



Crescent Point Energy Corp: Collect \$1,200 in Monthly Income Starting in December

Description

It's hard to find a safe dividend stock that yields much better than 2%. But I've found a company that makes so much money, it pays more than triple the dividend of your average public corporation.

This stock gives you a stake in hundreds of oil wells without having to own an acre of land. That's how it has been able to pay out so much to shareholders in distributions. But if you want to collect this 7.4% dividend, you have to take action before Thursday, Nov. 27.

7.4% stock goes ex-dividend in November

The oil patch is a great source of income for investors. Energy companies are much more cautiously managed than their wildcat days of yore. And today, they're some of the most reliable dividend payers around.

Take **Crescent Point Energy Corp** (TSX: CPG)(NYSE: CPG), for example. Thanks to new drilling techniques, billions of barrels of once-unrecoverable oil and gas are now being pulled out of shale fields across the country. As a result, the company is gushing dividends.

There are a number of reasons to like this stock. First, Crescent Point announced a big oil discovery in southern Saskatchewan – the Torquay. The field is actually an extension of the prolific Three Forks play in North Dakota, and early numbers suggest the find could be as big as the nearby Bayview Bakken.

And they're drilling with a straw down there. Depending on the location, these wells deliver internal rates of return between 90% and 300%. For perspective, operators are happy if they can earn profits between 50% and 75%. Torquay wells are true gushers.

Second, Crescent Point is as much a tech company as it is an oil driller. Today, it's sitting on 1.8 billion barrels of oil in place, though only a tiny fraction of this energy can be recovered with today's technology. However, shale drilling is still in its infancy.

Crescent Point is trying out a number of new drilling methods such as water flooding, better fracking techniques, and longer horizontal wells. The company needs to boost the recovery factor on its wells by only 3.6% to double reserves. And there's the potential to do a lot better than that.

However, the main reason why I love this stock is the its big dividend. Crescent Point pays a distribution of \$2.76 per share, which comes out to an annual yield of 7.5%. That's one of the tallest payouts in the Canadian oil patch.

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Source: Yahoo! Finance

And while plunging oil prices have hit most drillers, Crescent Point generates more than enough cash to maintain its dividend. It pays out less than half of its fund flow from operations and has hedged most of its production out at much higher rates. That means investors can rest assured their income is safe.

Collect monthly income starting Dec. 16

Best of all, Crescent Point pays its partners monthly, so you don't have to wait to start cashing in. And you can start collecting some serious income with a yield like this. Starting with a \$40,000 investment, you can earn an extra \$250 in monthly passive income. With a \$190,000 investment, you can collect \$1,200 per month.

That's far more than you'll ever earn with your average stock. The next round of distributions are scheduled to be mailed out in a few weeks. If you become a partner by Nov. 27, you can collect your first dividend cheque by Dec. 16.

CATEGORY

1. Energy Stocks
2. Investing

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