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R E P O R T

Q&A with Chris Bentley of Bellatorum Resources Founder, President, & CEO

Principle Series:

Bellatorum Resources launches 4th fund on the heels of previous funds with double and triple digit performances. Active Management Strategy in Oil and Gas Royalties and Mineral Rights

Bellatorum Resources is an oil and gas mineral rights and royalties investment firm with a focused active management strategy and bolstered by using proprietary software technology and acquisition processes that has proven a track record of consistently generating double digit net ROI and IRRs with above market returns.

Bellatorum is owned and operated by veterans of the United States Armed Forces. We not only live by a code, just as we did in the military, but we also operate using standard operating procedures and checklists that ensure quality and excellence. In the same manner that the military is able to

take 18 year olds from all walks of life and train them to fix fighter jets to operate nuclear powered submarines using strict and highly developed standard operating procedures and checklists, we at Bellatorum apply this same crucial understanding to how we deliver such extraordinary results. This is built into our culture and our business model.

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What exactly are oil and gas mineral rights and royalties?

In the U.S., sub-surface minerals may be privately owned. The right to develop may be sold to oil & gas firms. U.S. property rights are unique in the world in that they allow private citizens to share in the revenue generated from extracting natural resources from the Earth.

Mineral Rights are real property rights that can be bought, sold or leased like any other real estate. They are often severed and separated from the surface estate, making them relatively more liquid than traditional surface real estate.

Energy firms will typically pay mineral rights owners approximately 12.5% to 25% of net revenue generated by wells on their acreage.

Developing new oil and gas fields are expensive (exploration and production/E&P). Energy companies lease mineral rights, creating a royalty for the mineral owners who receive their pro-rata share of the proceeds from all hydrocarbons produced from their land.

Royalty owners (vs. working interest owners) are not subject to any drilling and completion costs, and the royalty owners are not responsible for future costs of work and additional development. Royalty owners are also not responsible for liabilities such as safety and environmental mishaps.

Exxon stock prices are crushed. S&P Energy indexes are abysmal. \$20 for a barrel of oil. Why look at mineral rights now?

Though we are going through unprecedented times and conditions, from a purely business point of view, current market conditions are offering us extraordinary potentials in mineral rights, and we find these new opportunities very exciting.

There's a few tautologies to underline: great wealth has been built in downturns. As well, you are one who believes hydrocarbons are here to stay in a significant way for the next 50-100 years. E.I.A: (US Energy Information Administration is a great place to get unbiased facts [HERE](#).) If you feel otherwise about oil & gas, even after seeing the facts, this may not be the right opportunity for you.

Moving beyond these facts, energy companies like Exxon are still drilling now with a 50-70 year outlook, with the average price of oil being estimated at around \$80/barrel for the life of this long cycle.

Our initial focus at Bellatorum is to buy mineral rights. Once acquired, selling them at a profit is not as hard for us (as proven in our previous two funds). Now, in this unfortunate chaos and downturn market conditions are when rights holders, more than ever, want to sell their mineral rights for cash.

Our end buyers (endowments/pension funds, large private equity firms) also price in energy upon a long-term outlook. They do not base their projections upon daily changes in the commodities markets and what they see in the NYMEX strips.

In the mineral rights space: we are short term players (3-5 years) who can capitalize on the long term outlook of the energy sector.

What's your current AUM?

We currently have \$44.7MM between three different entity groups with different investors / limited partners).

In addition to our funds and current AUM, Bellatorum also offers structuring bespoke mineral rights interests for a number of family offices and investment vehicles.

We have a robust consulting arm in which we offer services associated with major projects in the energy industry, from acquiring easements and workspace to leasing for drilling operations. In addition, we provide full land acquisition services that help minimize costs and disruptions in the process. When it comes to the field of transmission of oil and gas through pipelines and its associated processes. Bellatorum provides critical data analysis and consulting that enables pipeline infrastructure projects to be completed on time, without disruption, and with integrity.

Finally, our consulting practices in oil & gas production involve technical consulting including but not limited to: geographic/geologic evaluation, process design and evaluation, reservoir engineering, and regulatory compliance.

What have been the results on your previous funds?

We've achieved over 25% net ROI to investors annually since 2017.

Our fund highlights include our Phalanx Minerals 2018 fund which our audited financials show from inception to the end of 2018, the Internal Rate of Return (IRR) was 125% (computed net of all fees).

Bellatorum Land & Minerals, LP, an active fund under our management, performed at 25% IRR (June 5, 2018 through February 28, 2019)

How large can you scale?

Many industry experts mineral rights are a one trillion dollar market cap.

Bellatorum currently focused in the state of Texas due to the superior property rights associated with Texas law. We are currently raising \$100MM for this new Sentinel

Energy Investments, LP fund, as it would meet the current demand and premium deal flow opportunities in our pipeline. Because of our refined and proprietary process, along with our extraordinarily disciplined team of 17+ staff at Bellatorum that can execute high-velocity transaction cycles, we are prepared to deploy this capital very quickly and start making our investors money. Unlike many Private Equity funds of a similar size that may take well over 1 year to deploy their new capital, we can probably deploy the entire fund in less than 6 months, putting to work our investor's money much faster. Thereby we could in fact scale up to \$250MM+.



Chris Bentley of Bellatorum Resources

Mr. Bentley is the Founder, President, & CEO of Bellatorum Resources, a mineral and royalty acquisition company. Before launching Bellatorum, Chris worked as an acquisition agent for a small oil and gas services firm specializing in land acquisitions. Prior to entering the private sector, Chris served over 14 years in the United States Marine Corps, serving multiple combat tours in both Iraq and Afghanistan. Chris earned his undergraduate degree, as well as a Masters in Organizational Leadership from Norwich University – The Military College of Vermont. Additionally, he holds an MBA from Rice University's Jesse H. Jones Graduate School of Business. Chris is actively involved in supporting many charities through The Bellatorum Foundation, with an emphasis on supporting both veterans initiatives and Christian ministries. Contact Chris: chris@bellatorum.com, 832-559-8217