

Collect Thousands in Monthly Oil Well Royalties With PrairieSky Royalty Ltd

Description

Richard Dockery is collecting upwards of \$100,000 every single month.

He calls this "Mailbox Money," and it has made him a millionaire. That's because the only thing Richard does to collect his income is walk down to his mailbox.

It has nothing to do with regular stocks — just a remarkable opportunity worth in some cases up to six figures per month. That's how Richard and thousands of others have been able to collect a pro-athlete salary with very little effort. Let me explain...

Yes, a six-figure cheque... every month

It's one of the greatest income sources available: oil well royalties.

Thanks to North America's energy boom, thousands of ordinary folks are striking it rich from oil discoveries beneath their land. Some people like Richard have even retired on the money generated from their oil wells.

Unfortunately, unless you happened to own land in places like Texas or North Dakota, this opportunity has been off limits to most investors. Or at least, that used to be the case. I found a way to become a partner with a diversified, highly successful landowner: **PrairieSky Royalty Ltd** (TSX: PSK).

The firm is a way for people to invest in land without having to buy any acreage on their own. Unlike traditional energy companies, PrairieSky doesn't actually explore for oil and gas itself. Rather, the company collects royalties for any drilling carried out on its land.

Here's how it works: PrairieSky charges an upfront fee to drillers, granting them the right to explore on its properties. If the lessee finds any oil, it pays ongoing royalties to PrairieSky, which are then passed on to shareholders.

Most importantly, PrairieSky pays no royalties to the government. Most resource firms pay hefty fees to extract any commodities on crown land. These taxes are sometimes up to 50% of profits. But thanks to an obscure loophole, PrairieSky avoids most of these burdensome costs.

For shareholders, this all means that the company is a cash-gushing machine. PrairieSky employs only a few accountants, engineers, and geologists to evaluate new properties. The rest of the profits are paid out to investors.

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Source: PrairieSky Investor Presentation

Because the firm is so new, it has only made a few dividend payments so far. However, management recently topped up the payout, with a new target distribution of \$0.11 per share. That comes out to an annualized yield of 3.9%.

The best 'energy' stock you've never heard of

Unfortunately, your window to buy this stock is closing fast. While this firm is still relatively unknown, a number of investment houses are starting to cover it. Several large hedge funds have also begun building positions in the stock.

What would make these Wall Street titans take notice of such a small firm? I'd say it means only one thing: they see an epic rally ahead.

CATEGORY

- 1. Dividend Stocks
- 2. Energy Stocks
- 3. Investing

TICKERS GLOBAL

1. TSX:PSK (PrairieSky Royalty Ltd.)

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