high as well. In a good oil program, risk is mitigated in some way and the potential return remains high.**





# ARE THERE TAX BREAKS FOR DOMESTIC OIL INVESTORS?

Domestic Oil and Gas Production Is Favored In The Tax Code.

When it comes to tax-advantaged investments for wealthy investors, one investment class continues to stand alone above all others: Oil. With the U.S. government's backing, domestic energy production has created a litany of tax incentives for both investors and small producers.

Intangible Drilling Costs usually constitute 80% to 90% of the total cost of drilling. These costs are 100% deductible in the year incurred.

A working interest in an oil well is not considered to be a passive activity. This means that all net losses are active income incurred in conjunction with well-head production and can be offset against other forms of income such as wages, interest, and capital gains.

Go to [this page](#) for more details on tax breaks. You can also [Contact Us](#) and we can setup a meeting between your accountant and ours.

Watch this [six minute video](#) for an example of how an oil investment might help you on taxes.

**Oil is one of the last great tax shelters in America. If you are a high net worth individual with a substantial tax burden, oil is for you.**





ECONOMY  
RESTART

## IS NOW A GOOD TIME TO INVEST IN OIL?

A lot of that has to do with you and your priorities. As far as the outlook for oil is concerned, it is a great time. Oil is already roaring back and there is no telling how high it will go given the current political environment.

Oil field service companies are working at reduced rates, as are drilling companies. Producing oil fields can be purchased for pennies on the dollar. This has all been caused by fear and panic.


As the industry regains its equilibrium we expect to see U.S. domestic oil production rise again as it has always done in the past. This is not the first crisis oil has faced, and it won't be the last.

If you are in good shape financially, could use some tax breaks, or just want to grow your wealth, now is a great time to invest in oil.

In addition to drilling programs, Burrite has a fund you can invest in that will pay you interest on your money as well as revenue from oil production.

[Contact Us](#) for more information on the Burrite Series  
**A Note.**



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- Priority #1
  - Priority #2
  - Priority #3

**PANEX**  
PANTHER EXPLORATION  
**BURRITE**  
Acquisitions



# ASSET ACQUISITION

## PANEX BURRITE STRATEGY

Location, Location, Location... We've all heard that before. It is the #1 Rule to follow if you are trying to build wealth in real estate. Guess what? It is the #1 Rule to follow in oil as well.

When things got bad for the oil industry, Burrrite got busy. We started buying productive oil fields that would have never been for sale before the disaster occurred.

The problem with many oil investments is that the syndicators *can't get* a great location, which forces them to settle for more wildcat type, risky ventures.

Make sure the company you deal with is working in areas that have been proven to produce oil.

Burrrite is currently producing oil from wells that were already drilled when we bought them. Additionally, We have over 100 new drillsites classified as "PUDs" (Proved Undeveloped). This is what we mean when we say mitigate risk.

If you would like to know more about Panex / Burrrite properties, watch this [Video Update](#).





## WHAT IS THE BEST WAY FOR ME TO GET STARTED?

We think the best way to get started if you are new to oil is to do some homework. **Get educated.**

**Take stock of your financial situation.** Oil investments are speculative. It is possible to lose your entire investment. You need to be able to sustain a loss like that without affecting your family or your life style. If you couldn't do that, then oil is probably not for you.

**Ask yourself these three questions:**

1. Can I afford this?
2. Is the company I am dealing with for real?
3. Does their offering mitigate risk and still give me a good shot at a high return?

A legitimate oil producer will be able to provide proof of past success and a clear roadmap to future success. Don't settle for less.

**In short, the best way to get started is carefully and thoughtfully. Do your homework, ask a lot of questions, and run from anyone who 'guarantees' you a high return on your money.**







# PANEX

PANTHER EXPLORATION

## **BURRITE**

Acquisitions

Our sister companies work side by side creating top to bottom synergy in everything we do. Burrrite Inc. is the acquisitions and consolidation side while Panex LLC handles drilling new wells and many other “on the ground” activities.

We put together an [All Star Advisory Board](#) to help us as we grow and develop the company into a public entity. These are some of the brightest minds in the industry as you will see as you read their bios.

Add the expertise of Robert D. Burr and his sons Jay and Justin, and you have a dream team. Bob has been in the business since 1973. He is a seasoned professional with worldwide experience in structuring and funding Oil and Gas Investment Ventures. Jay and Justin grew up in the business and are seasoned pros in their own right.

Final word from Bob... watch [this short video](#).

This is not an offer to sell. An offer to sell or invest in a Security must be accompanied by an offering Memorandum, with verification of Accreditation through third party under a reg D 506(c)