

energy

Drilling for God

GUIDED BY THE BIBLE, A QUEST TO FIND OIL IN ISRAEL

by Gabriel Sherman



MAN OF FAITH John Brown, founder of Zion Oil & Gas, in downtown Dallas on June 5.

“He made him ride on the high places of the earth, and he ate of the produce of the fields; and he made him suck honey out of rock, and oil out of the flinty rock.”

—ZION OIL & GAS VISION STATEMENT
(Deuteronomy 32:13)

ON A BEND IN THE four-lane highway that weaves inland from the Mediterranean toward Megiddo, Israel, the ancient hillside town better known by its Latin name, Armageddon, the vertical silhouette of an oil derrick rises 12 stories above the patchwork of lemon groves stretching into the countryside beyond. This is verdant kibbutz land, dotted with grain silos and hayfields, and the curious sight of an oil platform stands out like a rusted nail hammered into a green quilt. The only sign of oil is a service station a few miles up the road. But according to an evangelical Christian from Houston named John Brown, who founded the little-known Dallas company Zion Oil & Gas, the Bible prophesied that this unassuming corner of Israel would yield untold riches of crude oil—enough to realign the combustible geopolitics of the Middle East.

Brown isn't here at the moment, however. He's back in Zion's nondescript office, in traffic-choked northeast Dallas, doing what he does best: trying to raise money, shoring up the faithful, praying (literally) every day for a strike while getting regular updates from the field, courtesy of Zion's president, Glen Perry, the laconic, twang-talking Texan who runs the drilling

operation. Oddly (or perhaps not), the pressure on Brown to produce oil from this \$8.5 million enterprise comes less from Zion's 3,000 shareholders—most of them evangelicals like himself—than from his theology. Wildcatters guided by the Bible aren't without precedent. Ancient texts have referred to asphalt seeps and natural-gas flares, key clues to the location of undiscovered oil reserves. Scholars believe that Iraq's Kirkuk fields, which seep natural gas, played the role of the fiery furnace described in the book of Daniel, into which Babylonian King Nebuchadnezzar cast the Jews.

What makes Brown's quest more than a religious sideshow is that some clearheaded oil people don't believe he is totally mad. For one thing, he's drilling in northern Israel, a virtually unexplored region where, according to modern geological theory, there's a decent chance of striking oil.

Which explains the presence of Perry, a mildly observant Jew. He is here in his chinos, aviator sunglasses, and golf shirt, patrolling the rig with a seasoned eye and chatting with the pair of Russian security guards who watch over the place. While not dismissive of Brown's religious approach to finding

petroleum, Perry is a solid old-school oil driller. Brown recruited him on the ground in Israel, where Perry was doing consulting work for Delek, a publicly traded Israeli energy conglomerate. Perry has brought in wells in hard-scrabble places like Siberia and the Republic of Georgia. He signed on after reviewing Zion's seismic data, not its Bible-based mission statement.

country. Because of an Arab boycott that spooked the world's major oil companies decades ago, logistics are hellish and production is expensive: Almost all of Zion Oil's materials must be imported from non-Arab countries. Drilling a well in this area costs double what it does in Texas. And try finding an experienced crew in a land where only three drilling rigs are available, a

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But on this windless day in May, things aren't going so well. The rig is at a standstill; the drill pipe, now 11,000 feet down, is stuck by a cement clog. Perry can't do a thing until repair equipment is trucked in from an oil-services company in Egypt, one of the only countries in the Middle East willing to do business with Israel. The delay is another reminder of the pitfalls of drilling in what Brown calls God's

land that has thus far produced only dry holes and disappointment, a land preoccupied by the chronic ebb and flow of conflict with its Palestinian neighbors. Still, Perry has managed to assemble a crew, most of them from Sderot, near the Gaza Strip, and he's determined to complete this first well no later than the end of the summer—no prophecy or prayer involved. "The operations are done by experienced oil professionals," says Perry, "not the guy preaching salvation on the street corner."

And if this well is dry? "We've learned an incredible amount about the geology, which we'll put to work in the next well," he says. Still, he exhibits a wildcatter's optimism when he says seismic data indicate "this is the place."

Maybe. But it's undeniably an odd place. The only disturbance in the late-afternoon calm comes from the baritone rumble of Israeli warplanes circling overhead. It's an ever-present reminder of where you are: The occupied West Bank is only three miles to the east.

THE WELL HERE, officially known as Maanit No. 1, has been under way since early 2005. It stands on an 85,000-acre tract licensed from the Israeli government. Brown's ultimate goal is to extract oil and gas he believes lie buried three miles beneath the ancient territory of Joseph's firstborn son, Manasseh. This spring, Zion Oil completed its

BORING DOWN DEEP Zion Oil's president, Glen Perry (far right), consults with employees about the progress of Zion's inaugural well near Caesarea, Israel.



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initial public offering on the American Stock Exchange, raising \$12.6 million. Shareholders include Christian leaders such as Hal Lindsey, a bestselling evangelical author, as well as prominent Orthodox Jews, among them Michael Freund, a onetime deputy communications director for former Israeli prime minister Benjamin Netanyahu. Zion Oil stock, which topped \$12 a share on its first day of trading, in January, had slipped to below \$6 by July.

To any hardened capitalist, a theologically inspired business plan would seem comically far-fetched. But for Brown, faith and commerce easily coexist. A 67-year-old former manufacturing executive who found Christ in 1981 amid the wreckage of a collapsed marriage and four stints in rehab, Brown decided to devote his life to the search for the Promised Land's oil. "My love for Israel is fanatical," he tells me. "When I fell in love with the place, people would say to me, 'Can't you just be a normal Christian?' And I would tell them, 'I don't even know what that is anymore.'"

For guidance, Brown turns to passages in Genesis and Deuteronomy, which he believes document the precise location of Israel's oil. At his death, Jacob promises Joseph "the blessings of the deep that lieth under" (Genesis 49:22-26). Moses, on his deathbed, gives his blessing to the tribes of Joseph for "the chief things of the ancient mountains" and "the precious things of lasting hills" (Deuteronomy 33:13-17). Moses then blesses Asher that he may "dip his foot in oil" (Deuteronomy 33:24). And in Moses' final testament to Israel, he says that God promises that the nation will "suck honey out of the rock, and oil out of the flinty rock."

Biblical scholars commonly take these passages to mean the olive oil that was bountiful at the time, but since forming Zion Oil in 2000, Brown has found fellow believer-investors who share his interpretation that these are references to petroleum. "Evangelicals will sup-

port us because we're faith-based," says Zion Oil's C.E.O., Richard Rinberg, an Orthodox Jew from London.

At first glance, Rinberg, an accountant and former venture capitalist who wears oval glasses and a yarmulke, seems an odd choice to run a Christian-inspired oil enterprise. He possesses a measured, aphoristic manner with none of the brio commonly found in Texas oilmen. But Rinberg, like the six Jews on the company's board, is here because of Zion Oil's steadfast support for Israel, a country he



THE DRILL SITE Zion's well rises from fertile kibbutz land.

immigrated to in 1996 from "Christian Europe," as he likes to say.

The origins of modern Christian Zionism can be traced to the 1970s, when a new cadre of firebrand evangelical leaders, including the late Jerry Falwell and pastor John Hagee, founder of Christians United for Israel, married religion to conservative political activism. Unflinching commitment to Israel quickly vaulted to the top of Christians' list of biblically mandated duties. For many Christians, Jews are the biblical "chosen people" who must return to Israel before the Second

Coming can occur. And for Jews, especially those who subscribe to messianic Orthodox beliefs, Christians have become crucial—if unlikely—allies, ready to defend Israel at any cost. "I thought it was important to support [Zion Oil] for Israel's sake," Freund says. "It's a well-intentioned effort, and it's an effort that is grounded in scientific acumen."

ISRAEL, OF COURSE, has earned the unfortunate distinction of being a Middle Eastern country without large-scale oil reserves. Following the nation's birth, in 1948, and the subsequent war of independence, Western oil companies heeded the Arab boycott and abandoned exploration. Israel's only substantial commercial onshore discovery to date—despite 480 wells drilled—is a field in Hefetz, 35 miles south of Tel Aviv, that over 50 years has produced a mere 18 million barrels, approximately enough to supply the U.S. with oil for one day. (Israel's annual oil consumption is roughly 80 million barrels.) Recent offshore exploration has proved only slightly more promising.

Skeptics point to this history as evidence of Israel's dearth of petroleum. Prior to Zion's well, seven previous biblically inspired attempts had failed. "Nothing has been discovered. And no oilman in his right mind would put money into the business," says Zvi Alexander, a former director of Israel's state-owned oil company.

Others, though, look to earlier seismic studies that indicate the hunt for oil there isn't a futile endeavor. In 1962, Lewis Weeks, Exxon's former chief geologist, issued a report commissioned by the Israeli government that estimated that as many as 2 billion barrels could be recovered. A 1979 study conducted by a Shell Oil geologist, reached a similar conclusion. (Israel says it can only confirm proven reserves of 2 million barrels.)

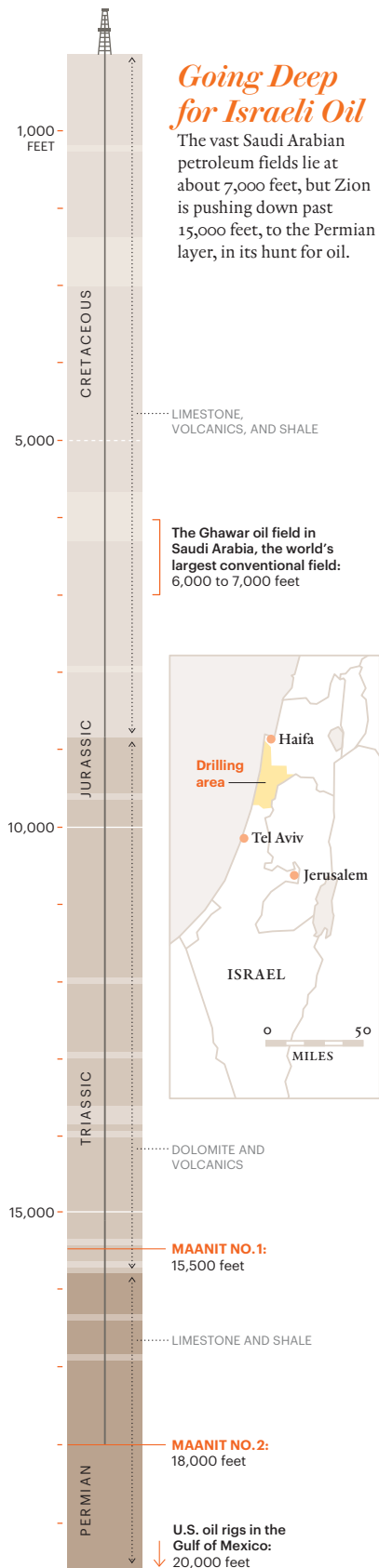
Indeed, some Israeli geologists say the nation hasn't had a fair test of its

onshore oil potential, because only two dozen wells have probed as far down as the Permian layer, a stratum of rock 250 million years old located more than three miles below the earth's surface. Seismic data hint that Israel's oil is most likely to be found at this depth. But even those explorations were abandoned prematurely, due to technical problems and lack of funds. "Deep horizons have hardly been touched by drill holes," says Yaakov Mimran, Israel's petroleum commissioner.

This gives some credence to Zion Oil's quest. By next spring, the company plans to break ground on a second well, which will be drilled to a depth of more than 18,000 feet, reaching the Permian layer. In any case, Israel is forced to cheer for its exploration underdog; in the face of the Arab boycott, faith-based independents have been virtually the only players in town. The government stands to earn a 12.5 percent royalty on any sales, and the country would gain another source of domestic production.

I CATCH UP WITH Brown for the first time at Zion Oil's Dallas office, a bland glass tower perched among the strip malls and billboards of the city's radiating sprawl. He's not exactly a swaggering Texas oil C.E.O. Dressed in nylon sweatpants, a white polo shirt, and sneakers, Brown is eating a Subway sandwich at an oval conference table. A large framed copy of the Ten Commandments hangs on the wall behind him. Despite his genial high-school gym teacher appearance, there is a combative intensity to his ice-blue eyes. "We're going to get that oil," he says emphatically, a statement that seems addressed not just to me but to his secular-minded skeptics. "And when we have it, you'll have to decide: Is the Bible true or not?"

Between sips of Diet Coke, he begins to tell me his story, occasionally interrupting our conversation to leaf through his Bible, which is embossed with Zion Oil's logo. Brown wasn't born religious: He grew up in Utica, Michigan, where his father toiled at the local General Motors plant and his mother worked in a factory cafeteria. His childhood was shaped by Democratic politics and pro-labor sympathies rather than religious doctrine. Brown, who voted for



George W. Bush in the past two elections, remembers, "Republicans were 'those folks.' We thought we were just going to be Democrats until the day we died." After attending Fullerton College, in California, he returned to Michigan and married Hope Ulch, a Catholic girl who had grown up next door. By the late 1970s, with four children in the family, Brown was rising through the ranks of Valeron, a manufacturer of cutting tools that was acquired by General Telephone & Electronics in 1984. He had stock options, flew on the company's Learjet, and shared the executive suite with the C. E. O. But his drinking, formerly social, eventually unraveled into blackouts and four unsuccessful tours through local rehab centers.

In 1981, with his alcoholism worsening, Brown's marriage began to dissolve, and he moved into a one-bedroom apartment across town. The mover Brown had hired, a laid-off autoworker, began preaching Christ's salvation as he unpacked Brown's belongings. He invited Brown to accept Jesus into his heart. Brown says he wept uncontrollably at the young man's words and, at the age of 41, became a born-again Christian.

Though he quit drinking, his wife filed for divorce. At one point, according to their divorce documents, she obtained a restraining order against him out of fear that he might "physically abuse" her. The documents also allege that Brown fell behind \$13,500 on his child-support payments. The couple eventually settled, with Brown agreeing to pay \$800 a month in support for their children. Hope, who remained single, went on to become a drug and alcohol counselor and write motivational self-help books. She and Brown have stayed in touch, and she hopes his Israeli venture pans out. "I pray for him and his cause," she says, but notes she hasn't invested in Zion Oil stock. "I know John well enough—that he's a giving person when he has things. If he had a lot of money and I needed some, he'd provide."

Soon all vestiges of Brown's former life fell away. He began attending a non-denominational church after his divorce became final. A few months later, he sat in on a lecture by Jim Spillman, a journeyman minister who was traveling the country preaching that the Bible

documented undiscovered oil reserves in Israel. Brown listened with rapt attention to Spillman's exotic tales. On his first visit to Israel two years later, Brown decided he would quit G.T.E. Valeron to fulfill Spillman's vision. Two years after that, in his resignation letter, Brown wrote that "it is with deep regret that I must resign. . . . However, I am involved in an oil project that God blessed me with in Israel, and will now devote all my time to the oil business and doing God's work." Brown says he spent his life's savings in his effort to launch his oil company. By the 1990s, he didn't have enough money to visit a dentist, and he even worked as a fitness-club janitor for a while.

IN MARCH, four chartered coach buses pulled up to Zion Oil's white-stucco office building in an industrial park a few miles from the drilling site. In the unyielding glare of the midday sun, Hal Lindsey, author of the prophecy book *The Late Great Planet Earth*, discharged the 200 evangelical Christians traveling on his nine-day tour of Israel.

At the drill site, a Christian attempted to thrust money into the hands of the C.E.O.

As part of an itinerary that included visits to Bethlehem, Nazareth, and the Mount of Olives, this unusual, secular-seeming detour was especially thrilling. For Lindsey's followers and Zion Oil's evangelical backers, the company is not just a business to invest in. Rather, Zion Oil is evidence that the Bible's prophecy is actually being fulfilled.

At Zion Oil, such pilgrimages have become common. For many Christians, when it comes to helping Israel, the lines between business and philanthropy blur. Last year, one Christian at the company's drilling site attempted to thrust fistfuls of cash into the hands of the company's C.E.O. (Rinberg says he refused to take the money.) During its I.P.O., Zion received letters from evangelical share-

holders who said they had taken second jobs and worked midnight shifts to earn enough money to make the minimum \$700 stock purchase. "I invested to support Israel. I love Israel as much, or more, than this country," says investor Bettye Petree, an evangelical minister from Dallas. "They're our *only* true ally in the world."

"It hit me," Rinberg says during an interview in his sparsely furnished office in Israel this May. "In the mind of the evangelical, there's no difference between investing in a company and making a charitable donation." Brown says that while he welcomes Christian support, he never solicits investors in their places of worship. "I would never go to a church or a synagogue or any religious place" to raise money, he states. Instead, Zion Oil advertises on evangelical websites.

One of the firm's strongest marketing advantages, however, may be the current fascination with the apocalypse in many Christian circles. Rapture fantasy has become a multibillion-dollar business, and for a certain type of Christian, Zion Oil provides proof that a global confronta-

tion will soon unfold on the battlefields of Armageddon, as prophesied in Revelations (according to evangelicals' literal interpretation). For his part, Brown bristles at the apocalypse mania. "I don't see us as people that are in Israel trying to get this oil because that's going to make the Messiah come. Some of these evangelical people—they get a little crazy," he says. "You know I just don't buy into it. Is he going to come back? Yeah. When? I don't know."

ON A SULTRY AFTERNOON in June, about 50 Zion Oil shareholders crowd into a second-floor conference room at the Hotel Palomar, in Dallas, for the company's first annual stockholders' meeting. Israeli folk music plays in the

background as Brown's followers take their seats. A Methodist pastor and an Orthodox rabbi, standing at a chestnut lectern flanked by Israeli, American, and Texas flags, begin with readings from Psalms 133 and 127. Prayers follow. This should be a jubilant moment, with the company announcing the much-anticipated results of the first well. But, as Rinberg and Perry tell the faithful, the news is nominally bad: Zion's Maanit No. 1 came up dry.

Perry and Rinberg assure the shareholders that the company will drill its second well this fall. "Now that we know the beast," Perry says, "we've planned and sourced material for the next well." Brown is up next. He strides to the lectern, his shock of white hair glowing under the ceiling lights. Opening his Bible to 1 Kings 18:45, he tells the shareholders, "I want you to know that God specifically told me that Zion is about God's faithfulness to the nation of Israel—it's not about my faith." The audience begins to nod and murmur "Amen." "Rest assured," Brown continues, "we're determined. We're men of faith. We're men of substance. And God has provided everything Zion has needed so far."

Brown's speech seems to have melted away whatever lingering hesitations remain about Zion's future. A pair of eager middle-aged women clutching handbags rush up to Brown to snap photos. "We're going to spread your vision!" they tell him.

The meeting spills out into the hallway, where shareholders gather over refreshments. The mood is buoyant. "I believe specifically what the Bible says in those Scriptures about finding oil in Israel," says Anson O'Connor, a retired Rockwell mechanical designer from the Dallas area. An impish man with bushy sideburns and dark eyes, O'Connor says he called Brown in 2005 after reading about Zion on the internet. After the two read Scripture together for an hour at Zion's Dallas office, O'Connor invested \$30,000—almost 10 percent of his life's savings—in Brown's company. Despite the fact that no oil has yet been pulled from the earth, O'Connor isn't worried about losing his money. "It was an act of faith. I needed to do it," he says. "I wouldn't risk \$30,000 if I didn't believe." ©