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Bellatorum Resources – Leading the Charge in the Mineral Rights Space



Chris Bentley
Founder, President, & CEO

Bellatorum Resources
www.bellatorum.com

Contact:
Chris Bentley
832-559-8217
chris@bellatorum.com

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine

<https://www.facebook.com/BellatorumResources/>
<https://www.linkedin.com/company/bellatorum-resources>
<https://twitter.com/BellatorumR>

CEOCFO: *Mr. Bentley, what was the vision when you founded Bellatorum and what is your focus today?*

Mr. Bentley: This industry sometimes gets a bad reputation because of the way some firms interact with the mineral rights owners. Our vision was to do things differently in a way that prioritized the needs of the property owner. I wanted to create a company that excelled in the mineral rights segment of the oil and gas industry, as well as employ U.S. military veterans whenever possible. It can be extremely challenging for enlisted personnel to transition from the military into meaningful civilian careers. We've built a team of mission oriented highly professional folks that operate with the highest level of integrity and customer service. As far as our areas of focus, we currently only buy in the state of Texas, primarily in the Permian Basin and the Eagle Ford shale plays; however, we are opportunistic for the right deals anywhere in Texas with oil and gas production.

CEOCFO: *What do you do from day-to-day?*

Mr. Bentley: We contact mineral owners that are receiving royalty income for oil and gas production from their mineral rights with the aim to purchase them. Our main operations team consists of landmen that run title and figure out the division of ownership in the properties we're targeting. Once we have that information we are able to make a solid offer on purchasing those assets. The valuation methodology differs greatly from basin to basin, or even county to county within the same basin. The company who is actually drilling the wells matters too. There is a lot of nuance to it but it is a niche business that we really enjoy.

CEOCFO: *How does technology help and where, if at all, does gut-feeling come into play?*

Mr. Bentley: We rely quite heavily on technology, specifically on software applications. We use some artificial intelligence technology to help us clean up data at a much faster rate. We get a lot of bad data from public records and we have to clean that up quickly in order to put together our target acquisition lists. These software applications really help us increase our speed of acquisition, which is necessary to be successful in this business.

Additionally, we monitor new technology for recovering oil and gas reserves. As technology improves for drilling and completions, more oil and gas can be recovered from the wells where we have an interest. This plays a huge role in how we value assets.

CEOFCO: *Is there a constant turnover in property?*

Mr. Bentley: It is quite complex. Yes, there is a lot of turnover of properties and guys like us are considered aggregators so we will buy and hold for a period of time. We buy a bunch of smaller properties and then bundle them up and on-sell them to larger institutions. These buyers usually have a much more patient capital structure and plan to sit on the assets for quite a while. Mineral rights, specifically those producing oil and gas royalties, are great for pension funds and endowments to hold because of the free cash flow component.

CEOFCO: *How do you take into account the fluctuating price of oil and gas?*

Mr. Bentley: The price of oil and/or gas, wherever we are buying properties, does affect cash flow, so we have to take that into consideration. However, I will say that if you were following the price of oil every single day, you would have a heart attack because it is a moving target. We have a long-term view of the asset class, so we don't get emotional when the commodity prices move up or down.

CEOFCO: *Do you do outreach so people that potentially may want to sell their mineral rights know about the Bellatorum?*

Mr. Bentley: We use social media marketing; we send letters and holiday cards; we cold call; and we even knock on doors at times. We are constantly trying new ways to get in contact with the property owners so they know that we can be a liquidity option for them should they have a need or desire to sell.

"My team members do all of the heavy lifting, so it is my job to take care of them."- Chris Bentley

CEOFCO: *What have you learned over time about how to conduct this business; what has changed from day one?*

Mr. Bentley: We started very small and we bootstrapped this company with a close knit group of investors. At first, we constantly reinvested cash flow back into the business. We kind of moved up the food chain so to speak and now we have a much larger firm with more financial backing. I would say we are still learning but the main thing we have learned is that the mineral rights owner is our main customer. In any business, you must cater to your customer. We truly strive to please the mineral owner first and foremost at Bellatorum, which is something that I think sets us apart in this space.

CEOFCO: *You mentioned integrity and professionalism, and I see it is prominently displayed on your website. Why is this so important for Bellatorum?*

Mr. Bentley: I think that with mineral owners there is a level of cynicism and distrust of mineral buyers. Whether that is founded or unfounded, I cannot say, but that is a perception that a lot of mineral owners have. We do feel the need to put it out there so mineral owners at least see that these are our core values. More importantly, we actually conduct business with these principals, and don't just use them as marketing gimmicks. We operate in such a transparent way that we have gotten positive feedback from nearly every owner we've closed a deal with. I think it is one of our competitive advantages. We're in this for the long haul and not here just to make a quick buck. I think most people we interact with can see that.

CEOFCO: *Would you tell us a bit about your ancillary service?*

Mr. Bentley: We have some down times when we have deployed all of our capital allocated for acquiring mineral rights. Because we have a very unique skill-set in petroleum land management and it is a skill-set that is needed in the industry, we will do contract work for energy companies that need this type of work done, whether that is acquisition of a lease hold or pipe line easement, or even permitting in some cases.

CEOFCO: *What did you learn in the military that has translated into running the business?*

Mr. Bentley: I get asked that quite a bit and I think it is just taking care of your people. You have to put the mission first, but you also have to take care of your people. That was something that was ingrained in us in the Marine Corps. We live and work that way here. We have a team here that is always focused on the mission and I am extremely blessed to

have the team that I have. They all operate with the same ethos. We do not have to deal with things that I have seen in other companies. At Bellatorum, our team members always have a sense of urgency to get the job done and they pride themselves on their work product. They are also team players. Most of our team members are veterans, but even the few who aren't possess the same character and attitude and fit right into the culture. My team members do all of the heavy lifting, so it is my job to take care of them. I try to pay well, provide a healthy benefits and compensation package, as well as provide a good work-life balance and atmosphere at Bellatorum. These were leadership lessons I learned in the Marine Corps that I think have translated well into the private sector.

CEOCFO: *What is next for Bellatorum?*

Mr. Bentley: We are trying to scale our purchasing power and raise a larger fund and get into having a more patient capital structure. We would like to be able to hold some assets for a longer time and try to increase our natural gas position as well. We are focused on all these things for 2020.

CEOCFO: *Is there anything people might miss when they look at Bellatorum Resources?*

Mr. Bentley: We want to be a long-term player in this industry and we are not just here to make a quick buck. I feel like a lot of people enter this space for that reason and that is not our goal. Everything we do here is with the view that we will build a long-term sustainable company that provides great jobs for great people that have served our country. Of course we have to make money and we have to get good returns for our investors, but equal to that is building a long term sustainable company that takes care of its team members and provides a vehicle for people to build wealth and quality lives for their families.

