

Internship Report

The Sewanee internship at Mewbourne Oil Company is an opportunity to get acquainted with all aspects of the Oil and Gas industry. The internship is located at their headquarters in Tyler, Texas, which is the managing office for their district offices located in Texas, New Mexico and Oklahoma. Mewbourne Oil Company is a small scale, independent operator that develops prospects and manages drilling operations. In operation since 1965, Mewbourne Oil Company is an experienced and efficient drilling company in a business that is classically known for its high risk and volatility. Focusing on two regions, the Anadarko Basin and the Permian Basin, Mewbourne is able to provide the experience and expertise that is crucial to decreasing the risk of the investment. The company has also adapted significantly to technological changes that bring exciting new possibilities to onshore supplies of oil and gas as well as return on investments.

This internship involves working closely with the Investor Services department, as they will be opening the Mewbourne Energy Partnership for the year and beginning to raise capital for their drilling operations. There is a lot of information coming in to the office from broker-dealers as the Partnership opens. As an intern I got to work closely with the details of the partnership and investment process, which helped me develop a greater understanding of how companies that are not part of the public market raise capital and the legal regulations they must follow in order to do so. I had responsibilities that involved handling subscription documents and investor information, helping to get the information into the system in a timely manner. In addition, I was able to learn how the financial model works using the company's historical production of oil and gas and subsequent cash distributions to investors. This was extremely helpful in gaining a better understanding of financial concepts within the context of a single

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industry and a single company. There is a very practical issue with the time value of money when projecting the returns on these investments that becomes apparent through experience with valuing these declining assets.

One of the many benefits of this internship is that finance and investor services are only one part of the oil and gas industry, which has many parts that all must work together. I had the opportunity to sit down and talk to employees in all of the departments and get a feel for each part of the industry. The corporate offices in Tyler have employees who work in geology, engineering, land management and accountants so there is a lot to be learned about the technical side of the business and the functions of the company on a general level. There a significant amount to read, learn and experience in this internship so I got a firsthand look at such an important industry and see how all the different parts the process come together. As expected there is a lot of geology and science involved in the company, but it's specifically geared toward drilling and oil and gas production so it all makes more sense as you get acquainted with the process and begin to understand the context. Everyone there is very knowledgeable, usually not just limited to their specific field and they genuinely want to help you understand how the company functions so it is important to come with questions and a general interest in the business.

I went into the internship knowing only basics about the industry and an economic background and I was able to get out of it a strong appreciation for the business and the different aspects of the industry. The pros of this experience are the people that work at the company and the gained knowledge of a specific industry on an intimate level. As an intern you get to observe and ask questions about the complex business and Mewbourne Oil Company's place in the energy market. It was really a learning opportunity to get acquainted with all sides of the

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business, even those that are not necessarily your strong suit but are interesting and crucial to the process. I can definitely say that after this experience I am looking forward to opportunities in the industry that apply what I've learned through this job and through Sewanee.