

## DEVON ENERGY CORPORATION TO CUT JOBS



Devon Energy Corporation is a name that many of you may not know much, if anything, about in general. So before we look at the jobs that the company is cutting lets begin by taking a look at how they have chosen to [describe themselves](#), "Devon Energy Corporation is a leading independent oil and natural gas exploration and production company. Devon's operations are focused onshore in the United States and Canada. We also own natural gas pipelines and treatment facilities in many of our producing areas, making us one of North America's larger processors of natural gas liquids. The company's portfolio of oil and gas properties provides stable, environmentally responsible production and a platform for future growth. The company's production mix is about two-thirds natural gas and one-third oil and natural gas liquids, such as propane, butane and ethane. Devon produces about 2.6 billion cubic feet of natural gas each day — more than 3 percent of all the gas consumed in North America." Sadly the company is getting ready to cut back on about 53 workers in a mass layoff action that is going to impact workers in the state of Texas. For those of you who are not familiar with the idea of a mass layoff action here is a look at how the company chooses to [describe](#) itself, "The **Mass Layoff Statistics (MLS)** program collects reports on mass layoff actions that result in workers being separated from their jobs. Monthly mass layoff numbers are from establishments which have at least 50 initial claims for unemployment insurance (UI) filed against them during a 5-week period. Extended mass layoff numbers (issued quarterly) are from a subset of such establishments—where private sector nonfarm employers indicate that 50 or more workers were separated from their jobs for at least 31 days." The only good news would be that if the company manages to trigger a mass layoff action the workers would have to be given several weeks of notification before they are put out of a job. This is, as you can imagine, not the **first time** that a company in the power sector has tried to turn to layoffs in order to set its balance sheet to right, "The company is taking job cuts of 54 workers, enough to qualify as a mass layoff action under the current federal guidelines...The interesting, and somewhat specious reason to put 54 workers out of their jobs, and onto the unemployment line, is that President Obama was reelected into office. The layoff notices, which were issued just hours after the results of the 2012 election were announced to the general public, was enough to spur Bob Murray, the current CEO of Murray Energy, to leave people jobless in a tough economy. Mr. Murray has long been a vocal critic of the president's policies of not subsidizing coal energy with federal monies." In the company's most recent quarter numbers show why the company may want to consider cutting back on workers, as the [company reported](#) a sizable loss in the last quarter, "[Devon Energy Corporation](#) (NYSE:DVN) today reported a net loss of \$719 million for the quarter ended September 30, 2012, or \$1.80 per common share (\$1.80 per diluted share). A \$1.1 billion non-cash asset impairment charge was the primary driver of the quarterly loss. Adjusting for this and other items securities analysts typically exclude from their published estimates, the company earned \$355 million or \$0.88 per diluted share in the third quarter of 2012. The company generated cash flow from operations of \$1.4 billion during the third quarter. Combined with \$533 million in cash payments from the closing of its joint venture agreement with Sumitomo and other minor asset sales, Devon's cash inflows totaled \$1.9 billion in the quarter"