



2 Small Cap Canadian Bakken Plays

Description

The North Dakota portion of the Bakken seems to garner most of the attention directed at this vast resource, which makes it easy to forget that Canada hosts its fair share of acreage as well. Much like its stateside neighbor, the Canadian Bakken is turning into a profitable region for a whole host of small oil producers.

One such company is **DeeThree Exploration** (TSX: DTX), a small-cap E+P that has exposed several highly promising basins in the Upper Bakken located in Alberta.

Beginning with its first horizontal, multistage fracture in the Upper Bakken in 2011, DeeThree is a pioneer in this region. Its continued drilling success here is a bright spot in Canada's energy landscape in which the continued setbacks for TransCanada's Keystone XL pipeline seem to dominate media outlets.

Since the start of 2012, DeeThree has grown its flow rate in the Upper Bakken from 750 barrels of oil equivalent per day (boepd) to 3,000 boepd in March 2013. Plans to drill 20 horizontal wells in 2013 – three more than in 2012 – should keep investor's interest piqued. The company expects these 20 wells to result in a rather impressive 77% increase in boepd. Could be worse!

Slightly larger than DeeThree, **Legacy Oil & Gas** (TSX: LEG) has also leaned on the Canadian Bakken to help it deliver production per share growth of 63% since 2009. And, while production is all well and good, it's nothing without the ability to replace those reserves.

To quell any fears of asset depletion, Legacy has grown its Proved plus Probable (2P) reserves by 200% per share over the same time period. With the possibility of Keystone XL being approved later this year, added incentives to begin developing some of its 350,000+ net undeveloped acres could be right around the corner.

Foolish Takeaway

These two examples show that the Bakken is not all about what U.S. producers have been able to extract from the thousands of years old shale formations trapping these fossil fuels. While these two

companies might not have the scale of some of their larger peers, they are certainly worth a look when entertaining the idea of investing in small-cap growth stories in the energy sector.

While oil and natural gas steal many of the energy related headlines we see, uranium has the potential to be *the* fuel that powers the 21st century. [Click here now](#) for instant access to our **FREE** report titled “**Fuel Your Portfolio With This Energetic Commodity**”. We think you’ll be surprised just how bright the future is for uranium, just how far these two Canadian names have fallen, AND **how fast** they could rebound. [Click here](#) to access this free report, and hop on for the nuclear ride of your life!

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