Enerflex Closes Casper Gas Plant, Lays Off Workers

CASPER, Wyo. (AP) — A Canadian company announced Thursday that it's closing a natural gas compression and processing plant in Casper and laying off dozens of workers.

Enerflex Ltd., based in Calgary, Canada, announced Thursday it is closing its Casper plant because of shifting demand in the U.S. gas markets. The company said demand is shifting away from coal-bed methane from Wyoming's Powder River Basin, while sales of shale gas produced in the eastern U.S. are increasing.

The closure is affecting 89 Enerflex employees in Casper, the Casper Star-Tribune [1] reported. Of those, seven have been transferred, while 12 are working to shut down the plant and the rest were laid off.

"They are really good, quality people," said Kurt Schaerer, Enerflex's general manager of facilities in Canada and the northern U.S. "They're people others would want in Casper."

The employees who were laid off include welders, pipe fitters, electrical instrument workers, purchasers and finance employees, Schaerer said.

Carol Ionel, vice president of human resources for Enerflex, said the employees will be paid through Aug. 12. That satisfies federal requirements for companies with 100 or more employees to give 60 calendar days' notice of mass layoffs and plant closings.

The Casper plant opened in 2006, primarily to supply CBM compression in the Powder River Basin, according to a memo affected employees received from Jerry Fraelic, Enerflex's president of Americas.

"This facility was very successful in serving this market over a number of years," Fraelic stated in the memo. "Unfortunately with the emergence of more economical shale gas plays in other parts of the United States, the Powder River Basin is no longer an active area for new compression."

Schaerer said places such as Pennsylvania, which is rich with gas from the Marcellus Shale, are where most production is occurring these days.

"The gas is easy to access, easy to produce and is situated underneath the market that consumes it," Schaerer said of the Marcellus. "The situation (of the plant closure) is bigger than all of us."

Ionel said the Casper plant hasn't had any local business for two years. Its workers

have been handling work from a project in Australia, but that contract has expired.

The company has been laying off employees in Casper recently. It started this year with nearly 250 employees and has been reducing the workforce through the year.

Fraelic stated in his memo that the company's sales office in Denver won't be affected by the closure. The company will focus sales on gas development in the Bakken in North Dakota, the Niobrara in Colorado and places in California.

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Information from: Casper (Wyo.) Star-Tribune, http://www.trib.com [2]

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