



3 American Companies Profiting From Canada's Oil Boom

Description

Canada has a lot of oil and the United States wants it. Not only do Americans want to import it, but American oil companies want to profit from the future development of Canada's massive oil sands. While there are many American oil companies working in Canada, here's a look at three that are betting big on Canada's oil boom.

ConocoPhillips ([NYSE: COP](#))

After spending the past three years refocusing its business, ConocoPhillips is now laser focused on growing its production and margins. One of the ways the company expects to deliver results is by spending \$5 billion over a five year program to develop its assets in the Canadian oil sands. Conoco is currently executing on projects at Foster Creek, Christina Lake and Narrows Lake which it expects will deliver an additional 105,000 barrels of oil equivalent to its production per day by 2017. That's about double the company's current oil sands output.

Conoco isn't alone in its quest to develop its oil sand operations as it has partnered with **Cenovus Energy** ([TSX: CVE](#)) on the aforementioned projects. The partners are planning to grow production at each site with Foster Creek and Christina Lake both having the potential to deliver more than 300,000 barrels of oil production per day by 2018, which in perspective isn't far behind the average of 770,000 barrels of oil per day the entire Bakken field produced this past February. That's why it's easy to see why the Canadian oil sands are so important to Conoco's future and why the company expects it to deliver 25% of its global production growth by 2017.

ExxonMobil ([NYSE: XOM](#))

The global energy giant has operations in just about every major oil producing region around the world, which is why it's no surprise to see that it's also investing in Canada's oil sands. Exxon is working with partner **Imperial Oil** ([TSX: IMO](#)) to bring the massive Kearl oil sands project online. Once fully operational, Kearl is expected to produce almost 600,000 barrels of oil per day by 2020.

While the project finally began to produce oil this year, it has not been an easy road. The C\$12.9 billion project has encountered a myriad of problems along the way. Everything from weather delays to rising costs. However, the future is promising as Kearl is expected to produce about 4.6 billion barrels of

recoverable oil over the next 40 years.

Devon Energy ([NYSE: DVN](#))

The final American company we'll explore is Devon's position in the oil sands. Devon has two major projects, Jackfish and Pike, which are expected to deliver production growth over the coming decade. In fact, Devon sees its oil production from these projects growing by up to 19% annually through 2020.

Devon is also doing something a bit different in how it's developing its oil sands acreage. The company is using small-scale facilities which cost less upfront and have an earlier return of capital. It will be interesting to see if this is the direction the entire industry ends up moving toward, especially given what Exxon and Imperial endured to get the massive Kearl project up and running.

Final Foolish thoughts

The Canadian oil sands are a world-class resource. It's estimated the oil sands hold about 170 billion barrels of proven oil reserves, which is why so many American companies have been drawn to the region. While pipeline capacity has been an issue in keeping the price of Canadian oil down, at some point these issues will be ironed out. It's only a matter of time. That leaves massive upside for the country as well as these U.S. producers that are along for the ride.

How Canada is Powering China

Canada is blessed with vast natural resources, but what's interesting is that while all the attention is on its oil and gas, investors are missing something. The big money *isn't* in natural gas and right now it's not in oil either. That's why your portfolio could be best served by uranium – the key ingredient for nuclear power. And with the global nuclear market ramping up in places like China, it could be a big winner ...

The Motley Fool has prepared a Special **FREE** Report that will clue you into the two best uranium companies in Canada. It's called "[Fuel Your Portfolio With This Energetic Commodity](#)," and you can receive a copy at [no charge](#)!

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Fool contributor Matt DiLallo owns shares of ConocoPhillips. The Motley Fool doesn't own shares in any of the companies mentioned.

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2. NYSE:DVN (Devon Energy Corporation)
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Date

2025/08/24

Date Created

2013/07/17

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