



Rockin' the Bakken

Description

According to a recent release from the U.S. Geological Survey (USGS) the booming Bakken Formation that encompasses North Dakota, Montana and South Saskatchewan (although this part wasn't part of the survey) hasn't even begun to hit its stride.

The USGS conducted an updated oil and gas resource assessment for the Bakken Formation (U.S. only) and a new assessment for the neighboring Three Forks formation.

The Survey found that these formations contain an estimated 7.4 billion barrels of undiscovered, technically recoverable oil. This is a two-fold increase from the previous estimate.

The total resource is essentially split between the two formations.

Now, 7 billion barrels of oil is relatively paltry when it comes to comparing the Bakken to some of the world's great oil reserves. The Canadian oil sands for instance contain reserves of more than 160 billion barrels. However, to have this source of light crude so close to home is highly significant for the U.S.

Who wins?

For Canadian investors, perhaps the most risk averse way to play this find is through pipeline operator **Enbridge** (TSX:ENB,NYSE:ENB).

The Bakken is still new as oil fields go and therefore relatively little infrastructure exists (ie. pipelines). Enbridge is there in a big way as the company has extended a pipeline that ran from North Dakota to Saskatchewan and joined it to the company's Mainline with a link in Manitoba. The Mainline is then able to distribute Bakken oil to the U.S. Midwest, Midcontinent and eastern Canada.

Moving out the risk curve, it stands to reason that if the entire resource has expanded, producers may see their individual reserves expand as well. This bodes well for Canadian-based producers such as **Enerplus** (TSX:ERF,NYSE:ERF) and **Crescent Point** (TSX:CPG). Both have reasonable Bakken exposure in their portfolio of assets.

All three of these companies carry a nice yield and are coveted by dividend investors. If you consider yourself an income oriented investor, you need to [click here now](#) to receive our special **FREE** report “**13 High-Yielding Stocks to Buy Today**”. This collection of companies will have you rolling in dividend cheques before you know it! Simply [click here](#) and we'll send you this report – **FREE!**

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Fool contributor Iain Butler does not own shares in any of the companies mentioned in this report at this time. The Motley Fool has no positions in the stocks mentioned above.

CATEGORY

1. Investing

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1. NYSE:ENB (Enbridge Inc.)
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3. TSX:ENB (Enbridge Inc.)
4. TSX:ERF (Enerplus)
5. TSX:VRN (Veren Inc.)

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