

Ecopetrol (EC) Provides a Glimpse of Its 2022 Capital Budget

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By Zacks Equity Research December 15, 2021

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Ecopetrol SA [EC](#) has provided a glimpse of its capital spending plan for 2022.



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EC announced approvals from the board of directors for investing \$4.8 billion to \$5.8 billion next year. [Ecopetrol](#) has laid out the organic capital spending program with the anticipation that the average Brent price will be \$63 per barrel for next year.

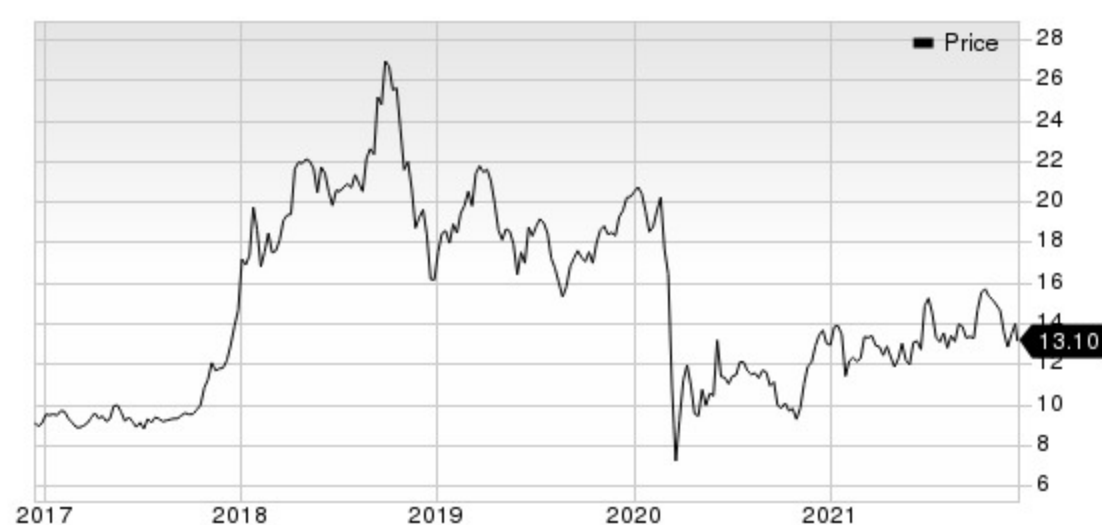
Of the total budget, [Ecopetrol](#) is planning a 70% allocation toward projects in Colombia. The remaining 30% will get invested in the United States, Brazil, Peru and Chile.

[Ecopetrol](#) added that with the investment in upstream operations, organic production for 2022 is projected in the range of 700 to 705 thousand barrels of oil equivalent per day. EC said that oil will comprise 81% of the total production volume. Along with an intention to drill 24 exploratory wells next year, [Ecopetrol](#) also laid out a plan to drill around 1,800 development wells between 2022 and 2024.

To draw a clearer picture, [Ecopetrol](#) said that roughly 63% of the capital budget will get allocated for exploration and production activities. Almost 20% of the budget will be spent on Interconexion Electrica SA ([ISA](#)) projects at both national and international levels. [Ecopetrol](#) added that it plans to invest the remaining 17% of the budget in midstream, downstream, commercialization, and corporate projects.

Thus, banking on historic results this year, [Ecopetrol](#) expects the next year's capital spending program to help it maintain its growth trajectory while generating significant value for shareholders.

Ecopetrol S.A. Price



[Ecopetrol S.A. price](#) | [Ecopetrol S.A. Quote](#)

Currently, EC carries a Zacks Rank #3 (Hold). Meanwhile, a few better-ranked players in the energy space include [Whiting Petroleum Corporation WLL](#), [Continental Resources, Inc. CLR](#) and [Devon Energy Corporation DVN](#). While Continental Resources carries a Zacks Rank #2 (Buy), Whiting Petroleum and Devon Energy sport a Zacks Rank #1 (Strong Buy). You can see [the complete list of today's Zacks #1 Rank stocks here](#).

Whiting Petroleum is a leading upstream energy company and is the top producer of crude oil in North Dakota. With oil price improving at a healthy pace, Whiting Petroleum expects to continue generating handsome cashflows while maintaining a healthy balance sheet.

Headquartered in Denver, CO, Whiting Petroleum has witnessed upward earnings estimate revisions for 2021 in the past 30 days. Looking at the price chart, WLL has gained 155% year to date, outpacing the 99.5% rise of the composite stocks belonging to the industry.

Continental Resources is also a leading upstream energy company with proven reserves in North Dakota and Oklahoma. The oil inventories of Continental Resources are among the best in the industry.