



Collect Up to \$1,300 in Monthly Oil Well Royalties With PrairieSky Royalty Ltd.

Description

Today, I'm going to share a little-known way to earn monthly oil well royalties without buying a single acre of land.

These yields are safe. It's easy to get started. However, most people don't even know this opportunity exists.

But if you want to cash in, then you have to act fast. The next round of distributions are scheduled to be mailed out in a few weeks. To be eligible, you must take action by Wednesday, April 15.

How to collect thousands in monthly oil well royalties

People are striking it rich in North America's shale boom.

Since 2008 thousands of wells have been drilled across the continent. Property owners sitting on these oil fields can receive an initial lease payment well into six figures with ongoing royalty cheques for decades.

But unless you live in a place like Texas, Pennsylvania, or North Dakota, it's hard to invest directly in oil wells. However, there's a little-known way to collect monthly energy royalties, even if you don't own a single acre. I'm talking about partnering with an already established landowner—**PrairieSky Royalty Ltd.** ([TSX:PSK](#)).

PrairieSky's business is straightforward. The company owns 5.2 million acres of oil-rich land across Alberta. It then collects royalties from drillers operating on its properties and passes on the income to shareholders.

This has a number of advantages over your typical oil stock.

Energy companies pay an enormous amount of money to haul a single barrel of crude out of the ground: exploration costs, drilling expenses, completion charges.

PrairieSky, in contrast, doesn't have to pay any of these expenses. As a result, almost all of the company's revenues flow straight to the bottom line. This allows PrairieSky to generate thick profit margins between 80-90%.

It gets better. Most drillers pay hefty fees on any commodities extracted from crown land. These taxes can sometimes account for up to 50% of revenues. But thanks to an obscure tax loophole, PrairieSky pays NO mineral royalties to the government.

For investors, this has translated into consistent, oversized dividend income. Today PrairieSky pays a monthly distribution of 10.58¢ per share, which comes out to an annual yield of 4.5%. However, I expect that payout to grow substantially in the years ahead as the company expands its landholdings.

With a yield like this, you can start collecting some serious cash flow almost immediately. Assuming a \$35,000 initial investment, you can earn an extra \$130 in monthly passive income. With an initial stake of \$350,000, you can collect \$1,300 per month!

Initial Investment	Monthly Income	Annual Income
\$3,500	\$13	\$156
\$35,000	\$130	\$1,560
\$350,000	\$1,300	\$15,600

Collect your first royalty cheque by April 30

However, if you want to start cashing in, then you have to act quickly. The next round of distributions are scheduled to be mailed out soon. That's why you need to become a partner by April 15 to collect your first royalty cheque on April 30.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:PSK (PrairieSky Royalty Ltd.)

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