

Black Clouds, Silver Linings, and Guatemalans

I had a supervisor once who said, “Things can always be worse, and if they can’t get worse, they can only get better.” As I write this letter, the stock of the company for which I work is trading at \$7.40, down from \$21.86 a year prior, which was down from around \$32.00 the year before that. Depressing? Yes. Unique? No. The reality is that most everyone in the oil and gas patch is feeling the pain resulting from an oversupply of the products we help produce and as a result, depressed prices and depressed stock values. Several bankruptcies have been announced, as well as asset divestitures. In this environment it can be very easy to dwell on the negative. I’m sure you know the type of person who will find a black lining in every silver cloud, a person who is always focusing on the negative. Those people are a drain, and it seems like I run in to them much more frequently now in this market.

Funny thing — you know where I didn’t seem to run into those negative people? The January MLBC Dinner Meeting in Southpointe, PA. I’m not just saying that either. I talked to many people, several of whom were currently looking for employment, and everyone was positive and generally upbeat. In fact, when it came time for me to welcome the crowd and get folks to take their seats, the crowd was so lively and loud that I pretty much had to yell to get their attention. I love it. That’s the way it should be. I’d like to thank everyone who came out on that cold evening in Southpointe. In addition to the networking and catching up that went on, Nik Tysiak gave a very good presentation on the tax sale maze and somehow made that topic more entertaining than it should be. I enjoyed the positivity in the room, and a handful of us went next door for beers afterwards. In the midst of this downturn, it felt a little like the “good ole’ days”. To highlight even more positivity, I know of at least one person who found their next job by speaking to someone at their table during that meeting. Congratulations!

In keeping with the topic of staying positive, sometimes it helps to look back and think about some of the good we have done and some of the positive experiences we have had. I encourage you to do that regularly. This industry has changed people’s lives. Not only has it provided above average employment for us, it has literally been life changing for many of the people we have come in contact with. I’ll take this opportunity to share with you one of my experiences.

I was managing a leasing project that was right in front of the drilling rig, so to speak. One of my direct reports (for the sake of protecting names, we’ll call her Judy), came to me to explain a situation that was developing with one of her landmen in the field (we’ll call him Tom). Tom had been trying to track down an heir to an oil and gas interest and had determined they lived somewhere in Guatemala, but he couldn’t determine where or if they were still alive. After much detective work — Tom is a diligent landman after all — he found a

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MLBC President, Jeremy White

relative who lived in Los Angeles and established communication. It turns out that the Guatemalan couple were alive and well. I’ll call them the Garcias in order to protect their identity. I know that may seem like a generic name, but that’s actually the second most common surname in Guatemala, so I didn’t arrive at it randomly. Mrs. Garcia had inherited the interest via intestate succession from her father who was a West Virginia born soldier stationed in Guatemala for a while. I’ll let you connect the dots there.

The couple spoke no English; however, Tom was able to communicate through the nephew. Apparently, we were not the first oil and gas company to locate them. They had a bad experience with whomever they had dealt with before and were purposely being unresponsive because of their trust issues. Once Tom earned their trust however, they determined they wanted to come all the way to West Virginia to execute the lease, rather than handle it at home. They were not materially well off, but their nephew helped them with the travel cost. Tom arranged for a meeting at his brokerage’s office. The nephew, his wife, and the Garcias all arrived at Tom’s office to execute the documents. Because of their trust issues, they would only execute if we immediately wire transferred the lease bonus money to their bank in Guatemala. As you can imagine, this created some difficulty for Judy and I to arrange, but we got everything set up ahead of time. Judy and I were waiting at our office for word that the documents had been executed and then we would finalize the wire transfer.

The call came in. Tom said the Garcias were NOT going to execute the lease. We were in disbelief! How and why would a couple come all the way from Guatemala to execute a lease only to leave empty handed? Judy and I had to find out for ourselves. She called Tom back and said “Don’t let them leave! We are heading to your office immediately.”

We arrived at his office shortly thereafter and were greeted by the nephew. Keep in mind that the Garcias don’t speak a word of English, and my Spanish is

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extremely limited at best. The nephew and his wife served as translators for the conversation that ensued. He calmly explained that they would not be executing the lease at that time because the tax burden for a non-citizen was much more than they had planned for. Since Mrs. Garcia was the child of a US serviceman, she had an expedited path towards US citizenship. It is something she had always wanted to do, but in all her years she never had. This was her opportunity. She could even have her own tax ID and pay her taxes as a US citizen at a lower rate. She would go through this process and execute the lease after becoming a citizen, which would take about a year. I understood their position, but the problem was that I needed that lease now – not in a year!

After some thinking, I reviewed the budget and determined we could come up with a little more money (robbing Peter to pay Paul sort of thing). I asked them if they would execute the lease if we agreed to “gross up” the bonus payment so that after taxes, they still went home with the total they were hoping for. They seemed confused and wondered why we would agree to do that. For them, waiting another year was no big deal. However, as you know, for us in the land business, time is money. They were overly appreciative and agreed. Now the problem became the wire transfer. We had already set things up through our accounting department and all that work would need redone, which would take another day. They agreed to come back the next day while we got all the new documents in order for the transfer. Judy got to work that afternoon. She was going to be off the next day, but she had everything teed up for us and ready to go.

The next day, after executing the lease documents, we initiated the wire transfer. The Garcias didn't want to leave until they had confirmation from their bank that the money was in their bank, which took about four hours. During this time we spoke about our families, our hobbies, and many other topics. Up to this point, I thought the possibility still existed that they were just playing hardball and we were just being played by some slick negotiators. It was during this time, however, that they finally began to reveal what some of their plans were for the bonus money. They were going to help their son import half a dozen mushroom varieties from Hawaii and establish them in Guatemala to help with agriculture and food production. They have a mission they personally run and they feed around 150 individuals each week. They also provide shelter for the homeless. They had plans for expansion, so that they could help more people. The Garcias are about as genuine, humble, and good as anyone you would hope to meet. After the wire confirmation came through, goodbyes, best wishes, and hugs were exchanged all around. In the end, they offered to open up their home to my family so that we could come visit and they could give us a tour of the Guatemalan landscape. I'm still contemplating that when the kids get a little older.

A couple weeks later, I received this email from Mrs. Garcia:

“Respectful Mister White:

Wishing that in your daily performance you achieve the desired success.

We arrived in Guatemala terribly tired but our spirit brimming with joy for having met people as kind and sincere as you.

We are really worried that we still don't speak English and that is our emerging goal to be able to communicate openly.

We are very grateful to our Creator who allowed us to reach you and meet you personally.

Thank you for your sincerity, your honesty and your great help in achieving what has been accomplished.

With Jacobo and his wife Rossi we talked about the beautiful person you are. God bless you always.

*We were very well impressed with *Mr. Tom*, because we saw in him a great quality of being human. Responsible and very active. Blessings to him too. Looking forward to hearing from you with our appreciation and esteem, sincerely,”*

Are you kidding me? If that is not a positive experience I don't know what is. I've been a part of many deals over the years, but that is one that will stick with me. I have no doubt it will stick with Tom and Judy as well. No doubt everyone else has positive experiences from their careers that they can reflect on too. Some of them may be life changing like this one was and some of them may less so. But they are good experiences nonetheless. As we navigate this downturn, take time to reflect on positive experiences. Take time to reflect on some of the successes of which you have been a part. Why not take a moment to share a positive experience or anecdote with someone else?

February 13th is a great time to do just that. The MLBC will be having a membership appreciation happy hour at the Parlay Lounge in Washington, PA. The cost to attend is free for members and prospective new members. It's our way of helping keep things positive and moving forward. My hope is that we have an even livelier crowd there than we had in Southpointe. Remember – at least one person landed a new gig at the meeting in January. That's certainly positive, and it's one of the reasons we are here. I'll see you in Washington!