

Manufacturing across region slows, notably in Oklahoma

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The decline in manufacturing activity in the region started to slow in June, according to a survey released Thursday by The Federal Reserve Bank of Kansas City. Production fell in all states in the 10th Federal Reserve District, except for Colorado, but continued to be most negative in energy-concentrated Oklahoma.

"We have seen business related to oil and gas fall off sharply this year. We are also seeing business related to other industries to be softer than expected," one manufacturer survey response stated.

"My feelings and that shared by colleagues at other companies is that the manufacturing economy is not as strong as portrayed in the national media."

The month-over-month composite index was -9 in June, up from -13 in May but down from -7 in April. The composite index is an average of production, new orders, employment, supplier delivery time and raw materials inventory indexes. Durable goods manufacturing improved slightly, although still negative, particularly for aircraft products and parts. However, nondurable goods production fell further, broadly across all types of plants.

Tenth District manufacturing activity declined at a slightly

slower pace in June, and producers' expectations improved modestly, said Chad Wilkerson, vice president and economist at the Federal Reserve Bank of Kansas City.

"Regional factory conditions continued to decline in June, especially in energy-producing areas," Wilkerson said.

"However, firms continue to expect some stabilization in the months ahead and for orders to rise by the end of the year."

The Federal Reserve Bank of Kansas City serves the Tenth Federal Reserve District, which includes the western third of Missouri; all of Kansas, Colorado, Nebraska, Oklahoma and Wyoming; and the northern half of New Mexico.

OKC mall gets superchargers for Tesla Model S electric cars



FROM STAFF REPORTS

Oklahoma City's first Tesla superchargers arrived this week at the Outlet Shoppes at Oklahoma City.

Superchargers are free connectors that are capable of rapidly charging a Tesla Model S electric car. Tesla has been building a network of strategically placed stations throughout the country. In Oklahoma, supercharger stations are already operating in Weatherford off Interstate 40 and in Ardmore and Perry on Interstate 35.

The superchargers are able to give 85 kWh vehicles an additional 180 miles of range with a 30-minute charge.

Tesla is trying to locate the stations strategically to minimize stops during long distance travel near restaurants, shopping centers and Wi-Fi hot spots.



(PHOTOS BY CHRIS LANDSBERGER, THE OKLAHOMAN)

Q&A WITH CHRIS GRISWOLD

MISUNDERSTANDING SURROUNDS NONCOMPETE AGREEMENTS

Q: What isn't allowed in non-compete agreements?

A: Employers can't prevent a departing employee from continuing to do what they do within so many miles of the previous employer, nor can previous employers prevent employees from carte blanche working their trade for a certain period of time after their departure.



Chris Griswold
OKLAHOMA CITY
ATTORNEY

Q: What is allowed?

A: Prohibiting employees from directly engaging and soliciting existing customers of the employer after they leave that employer. The Oklahoma state reads: "A person who makes an agreement with an employer, whether in writing or verbally, not to compete with the employer after the employment relationship has been terminated, shall be permitted to engage in the same business as that conducted by the former employer... as long as the former employee does not directly solicit the sale of goods, services or a combination of goods and services from the established customers of the former employer."

Q: What do employers most often misunderstand about noncompetes?

A: Employers often write into their noncompetes that the employee can't solicit business from existing customers of the employer for one, two or three years. This time element isn't a requirement that must be addressed in the noncompete. If an employer wants to provide for one, that's kind of the employer, but not required to make the non-compete enforceable. Just know that a court is hesitant to agree to enforce your noncompete for an indefinite period of time (and reasonably so).

Q: What is something employers could do to further help with the enforceability of their noncompetes?

A: For starters, quit calling them "noncompetes" in their employment agreements. Use verbiage that more aligns with the statutory provisions, such as "No Direct Solicitation of the Established Customers of the Employer After Termination of Employment."

PAULA BURKES, BUSINESS WRITER

OKLAHOMA BRIEFS

I2E INVESTS \$750K IN EXAPTIVE

I2E Inc. recently led a \$1.825 million investment in Oklahoma City-based Exaptive, a company whose software platform helps data scientists, software developers and researchers collaborate and experiment with data and analysis techniques from different fields. Through its Accelerate Oklahoma Fund, I2E invested \$750,000 in Exaptive, which was joined by \$200,000 from the I2E-managed SeedStep Angels and \$875,000 from other investors. Exaptive CEO Dave King envisions a cross-disciplinary engine for discovery, creativity and innovation.

NEIGHBORHOOD SERVICES SETS BOARD

Neighborhood Services Organization will welcome new board members and officers beginning July 1. The organization's new board members are Jacqueline Sit, account executive at Candor Public Relations, and Jill Castilla, CEO at Citizens Bank of Edmond. The new officers are Chairman Brian Knight of Eide Bailly, Chairwoman-Elect Sue Alberti of Devon Energy Corp, finance chairwoman Lauren Decker of Devon and secretary Vicki Hill of American Fidelity Assurance.



Jacqueline Sit Jill Castilla

CITY WIDE OPENS OKC-AREA BRANCH

The building maintenance management company City Wide has opened a new office serving commercial properties throughout Oklahoma City and neighboring communities. Before launching City Wide of Oklahoma, President Steve Carroll built a career in sales management spanning more than two decades, holding sales, key management, and executive-level positions with companies such as Cyberonics, Simons Petroleum, and the Oil & Gas Division of Oil Purification Systems Inc.

FROM STAFF REPORTS

Samson Resources investor sells stake for \$1

BY ROD WALTON
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A Japanese investor who bought a 25 percent stake in Tulsa-based Samson Resources Corp. four years ago — then worth about \$1.04 billion — has now sold its shares back to the financially troubled oil company — for only \$1.

The once vibrant oil and gas producer is saddled with more than \$4 billion in long-term debt amid fallen crude oil and natural gas prices. Some analysts have wondered whether Samson can avoid Chapter

11 bankruptcy.

"I don't want to say it will happen," Tulsa money manager Fred Russell said. "Let's put it this way: I wouldn't be surprised if bankruptcy occurred. This act of writing off an investment once worth \$1 billion for only \$1 is throwing in the towel. It's kind of mind boggling."

Russell heads up Fredric E. Russell Investment Management.

Itochu Corp. is getting out by selling back 208 million shares at an aggregate price of \$1, according to a U.S. Securities and Exchange Commission

filing last week. A subsidiary of Itochu, JD Rockies Resources Ltd., held the Samson stake.

Itochu and others joined with New York private equity firm KKR & Co. in 2011 to buy Samson from the founding Schusterman family for \$7.2 billion, according to reports.

Experts note that the Itochu move does not mean Samson is worth \$4, of course. The company's enterprise value is still well above \$1 billion, but the sell-off shows that value is moving away from equity holders toward the creditors, sources said.

Samson faces mammoth debt and has been forced to mothball its drilling program because of the financial constraints. The company suffered a \$490 million net loss in its last reported quarter and has less than \$125 million in liquidity.

Neither Samson nor KKR representatives would comment directly on the Itochu departure. No one can determine how Samson or KKR will come out of this, Russell noted, but secured lenders are lining up.

"The day of reckoning is coming," he said.

OIL AND GAS PRICES
Oklahoma crude oil prices as of 5 p.m. Thursday
Oklahoma Sweet: Sunoco Inc. — \$56.25
Oklahoma Sour: Sunoco Inc. — \$44.75
Oklahoma oil and gas drilling activity posted June 11: COMPLETION
Garden: SK Plymouth LLC, Tulsa World
HF: SJ/2 SW/4 SW1/4 (SL) of 19-24N-04W; 167 barrels oil per day 345,000 cu-ft gas per day; TD 10,844.
INTENT TO DRILL
Alfaifa: Sandridge Exploration & Production LLC, Tixie 2511 No. 1-7H Well; N1/2 N1/2 NW1/4 NE1/4 (SL) of 17-25N-11W; TD 11,515.
Cleveland: GLB Exploration Inc., Sterling No. 1 Well; NE1/4 NW1/4 SW1/4 SW1/4 of 22-08N-02W; TD 9,135.
Trey Resources Inc., West Short Junction Unit No. 2103H Well; NE1/4 NW1/4 SW1/4 SE1/4 (BHL) of 19-10N-03W; TD 15,751.
Trey Resources Inc., West Short Junction Unit No. 2104H Well; NE1/4 SW1/4 NW1/4 SE1/4 (BHL) of 19-10N-03W; TD 14,597.
Trey Resources Inc., West Short Junction Unit No. 2107H Well; SE1/4 SW1/4 SW1/4

SE1/4 (BHL) of 18-10N-03W; TD 14,886.
Trey Resources Inc., West Short Junction Unit No. 2108H Well; SE1/4 SW1/4 NW1/4 SE1/4 (BHL) of 18-10N-03W; TD 13,815.
Trey Resources Inc., West Short Junction Unit No. 2310H Well; NE1/4 NE1/4 SW1/4 NE1/4 (SL) of 20-10N-03W; TD 11,995.
Trey Resources Inc., West Short Junction Unit No. 2311H Well; SE1/4 NW1/4 SE1/4 NW1/4 of 17-10N-03W; TD 12,694.
Trey Resources Inc., West Short Junction Unit No. 2312H Well; NE1/4 NE1/4 SW1/4 NE1/4 (SL) of 20-10N-03W; TD 11,866.
Trey Resources Inc., West Short Junction Unit No. 2314H Well; NE1/4 NE1/4 SW1/4 NE1/4 (SL) of 20-10N-03W; TD 11,248.
Garvin: Marathon Oil Co., Newby No. 1-7H Well; S1/2 SW1/4 SE1/4 SW1/4 (SL) of 07-03N-04W; TD 18,101.
Grady: Citizen Energy II LLC, Governor James E. Edwards No. 1H-2Z Well; NE1/4 NE1/4 NE1/4 (SL) of 31-10N-05W; TD 15,500.
Kay: Chaparral Energy LLC, McCassey No. 11 Well; E1/2 NW1/4 NE1/4 NW1/4 of 15-27N-05E; TD 3,250.

Lincoln: Gillham Paul Oil Co., Payson No. 1-17H Well; NW1/4 SE1/4 SW1/4 SW1/4 (SL) of 08-12N-05E; TD 8,500.
Major: Comanche Resources Co., Ewell No. 29-20-1H Well; NW1/4 NE1/4 NW1/4 NE1/4 (BHL) of 20-20N-15W; TD 14,750.
Pawnee: Tarka Energy LLC, J.B. Houston No. 1-13 Well; C SE1/4 NE1/4 of 13-20N-09E; TD 3,775.
Tarka Energy LLC, Medford No. 1-27 Well; C SE1/4 NW1/4 SE1/4 of 27-20N-09E; TD 3,630.

Seminole: Ruffel Lance Oil Co., Gals. No. 2 Well; C NW1/4 NW1/4 of 21-08N-08E; TD 4,160.
Tulsa: Operator Unknown; Smith No. 1 Well; C NW1/4 SW1/4 of 26-17N-12E; TD 1,715.
SOURCE: OIL-LAW RECORDS CORP.

State Grains
CASH WHEAT
10 to 11 cts higher 481-524
Alva \$1.99 Banner 5.08
Buffalo \$1.19 Cherokee 5.24
Clinton \$1.19 Davis 4.81
El Dorado \$1.15 El Reno 5.08
Frederick \$1.90 Geary 5.10
Hobart \$1.00 Hooker 5.06
Keyes \$1.05 Lawton 4.90
Manchester \$1.17 Medford 5.24
Miami \$1.04 Okarche 5.07
Okemunok \$1.30 Perry 5.22
Ponca City \$1.21 Shattuck 5.05
Stillwater \$1.22 Temple 4.96
Waltworth \$1.10 Weatherford 5.08
Gulf \$1.10

FEDERAL GRAINS
WHEAT
Alva \$1.70 Buffalo 7.04
Hooker \$1.75 Keyes 7.09
Manchester \$1.09 Medford 7.09
Miami \$1.04 Ponca City 7.09
Shattuck \$1.08 Weatherford 7.27
Gulf \$1.04

SOYBEANS
Alva \$1.42 Buffalo 9.42
Hooker \$1.16 Medford 9.44
Miami \$1.04 Ponca City 9.44
Shattuck \$1.25 Stillwater 9.47
Gulf \$1.07 3/4

CORN
Manchester \$1.17 Medford 5.24
\$3.67-\$4.08 per bushel.

COTTON
Grade 44 Leaf A, Staple 34 cotton in south-western OK. 59.75 cents per pound, FOB rail car or truck.

KANSAS CITY GRAIN
Wheat, No. 2 Hard bu. \$ N/A-\$ N/A
Corn, No. 2 yellow \$ N/A-\$ N/A
Milo \$ N/A-\$ N/A
Soybeans, No. 1 \$ N/A-\$ N/A

Agri Markets

Com	High	Low	Sells	Chg	Open	High	Low	Sells	Chg
CORN (CBOT)									
Aug 15	35	34.75	35.00	-0.10	Mar 15	54.45	54.75	55	+0.50
Dec 15	35	34.75	35.00	-0.10	Mar 16	54.25	54.50	54.75	+0.75
Dec 16	35	34.75	35.00	-0.10	Mar 17	54.00	54.25	54.50	+0.50
Mar 16	35	34.75	35.00	-0.10	Mar 18	53.75	54.00	54.25	+0.25
Mar 17	35	34.75	35.00	-0.10	Mar 19	53.50	53.75	54.00	+0.25
Mar 18	35	34.75	35.00	-0.10	Mar 20	53.25	53.50	53.75	+0.25
Mar 19	35	34.75	35.00	-0.10	Mar 21	53.00	53.25	53.50	+0.25
Mar 20	35	34.75	35.00	-0.10	Mar 22	52.75	53.00	53.25	+0.25
Mar 21	35	34.75	35.00	-0.10	Mar 23	52.50	52.75	53.00	+0.25
Mar 22	35	34.75	35.00	-0.10	Mar 24	52.25	52.50	52.75	+0.25
Mar 23	35	34.75	35.00	-0.10	Mar 25	52.00	52.25	52.50	+0.25
Mar 24	35	34.75	35.00	-0.10	Mar 26	51.75	52.00	52.25	+0.25
Mar 25	35	34.75	35.00	-0.10	Mar 27	51.50	51.75	52.00	+0.25
Mar 26	35	34.75	35.00	-0.10	Mar 28	51.25	51.50	51.75	+0.25
Mar 27	35	34.75	35.00	-0.10	Mar 29	51.00	51.25	51.50	+0.25
Mar 28	35	34.75	35.00	-0.10	Mar 30	50.75	51.00	51.25	+0.25
Mar 29	35	34.75	35.00	-0.10	Mar 31	50.50	50.75	51.00	+0.25
Mar 30	35	34.75	35.00	-0.10	Apr 1	50.25	50.50	50.75	+0.25
Mar 31	35	34.75	35.00	-0.10	Apr 2	50.00	50.25	50.50	+0.25
Apr 1	35	34.75	35.00	-0.10	Apr 3	49.75	50.00	50.25	+0.25
Apr 2	35	34.75	35.00	-0.10	Apr 4	49.50	49.75	50.00	+0.25
Apr 3	35	34.75	35.00	-0.10	Apr 5	49.25	49.50	49.75	+0.25
Apr 4	35	34.75	35.00	-0.10	Apr 6	49.00	49.25	49.50	+0.25
Apr 5	35	34.75	35.00	-0.10	Apr 7	48.75	49.00	49.25	+0.25
Apr 6	35	34.75	35.00	-0.10	Apr 8	48.50	48.75	49.00	+0.25
Apr 7	35	34.75	35.00	-0.10	Apr 9	48.25	48.50	48.75	+0.25
Apr 8	35	34.75	35.00	-0.10	Apr 10	48.00	48.25	48.50	+0.25
Apr 9	35	34.75	35.00	-0.10	Apr 11	47.75	48.00	48.25	+0.25
Apr 10	35	34.75	35.00	-0.10	Apr 12	47.50	47.75	48.00	+0.25
Apr 11	35	34.75	35.00	-0.10	Apr 13	47.25	47.50	47.75	+0.25
Apr 12	35	34.75	35.00	-0.10	Apr 14	47.00	47.25	47.50	+0.25
Apr 13	35	34.75	35.00	-0.10	Apr 15	46.75	47.00	47.25	+0.25
Apr 14	35	34.75	35.00	-0.10	Apr 16	46.50	46.75	47.00	+0.25
Apr 15	35	34.75	35.00	-0.10	Apr 17	46.25	46.50	46.75	+0.25
Apr 16	35	34.75	35.00	-0.10	Apr 18	46.00	46.25	46.50	+0.25
Apr 17	35	34.75	35.00	-0.10	Apr 19	45.75	46.00	46.25	+0.25
Apr 18	35	34.75	35.00	-0.10	Apr 20	45.50	45.75	46.00	+0.25
Apr 19	35	34.75	35.00	-0.10	Apr 21	45.25	45.50	45.75	+0.25
Apr 20	35	34.75	35.00	-0.10	Apr 22	45.00	45.25	45.50	+0.25
Apr 21	35	34.75	35.00	-0.10	Apr 23	44.75	45.00	45.25	+0.25
Apr 22	35	34.75	35.00	-0.10	Apr 24	44.50	44.75	45.00	+0.25
Apr 23	35	34.75	35.00	-0.10	Apr 25	44.25	44.50	44.75	+0.25
Apr 24	35	34.75	35.00	-0.10	Apr 26	44.00	44.25	44.50	+0.25
Apr 25	35	34.75	35.00	-0.10	Apr 27	43.75	44.00	44.25	+0.25
Apr 26	35	34.75	35.00	-0.10	Apr 28	43.50	43.75	44.00	+0.25
Apr 27	35	34.75	35.00	-0.10	Apr 29	43.25	43.50	43.75	+0.25
Apr 28	35	34.75	35.00	-0.10	Apr 30	43.00	43.25	43.50	+0.25
Apr 29	35	34.75	35.00	-0.10	May 1	42.75	43.00	43.25	+0.25
Apr 30	35	34.75	35.00	-0.10	May 2	42.50	42.75	43.00	+0.25
May 1	35	34.75	35.00	-0.10	May 3	42.25	42.50	42.75	+0.25
May 2	35	34.75	35.00	-0.10	May 4	42.00	42.25	42.50	+0.25
May 3	35	34.75	35.00	-0.10	May 5	41.75	42.00	42.25	+0.25
May 4	35	34.75	35.00	-0.10	May 6	41.50	41.75	42.00	+0.25
May 5	35	34.75	35.00	-0.10	May 7	41.25	41.50	41.75	+0.25
May 6	35	34.75	35.00	-0.10	May 8	41.00	41.25	41.50	+0.25
May 7	35	34.75	35.00	-0.10	May 9	40.75	41.00	41.25	+0.25
May 8	35	34.75	35.00	-0.10	May 10	40.50	40.75	41.00	+0.25
May 9	35	34.75	35.00	-0.10	May 11	40.25	40.50	40.75	+0.25
May 10	35	34.75	35.00	-0.10	May 12	40.00	40.25	40.50	+0.25
May 11	35	34.75	35						