

# [***The Zacks Analyst Blog Highlights: Energy Transfer Partners, Phillips 66, Oasis Petroleum, Whiting Petroleum and Continental Resources***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5T3J-Y941-JCMN-Y505-00000-00&context=1516831)

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Aug 23, 2018( Zacks Investment Research: [*http://www.zacks.com*](http://www.zacks.com)/ Delivered by Newstex) ; For Immediate ReleaseChicago, IL - August 23, 2018 - Zacks.com announces the list of stocks featured in the Analyst Blog. Every day the Zacks Equity Research analysts discuss the latest news and events impacting stocks and the financial markets. Stocks recently featured in the blog include Energy Transfer Partners L.P. ETP[1], Phillips 66 PSX[2], Oasis Petroleum Inc. OAS[3], Whiting Petroleum Corp.

WLL[4] and Continental Resources, Inc. CLR[5].Today, Zacks is promoting its ''Buy'' stock recommendations. Get #1Stock of the Day pick for free[6]. Here are highlights from Wednesday's Analyst Blog:North Dakota Oil Production Slips, but Set for More RecordsAs per North Dakota's oil regulator, the state's daily crude output fell 1.7% in June after hitting the highest level on record in the previous month. The North Dakota Department of Mineral Resources' (DMR) latest data said that oil production in June averaged 1,225,510 barrels a day, down 20,845 barrels a day from May. Like crude, natural gas output went down too - from May's all-time high of 2,315,391 thousand cubic feet per day to 2,300,103 thousand cubic feet per day.The drop was partly due to the voluntary restriction by producers to comply with the state's strict gas flaring norms. North Dakota requires companies to flare not more than 15% of the natural gas they churn out. Operators in the region are experiencing some growing pains as natural gas production outpaces gathering and processing capacity, leading to increased flaring. Rainy weather also limited June production.The slight blip in production notwithstanding, the newest numbers showed that daily crude output remained above one million barrels for the 17th month, confirming the status of North Dakota (centered on the Bakken Shale formation) as one of the hottest shale plays in the United States. In another compelling evidence of the resurgence, North Dakota's total number of producing wells tallied 14,778 at the end of June, the highest on record.Rig Count Inches UpSome 63 drilling rigs were active in the state in June, up one from the May average. The drilling rig count increased further to 66 in July. The all-time low of 27 was set in May 2016, while a year ago, North Dakota had 55 rigs operating.A closely watched yardstick of North Dakota oil industry's strength, the improvement in the number of units searching for oil and gas in the region indicates rebounding drilling activities and production.Though the current rig count is still down considerably from the peak of May 2012 when North Dakota had 218 units drilling, one must note that sophisticated drilling rigs have enabled producers to get more oil out of each well. In other words, modern rigs have helped boost the per-unit output.Crude Prices, Production Should Remain StrongRecently, the U.S. West Texas Intermediate benchmark topped $70 per barrel - a three-and-half-year high. The surge could primarily be attributed to robust global economic growth that led to healthy oil demand. With stronger oil prices increasing producer profits, crude output in the United States is expected to keep climbing. As it is, output in the United States have climbed sharply on increased production from shale formations to remain over the 10 million barrels a day threshold since early February. While commodity prices have retreated over the past few weeks on escalating trade conflict between the world's biggest oil consumers -- the United States and China - market remain largely tight amid reduced supply from Iran and Venezuela. Industry watchers are confident that improving fundamentals have probably put a floor under crude prices for the time being.In this context, the steady recovery in North Dakota's production bode well for the region. With oil prices likely to head higher, the monthly output in the second-largest oil producing state after Texas is expected to stay above the psychologically important one million barrel a day mark in the short-to-medium term.Dakota Access Pipeline: A Trump Card for North DakotaWhile Bakken in North Dakota has significant accumulations of profitable oil reserves, production in the area fell sharply during the oil slump. However, with rebounding crude prices, Bakken has been regaining strength, with output in the month of May going past the levels that was achieved in the boom years of 2014.Apart from the robustness in oil prices, there is another factor that is set to speed up Bakken output growth - the 1,100-mile-long Dakota Access Pipeline. Energy Transfer Partners L.P.'s mega project recently marked its one-year anniversary. The conduit has carried around 200 million barrels of oil since inception, proving to be quite a game changer for the producers in the Bakken shale play.The pipeline, with a capacity to carry about 520,000 barrels of oil per day (or more than 50% of North Dakota's output) has successfully bridged the gap between Bakken players and producers in other U.S. oil-producing areas like the Williston and Permian basins.The geographically constrained Bakken Shale's crude has now better access to Gulf and East Coast refineries and also reaches international markets. As expected, the pipeline, where energy majors like Phillips 66 have invested, has helped to improve the region's drilling economics by lowering transportation costs for operators and benefit the state financially.Moreover, the pipeline's service has bolstered the revival of Bakken output, with large operators like Oasis Petroleum Inc. counting on the Dakota Access Pipeline to send a major portion of their products to market.While there are apprehensions that growing North Dakota production could outpace the pipeline capacity again sometime next year leading to widening discount for the regional crude, current prices continue to exceed breakeven costs comfortably.But there is definitely a case to build more infrastructure for the ever-increasing natural gas volumes. Recently, North Dakota Public Service Commission green lighted Tulsa-based ONEOK Inc.'s suspended Demicks Lake processing plant. The 200 million-cubic-feet-per-day facility, costing around $400 million, is likely to be completed by the fourth quarter of next year. The conduit will enhance processing capacity in North Dakota's Williston Basin, where wells churn out the maximum gas.Oil Production Expected to Break Further Records in 2018 Overall, rebounding oil prices, together with the start of the Dakota Access Pipeline, are expected to support sustainable increase in Bakken output by providing the companies a chance to push their produce outward at a lower cost.In fact, Lynn Helms - the director of DMR - feels that a conducive oil pricing ***environment*** is likely push the state's output to another record this year.Two Stocks to FocusThough a number of companies have built sizeable acreage positions in North Dakota, we have shortlisted two of them, Whiting Petroleum Corp. and Continental Resources, Inc. that might warrant attention. Both our picks carry Zacks Rank #3 (Hold). You can see the complete list of today's Zacks #1 Rank (Strong Buy) stocks here[7].Whiting Petroleum is a top-tier operator in North Dakota's Williston Basin. The company has 410,000 net acres in the region, giving it drilling inventory of more than 20 years.Continental Resources also holds a premium position in the prolific Bakken Shale formation. The company has a working interest in 1,576 net oil producing wells in the region, which comprises almost 48% of the energy explorer's proved reserves.More Stock News: This Is Bigger than the iPhone! It could become the mother of all technological revolutions. Apple sold a mere 1 billion iPhones in 10 years but a new breakthrough is expected to generate more than 27 billion devices in just 3 years, creating a $1.7 trillion market.Zacks has just released a Special Report that spotlights this fast-emerging phenomenon and 6 tickers for taking advantage of it. 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