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Any investment has to be selected based on the past performance and the demand it has in the future. Considering this oil and gas investment is the safest as the returns are high. Any investment that can give back the initial investment within a yearâ€™s time is considered to be most effective. The price of oil is expected to go up and it is the best bet as far as investment options is concerned. Before making an investment decide whether the UIT or the mutual fund route will work. Though mutual fund route is quite risky the returns are high. If you are not interested in taking risk it is better to opt for UIT. It is always preferred to go for direct participation as far as investment in gas is concerned.

While making an investment in oil and gas it is important to find out whether to follow royalty arrangement or partnership or working interest. Normally royalties are paid to landowners which means you need to buy a land that has oil wells. You can also invest in oil and gas directly without owning any land. This means buying shares in partnership in the oil and gas project. There are certain points to remember while making a gas investment, if you are planning to invest in oil projectâ€™s working interest which means any payment received becomes your earnings and it is subjected to self employment tax. Working interest investment is nothing but joining hands with geologists who work on the project.

Oil and gas has become the most reliable and quick source of income in the world. In the US alone 60% of the oil is imported from foreign sources. With the growing demand in the oil and gas sector as statistics reveal has moved from 2.5% to 7% per year. With demand rising, the supply is declining causing concern. With the per barrel price going up there is no doubt that oil and gas will be the most scarcest commodity on earth. According to research figures 80 million barrels of oil is consumed per day and it is likely to increase to 100 to 115 million by the year 2015. Meeting such high demand is not easy and it is the reason for price rise. This rise in oil price turns into wealth for oil and gas companies. That is why any gas investment is said to be a wise decision.

Oil and gas investors are one of the richest as the success rates has improved from a meager 5% to an astounding 45% in the past 50 years in the US. Even smaller oil independents can earn their share of income until the new reserves are being developed which give a big gap of 10 years. The United States government also has given 100% tax write offs for intangible drilling costs. This means investor paying for the drilling of a well can write off a portion of their oil and gas investment in the year of investment irrespective of the outcome of the well. This is because the United States wants to encourage oil and gas companies on the home soil.

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