
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2018

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File No. 001-36719

ANTERO MIDSTREAM PARTNERS LP

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

46-4109058
(IRS Employer
Identification No.)

1615 Wynkoop Street
Denver Colorado
(Address of principal executive offices)

80202
(Zip Code)

(303) 357-7310

(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on which Registered
Common Units Representing Limited Partner Interests	New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act: **None.**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by checkmark if the registrant has elected to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the registrant's common units representing limited partner interests held by non-affiliates of the registrant as of June 29, 2018, the last business day of the registrant's most recently completed second fiscal quarter was approximately \$2.6 billion based on the closing price of Antero Midstream Partners LP's common units representing limited partner interests as reported on the New York Stock Exchange of \$29.52.

As of February 8, 2019, there were 187,330,147 common units representing limited partner interests outstanding.

Documents incorporated by reference: None.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some of the information in this Annual Report on Form 10-K may contain forward-looking statements. Forward-looking statements give our current expectations, contain projections of results of operations or of financial condition, or forecasts of future events. Words such as “may,” “assume,” “forecast,” “position,” “predict,” “strategy,” “expect,” “intend,” “plan,” “estimate,” “anticipate,” “believe,” “project,” “budget,” “potential,” or “continue,” and similar expressions are used to identify forward-looking statements. They can be affected by assumptions used or by known or unknown risks or uncertainties. Consequently, no forward-looking statements can be guaranteed. When considering these forward-looking statements, you should keep in mind the risk factors and other cautionary statements in this Annual Report on Form 10-K. Actual results may vary materially. You are cautioned not to place undue reliance on any forward-looking statements. You should also understand that it is not possible to predict or identify all such factors and should not consider the following list to be a complete statement of all potential risks and uncertainties. Factors that could cause our actual results to differ materially from the results contemplated by such forward-looking statements include:

- ⌚ Antero Resources Corporation’s expected production and ability to meet its drilling and development plan;
- ⌚ our ability to execute our business strategy;
- the possibility that the proposed simplification and related transactions described elsewhere in this Annual Report on Form 10-K (the “Transactions”) are not consummated in a timely manner or at all;
- the diversion of management in connection with the Transactions and the ability of the resulting entity of the Transactions to realize the anticipated benefits of the Transactions;
- the impact of increased levels and costs of indebtedness used to fund the Transactions or the cash portion of the consideration being paid in connection therewith, and increased cost of existing indebtedness due to the actions taken to consummate the Transactions;
- our ability to obtain debt or equity financing on satisfactory terms to fund additional acquisitions, expansion projects, working capital requirements and the repayment or refinancing of indebtedness;
- our ability to realize the anticipated benefits of our investments in unconsolidated affiliates;
- ⌚ natural gas, natural gas liquids (“NGLs”) and oil prices;
- our ability to complete the construction or purchase new gathering and compression, processing, water handling and treatment or other assets on schedule, at the budgeted cost or at all, and the ability of such assets to operate as designed or at expected levels;
- ⌚ competition and government regulations;
- ⌚ actions taken by third-party producers, operators, processors and transporters;
- ⌚ legal or environmental matters;
- ⌚ costs of conducting our operations;
- ⌚ general economic conditions;
- ⌚ credit markets;
- ⌚ operating hazards, natural disasters, weather-related delays, casualty losses and other matters beyond our control;
- ⌚ uncertainty regarding our future operating results; and
- ⌚ plans, objectives, expectations and intentions contained in this report that are not historical.

We caution you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond our control, incident to our business. These risks include, but are not limited to, commodity price volatility, inflation, environmental risks, drilling and completion and other operating risks, regulatory changes, the uncertainty inherent in projecting future rates of production, cash flows and access to capital, the timing of development expenditures, conflicts of interest among holders of our common units and the other risks described under “Risk Factors” in this Annual Report on Form 10-K.

Should one or more of the risks or uncertainties described in this report occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements.

All forward-looking statements, expressed or implied, included in this report are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue.

Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this Annual Report on Form 10-K.

GLOSSARY OF COMMONLY USED TERMS

The following are abbreviations and definitions of certain terms used in this document, which are commonly used in our industry:

“*Bbl.*” One stock tank barrel, of 42 U.S. gallons liquid volume, used herein in reference to crude oil, condensate, NGLs, or water.

“*Bbl/d.*” Bbl per day.

“*Bcf.*” One billion cubic feet of natural gas.

“*Bcfe.*” One billion cubic feet of natural gas equivalent with one barrel of oil, condensate, or NGLs converted to six thousand cubic feet of natural gas.

“*Bcfe/d.*” Bcfe per day.

“*DOT.*” Department of Transportation.

“*Dry gas.*” A natural gas containing insufficient quantities of hydrocarbons heavier than methane to allow their commercial extraction or to require their removal in order to render the gas suitable for fuel use.

“*EPA.*” Environmental Protection Agency.

“*Expansion capital expenditures.*” Cash expenditures to construct new midstream infrastructure and those expenditures incurred in order to extend the useful lives of our assets, reduce costs, increase revenues or increase system throughput or capacity from current levels, including well connections that increase existing system throughput.

“*FERC.*” Federal Energy Regulatory Commission.

“*Field.*” An area consisting of a single reservoir or multiple reservoirs all grouped on, or related to, the same individual geological structural feature or stratigraphic condition. The field name refers to the surface area, although it may refer to both the surface and the underground productive formations.

“*High pressure pipelines.*” Pipelines gathering or transporting natural gas that has been dehydrated and compressed to the pressure of the downstream pipelines or processing plants.

“*Hydrocarbon.*” An organic compound containing only carbon and hydrogen.

“Joint Venture.” The joint venture entered into on February 6, 2017 between Antero Midstream Partners L.P. and MarkWest Energy Partners, L.P. (“MarkWest”), a wholly owned subsidiary of MPLX, LP (“MPLX”), to develop processing and fractionation assets in Appalachia.

“Low pressure pipelines.” Pipelines gathering natural gas at or near wellhead pressure that has yet to be compressed (other than by well pad gas lift compression or dedicated well pad compressors) and dehydrated.

“Maintenance capital expenditures.” Cash expenditures (including expenditures for the construction or development of new capital assets or the replacement, improvement or expansion of existing capital assets) made to maintain, over the long term, our operating capacity or revenue.

“MBbl.” One thousand Bbbls.

“MBbl/d.” One thousand Bbbls per day.

“Mcf.” One thousand cubic feet of natural gas.

“MMcf.” One million cubic feet of natural gas.

“MMcfe.” One million cubic feet of natural gas equivalent with one barrel of oil, condensate or NGLs converted to six thousand cubic feet of natural gas.

“MMcf/d.” One million cubic feet per day.

“MMcfe/d.” One million cubic feet equivalent per day.

“Natural gas.” Hydrocarbon gas found in the earth, composed of methane, ethane, butane, propane and other gases.

“NGLs.” Natural gas liquids. Hydrocarbons found in natural gas which may be extracted as purity products such as ethane, propane, isobutene and normal butane, and natural gasoline.

“Oil.” Crude oil and condensate.

“SEC.” United States Securities and Exchange Commission.

“Tcfe.” One trillion cubic feet of natural gas equivalent with one barrel of oil, condensate, or NGLs converted to six thousand cubic feet of natural gas.

“Throughput.” The volume of product transported or passing through a pipeline, plant, terminal or other facility.

“WTI.” West Texas Intermediate light sweet crude oil.

PART I

References in this Annual Report on Form 10-K to “Predecessor,” “we,” “our,” “us” or like terms, when referring to period prior to November 10, 2014, refer to Antero Resources Corporation’s gathering, compression and water assets, our predecessor for accounting purposes. References to “the Partnership,” “we,” “our,” “us” or like terms, when referring to periods between November 10, 2014 and September 23, 2015 refer to the Partnership’s gathering and compression assets and Antero Resources Corporation’s water handling and treatment assets. References to “the Partnership,” “we,” “our,” “us” or like terms, when referring to periods since September 23, 2015 or when used in the present tense or prospectively, refer to Antero Midstream Partners LP.

Items 1 and 2. Business and Properties

Our Partnership

We are a growth-oriented master limited partnership formed by Antero Resources Corporation (“Antero Resources”) to own, operate and develop midstream energy assets to service Antero Resources’ increasing production. Our assets consist of gathering pipelines, compressor stations, and interests in processing and fractionation plants that collect and process production from Antero Resources’ wells in the Marcellus and Utica Shales in West Virginia and Ohio. Our assets also include two independent fresh water delivery systems that deliver fresh water from the Ohio River and several regional waterways and a wastewater treatment facility that was placed in service in 2018 (referred to herein as our “wastewater treatment facility” or the “Antero Clearwater Facility”). These fresh water delivery systems consist of permanent buried pipelines, surface pipelines and fresh water storage facilities, as well as pumping stations and impoundments to transport the fresh water throughout the pipelines. We also provide water handling and treatment services for well completion and production operations in Antero Resources’ operating areas. The other fluid handling services consist of high rate transfer services, wastewater transportation, and disposal. We believe that our strategically located assets and our relationship with Antero Resources have allowed us to become a leading midstream energy company serving the Marcellus and Utica Shale plays.

Since our initial public offering, we have grown our quarterly distribution 176% from our minimum quarterly distribution of \$0.17 per unit (\$0.68 per unit on an annualized basis) for the quarter ended December 31, 2014 (the initial quarter for which we paid a quarterly cash distribution) to \$0.47 per unit (\$1.88 per unit on an annualized basis) for the quarter ended December 31, 2018. Our ability to consistently grow our cash distributions is driven by a combination of Antero Resources’ production growth and our accretive build-out of additional midstream infrastructure to service that production growth.

Antero Midstream Partners LP’s (the “Partnership” or “Antero Midstream”) assets consist of gathering pipelines, compressor stations, interests in processing and fractionation plants, and water handling and treatment infrastructure, through which Antero Midstream and its affiliates provide gathering, compression, processing, fractionation and integrated water services, including fresh water delivery services, treatment and other fluid handling services. These services are provided to Antero Resources under long-term, fixed-fee contracts, limiting Antero Midstream’s direct exposure to commodity price risk. As of December 31, 2018, all of Antero Resources’ approximate 688,000 gross acres (612,000 net acres) are dedicated to Antero Midstream for gathering, compression and water services, except for approximately 153,000 gross acres subject to third-party gathering and compression commitments. Antero Midstream also owns a 15% equity interest in the gathering system of Stonewall Gas Gathering LLC (“Stonewall”) and a 50% equity interest in the Joint Venture to develop processing and fractionation assets in Appalachia with MarkWest, a wholly owned subsidiary of MPLX. In connection with Antero Midstream’s entry into the Joint Venture with MarkWest, Antero Midstream released to the Joint Venture its right to provide certain processing and fractionation services on 195,000 gross acres held by Antero Resources in Ritchie, Tyler and Wetzel Counties in West Virginia. Under its agreements with Antero Midstream, and subject to any pre-existing dedications or other third-party commitments, Antero Resources has dedicated to Antero Midstream all of its current and future acreage in West Virginia, Ohio and Pennsylvania for gathering and compression services and all of its acreage within defined service areas in West Virginia and Ohio for water services. Antero Midstream also has certain rights of first offer with respect to gathering, compression, processing, and fractionation services, and water services for acreage located outside of the existing dedicated areas. The gathering and compression agreement has a 20-year initial term that commenced on the date of our initial public offering (“IPO”), and the water services agreement has a 20-year initial term that commenced on the date of the Water Acquisition (as defined below), both of which are subject to automatic annual renewal after the initial term.

On September 23, 2015, Antero Resources contributed (the “Water Acquisition”) (i) all of the outstanding limited liability company interests of Antero Water LLC (“Antero Water”) to the Partnership and (ii) all of the assets, contracts, rights, permits and properties owned or leased by Antero Resources and used primarily in connection with the construction, ownership, operation, use or

maintenance of Antero Resources' advanced wastewater treatment complex in Doddridge County, West Virginia, to Antero Treatment LLC ("Antero Treatment") (collectively, (i) and (ii) are referred to herein as the "Contributed Assets"). Our results for the year ended December 31, 2015 have been recast to include the historical results of Antero Water because the transaction was between entities under common control. Antero Water's operations prior to the Water Acquisition consisted entirely of fresh water delivery operations.

Our water services agreement includes certain minimum fresh water delivery commitments that require Antero Resources to take delivery or pay a fee on a minimum volume of fresh water deliveries in calendar years 2016 through 2019. Minimum volume commitments were 90,000 barrels per day in 2016, 100,000 barrels per day in 2017 and 120,000 barrels per day in 2018 and are 120,000 barrels per day in 2019. We have a secondment agreement whereby Antero Resources provides seconded employees to perform certain operational services with respect to our assets for a 20-year period that commenced at Antero Midstream's initial public offering ("IPO") date. Additionally, we have a services agreement whereby Antero Resources provides certain administrative services to us for a 20-year period that commenced at Antero Midstream's IPO date.

In connection with the Water Acquisition, we have agreed to pay Antero Resources (a) \$125 million in cash if we deliver 176 million barrels or more of fresh water during the period between January 1, 2017 and December 31, 2019 and (b) an additional \$125 million in cash if we deliver 219 million barrels or more of fresh water during the period between January 1, 2018 and December 31, 2020. As of December 31, 2018, we have delivered 127 million of the 176 million barrels and we expect to pay the entire amount of the contingent consideration for the delivery of 176 million barrels or more of fresh water during the period between January 1, 2017 and December 31, 2019. As of December 31, 2018, we have delivered 71 million of the 219 million barrels or more of fresh water during the period between January 1, 2018 and December 31, 2020 and we do not expect to deliver at least 219 million barrels based on Antero Resources' 2019 budget and long-term outlook.

Our gathering and compression assets consist of high and low pressure gathering pipelines, compressor stations, and processing and fractionation plants that collect and process natural gas and NGLs from Antero Resources' wells in West Virginia and Ohio. The Partnership's water handling and treatment assets include two independent systems that deliver fresh water from sources including the Ohio River, local reservoirs as well as several regional waterways. The fresh water delivery services systems consist of permanent buried pipelines, surface pipelines and fresh water storage facilities, as well as pumping stations and impoundments to transport fresh water throughout the systems used to deliver water to Antero Resources' well completions. As of December 31, 2018, we had the ability to store 5.3 million barrels of fresh water in 37 impoundments. The Partnership also owns water treatment assets including the Antero Clearwater Facility, waste water pits and a related landfill used for the disposal of waste therefrom (the "Antero Landfill"). Other fluid handling services include third party services for well completion and production operations in Antero Resources' operating areas managed by Antero Midstream.

Due to the extensive geographic distribution of our water pipeline systems in both West Virginia and Ohio, we have provided water delivery services to other oil and gas producers operating within and adjacent to Antero Resources' operating area, and we are able to provide water delivery services to other oil and gas producers in the area, subject to our availability to provide the services, in an effort to further leverage the use of our existing system.

Our operations are located in the United States and are organized into two reporting segments: (1) gathering and processing and (2) water handling and treatment. Financial information for our reporting segments is located under Note 15—Reporting Segments to our consolidated financial statements.

Developments and Highlights

Simplification Agreement

On February 26, 2018, we announced that the board of directors of our general partner formed a conflicts committee composed solely of directors who satisfy the requirements for serving on the Partnership's conflicts committee in conjunction with the formation of the special committee at Antero Resources, and a conflicts committee at AMGP, the sole member of our general partner. In connection with the conflicts committee's efforts to explore, review and evaluate potential transaction involving the Partnership, on October 9, 2018, we announced that we, Antero Midstream GP LP ("AMGP") and certain of their affiliates entered into a Simplification Agreement (as may be amended from time to time, the "Simplification Agreement"), pursuant to which, among other things, (1) AMGP will be converted from a limited partnership to a corporation under the laws of the State of Delaware, to be named Antero Midstream Corporation (which is referred to as "New AM" and the conversion, the "Conversion"); (2) an indirect, wholly owned subsidiary of New AM will be merged with and into the Partnership, with the Partnership surviving the merger as an indirect, wholly owned subsidiary of New AM (the "Merger") and (3) all the issued and outstanding Series B Units representing



limited liability company interests of Antero IDR Holdings LLC (“IDR Holdings”), a partially owned subsidiary of AMGP and the holder of all of the Partnership’s incentive distribution rights, will be exchanged for an aggregate of approximately 17.35 million shares of New AM’s common stock (the “Series B Exchange”). The Conversion, the Merger, the Series B Exchange and the other transactions contemplated by the Simplification Agreement are collectively referred to as the “Transactions.” As a result of the Transactions, the Partnership will be a wholly owned subsidiary of New AM and former shareholders of AMGP, unitholders of the Partnership and holders of Series B Units will each own New AM’s common stock.

For additional information on the Simplification Agreement and the Transactions, see “Item 13. Certain Relationships and Related Transactions and Director Independence.”

Financial Results

For the year ended December 31, 2018, we generated cash flows from operations of \$658 million, net income of \$586 million, Adjusted EBITDA of \$717 million, and Distributable Cash Flow of \$596 million. This compares to cash flows from operations of \$476 million, net income of \$307 million, Adjusted EBITDA of \$529 million, and Distributable Cash Flow of \$421 million for the year ended December 31, 2017. See “—Non-GAAP Financial Measures” for a definition of Adjusted EBITDA and Distributable Cash Flow (non-GAAP measures) and a reconciliation of Adjusted EBITDA and Distributable Cash Flow to net income.

Cash Distributions

The board of directors of our general partner declared a cash distribution of \$0.47 per unit for the quarter ended December 31, 2018. The distribution was paid on February 13, 2019 to unitholders of record as of February 1, 2019.

2018 Capital Spending and 2019 Capital Budget

For the year ended December 31, 2018, our total capital spending was \$588 million, which included \$535 million of expansion capital and \$53 million of maintenance capital. We spent \$446 million for gathering and compression infrastructure, of which 97% was invested in the Marcellus Shale and the remaining 3% was invested in the Utica Shale. The additional gathering and compression infrastructure included 51 miles of pipelines in the Marcellus and Utica Shales combined. Additionally, we invested \$89 million in water infrastructure to construct 12 miles of additional buried fresh water pipelines and surface pipelines and Antero Clearwater Facility construction costs to support Antero Resources’ completion activities. The total investment in water infrastructure was allocated 77% to the Marcellus Shale and the remaining 23% to the Utica Shale. We also invested \$136 million in our joint ventures.

During 2019, we plan to expand our existing Marcellus and Utica Shale gathering, processing and fresh water delivery infrastructure to accommodate Antero Resources’ development plans. Antero Resources’ 2019 consolidated drilling and completion capital budget is \$1.1 billion to \$1.25 billion. Antero Resources plans to operate an average of five drilling rigs and complete between 115 and 125 horizontal wells, substantially all of which are located on acreage dedicated to us.

Our 2019 capital budget is a range of \$750 million to \$800 million, which at the midpoint includes \$710 million of expansion capital and \$65 million of maintenance capital. The capital budget includes \$400 million of capital for gathering and compression infrastructure primarily in the Marcellus Shale. We also expect to invest \$135 million for fresh water delivery infrastructure including an additional withdrawal point and associated trunklines to support Antero Resources’ development in Tyler and Wezel Counties, West Virginia. Our 2019 budget also includes \$200 million for our investment in the Joint Venture primarily for the construction of two more processing plants to provide an additional 400 Mmcf/d of processing capacity.

Credit Facility

Our revolving credit facility was amended in October 2018 to (i) increase lender commitments from \$1.5 billion to \$2.0 billion, (ii) permit us and our guarantors under the facility to consummate the Transactions and (iii) modify the pricing grid to decrease pricing. At December 31, 2018, we have \$990 million outstanding and no letters of credit outstanding under the revolving credit facility. The maturity date of the facility is October 26, 2022. See “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Capital Resources and Liquidity—Debt Agreements—Revolving Credit Facility” for a description of our revolving Credit Facility.

Our Assets

The following table provides information regarding our gathering and processing systems as of December 31, 2017 and 2018:

	Gathering and Processing System					
	Low-Pressure Pipeline (miles)		High-Pressure Pipeline (miles)		Compression Capacity (MMcf/d)	
	As of December 31,					
	2017	2018	2017	2018	2017	2018
Marcellus	126	155	116	134	1,590	2,150
Utica	68	72	36	36	120	320
Total	194	227	152	170	1,710	2,470

The following table provides information regarding our water handling and treatment systems as of December 31, 2017 and 2018:

	Water Handling and Treatment System							
	Buried Fresh Water Pipeline (miles)		Surface Fresh Water Pipeline (miles)		Wells Served by Water Distribution		Fresh Water Impoundments	
	As of December 31,							
	2017	2018	2017	2018	2017	2018	2017	2018
Marcellus	122	127	68	76	115	138	25	25
Utica	55	55	28	27	27	24	13	12
Total	177	182	96	103	142	162	38	37

In addition, our assets include a wastewater treatment facility that was placed into service in 2018.

Our Relationship with Antero Resources

Antero Resources is our most significant customer and is one of the largest producers of natural gas and NGLs in the Appalachian Basin, where it produced, on average, 2.7 Bcfe/d net (28% liquids) during 2018, an increase of 20% as compared to 2017. As of December 31, 2018, Antero Resources’ estimated net proved reserves were 18.0 Tcfe, which were comprised of 63% natural gas, 35% NGLs, and 2% oil. As of December 31, 2018, Antero Resources’ drilling inventory consisted of 3,734 identified potential horizontal well locations (approximately 3,200 of which were located on acreage dedicated to us) for gathering and compression and water handling and treatment services, which provides us with significant opportunities for growth as Antero Resources’ active drilling program continues and its production increases. Antero Resources’ consolidated 2019 drilling and completion budget is \$1.1 billion to \$1.25 billion, and includes plans to operate an average of five drilling rigs, primarily in the Marcellus Shale. Antero Resources relies significantly on us to deliver the midstream infrastructure necessary to accommodate its production growth. For additional information regarding our contracts with Antero Resources, please read “—Contractual Arrangement with Antero Resources.”

We are highly dependent on Antero Resources as our most significant customer, and we expect to derive most of our revenues from Antero Resources for the foreseeable future. Accordingly, we are indirectly subject to the business risks of Antero Resources. For additional information, please read “Item 1A. Risk Factors—Risks Related to Our Business.” Because substantially all of our revenue is derived from Antero Resources, any development that materially and adversely affects Antero Resources’ operations, financial condition or market reputation could have a material adverse impact on us.

Contractual Arrangements with Antero Resources

Gathering and Compression

In connection with our IPO, Antero Resources dedicated all of its current and future acreage in West Virginia, Ohio and Pennsylvania to us for gathering and compression except for acreage attributable to third-party commitments in effect prior to the Antero Midstream IPO, or acreage we have acquired that is subject to pre-existing dedications. For a discussion of Antero Resources’ existing third-party commitments and pre-existing dedications, please read “—Antero Resources’ Existing Third-Party Commitments.” We also have an option to gather and compress natural gas produced by Antero Resources on any acreage it acquires in the future outside of West Virginia, Ohio and Pennsylvania on the same terms and conditions. Under the gathering and

compression agreement, we receive a low pressure gathering fee per Mcf, a high-pressure gathering fee per Mcf, and a compression fee per Mcf, in each case subject to CPI-based adjustments. If and to the extent Antero Resources requests that we construct new high pressure lines and compressor stations, the gathering and compression agreement contains minimum volume commitments that require Antero Resources to utilize or pay for 75% and 70%, respectively, of the capacity of such new construction for 10 years. Additional high pressure lines and compressor stations installed on our own initiative are not subject to such volume commitments. These minimum volume commitments on new infrastructure are intended to support the stability of our cash flows. For additional information, please read “Item 13. Certain Relationships and Related Transactions.”

Water Handling and Treatment Services

In connection with the Water Acquisition on September 23, 2015, we entered in a Water Services Agreement with Antero Resources whereby we have agreed to provide certain water handling and treatment services to Antero Resources within an area of dedication in defined service areas in Ohio and West Virginia. We also have certain rights of first offer with respect to water services for acreage located outside of the existing dedicated areas. Antero Resources agreed to pay us for all water handling and treatment services provided by us in accordance with the terms of the Water Services Agreement. The initial term of the Water Services Agreement is 20 years from September 23, 2015 and from year to year thereafter until terminated by either party. Under the agreement, Antero Resources will pay a fixed fee per barrel in West Virginia and Ohio and all other locations for fresh water deliveries by pipeline directly to the well site, subject to annual CPI adjustments. Antero Resources committed to pay a fee on a minimum volume of fresh water deliveries in calendar years 2016 through 2019. Antero Resources is obligated to pay a minimum volume fee to us in the event the aggregate volume of fresh water delivered to Antero Resources under the Water Services Agreement is less than 120,000 barrels per day in 2019, which we expect to exceed. Antero Resources also agreed to pay us a fixed fee per barrel for wastewater treatment at the Antero Clearwater Facility subject to annual CPI-based adjustments. In addition, we contract with third party service providers to provide Antero Resources flow back and produced water services and Antero Resources will reimburse us third party out-of-pocket costs plus 3%.

Gas Processing and NGL Fractionation

Prior to the formation of the Joint Venture, we did not have any gas processing or NGL fractionation infrastructure; however, we have a right-of-first-offer agreement with Antero Resources for the provision of such services, pursuant to which Antero Resources, subject to certain exceptions, may not procure any gas processing or NGL fractionation services with respect to its production (other than production subject to a pre-existing dedication) without first offering us the right to provide such services. For additional information, please read “—Antero Resources’ Existing Third-Party Commitments” and “Item 13. Certain Relationships and Related Transactions.”

In connection with the formation of the Joint Venture, we and Antero Resources amended and restated our right of first offer agreement in order to, among other things, amend the list of conflicting dedications set forth in such agreement to include the gas processing and NGL fractionation arrangement between Antero Resources and MarkWest. In connection with the entry into to such gas processing and NGL fractionation agreements, we released to the Joint Venture our right to provide certain processing and fractionation services on 195,000 gross acres held by Antero Resources, and MarkWest has separately agreed to use the Joint Venture for a portion of processing and fractionation services under the agreements.

Antero Resources’ Existing Third-Party Commitments

Excluded Acreage

Antero Resources previously dedicated a portion of its acreage in the Marcellus Shale to certain third parties’ gathering and compression services. We refer to this acreage dedication as the “excluded acreage.” As of December 31, 2018, the excluded acreage consisted of approximately 153,000 of Antero Resources’ existing net leasehold acreage. At that same date, approximately 530 of Antero Resources’ 3,734 potential horizontal well locations were located within the excluded acreage.

Other Commitments

In addition to the excluded acreage, Antero Resources has entered into take-or-pay contracts with volume commitments for certain third parties’ high pressure gathering and compression services. Specifically, those volume commitments consist of up to an aggregate of 750 MMcf/d on four high pressure gathering pipelines and 1,020 MMcf/d on nine compressor stations.

Acreage Dispositions

In addition to the excluded acreage and Antero Resources' other commitments with third parties, each of the gathering and compression agreement, water services agreement and right of first offer agreement between Antero Resources and us permit Antero Resources to sell, transfer, convey, assign, grant, or otherwise dispose of dedicated properties free of the dedication under such agreements, provided that the number of net acres of dedicated properties so disposed of, when added to the number of net acres of dedicated properties previously disposed of free of the dedication since the respective effective dates of the agreements, does not exceed the aggregate number of net acres of dedicated properties acquired by Antero Resources since such effective dates. Accordingly, under certain circumstances, Antero Resources may dispose of a significant number of net acres of dedicated properties free from dedication without our consent, and we have no control over the timing or extent of such dispositions.

Title to Properties

Our real property is classified into two categories: (1) parcels that we own in fee and (2) parcels in which our interest derives from leases, easements, rights-of-way, permits or licenses from landowners or governmental authorities, permitting the use of such land for our operations. Portions of the land on which our pipelines and major facilities are located are owned by us in fee title, and we believe that we have satisfactory title to these lands. The remainder of the land on which our pipelines and major facilities are located are held by us pursuant to surface leases between us, as lessee, and the fee owner of the lands, as lessors. We have leased or owned these lands without any material challenge known to us relating to the title to the land upon which the assets are located, and we believe that we have satisfactory leasehold estates or fee ownership of such lands. We have no knowledge of any challenge to the underlying fee title of any material lease, easement, right-of-way, permit or license held by us or to our title to any material lease, easement, right-of-way, permit or lease, and we believe that we have satisfactory title to all of its material leases, easements, rights-of-way, permits and licenses.

Seasonality

Demand for natural gas generally decreases during the spring and fall months and increases during the summer and winter months. However, seasonal anomalies such as mild winters or mild summers sometimes lessen this fluctuation. In addition, certain natural gas end users, utilities and marketers utilize natural gas storage facilities and purchase some of their anticipated winter requirements during the spring, summer and fall, thereby smoothing demand for natural gas. This can also lessen seasonal demand fluctuations. These seasonal anomalies can increase demand for our services during the summer and winter months and decrease demand for our services during the spring and fall months.

Competition

As a result of our relationship with Antero Resources, we do not compete for the portion of Antero Resources' existing operations for which we currently provide midstream services and will not compete for future portions of Antero Resources' operations that are dedicated to us pursuant to our gathering and compression agreement and water handling and treatment services agreement with Antero Resources. For a description of this contract, please read “—Our Relationship with Antero Resources—Contractual Arrangements with Antero Resources.” However, we face competition in attracting third-party volumes to our gathering and compression and water handling and treatment systems. In addition, these third parties may develop their own gathering and compression and water handling and treatment systems in lieu of employing our assets.

Regulation of Operations

Regulation of pipeline gathering services may affect certain aspects of our business and the market for our services.

Gathering Pipeline Regulation

Section 1(b) of the Natural Gas Act of 1938, or NGA, exempts natural gas gathering facilities from regulation by the Federal Energy Regulatory Commission, or FERC, under the NGA. Although the FERC has not made any formal determinations with respect to any of our facilities, we believe that the natural gas pipelines in our gathering systems meet the traditional tests the FERC has used to establish whether a pipeline is a gathering pipeline not subject to FERC jurisdiction. The distinction between FERC-regulated transmission services and federally unregulated gathering services, however, has been the subject of substantial litigation, and the FERC determines whether facilities are gathering facilities on a case-by-case basis, so the classification and regulation of some our gathering facilities and intrastate transportation pipelines may be subject to change based on future determinations by the FERC, the courts, or Congress. If the FERC were to consider the status of an individual facility and determine that the facility is not a gathering

pipeline and the pipeline provides interstate transmission service, the rates for, and terms and conditions of, services provided by such facility would be subject to regulation by the FERC under the NGA or the Natural Gas Policy Act of 1978, or NGPA. Such FERC-regulation could decrease revenue, increase operating costs, and, depending upon the facility in question, could adversely affect our results of operations and cash flows. In addition, if any of our facilities were found to have provided services or otherwise operated in violation of the NGA or NGPA, this could result in the imposition of civil penalties as well as a requirement to disgorge charges collected for such service in excess of the rate established by the FERC.

Unlike natural gas gathering under the NGA, there is no exemption for the gathering of crude oil or NGLs under the Interstate Commerce Act, or ICA. Whether a crude oil or NGL shipment is in interstate commerce under the ICA depends on the fixed and persistent intent of the shipper as to the crude oil's or NGL's final destination, absent a break in the interstate movement. Antero Midstream believes that the crude oil and NGL pipelines in its gathering system meet the traditional tests the FERC has used to determine that a pipeline is not providing transportation service in interstate commerce subject to FERC ICA jurisdiction. However, the determination of the interstate or intrastate character of shipments on Antero Midstream's crude oil and NGL pipelines depends on the shipper's intentions and the transportation of the crude oil or NGLs outside of Antero Midstream's system, and may change over time. If the FERC were to consider the status of an individual facility and the character of a crude oil or NGL shipment, and determine that the shipment is in interstate commerce, the rates for, and terms and conditions of, transportation services provided by such facility would be subject to regulation by the FERC under the ICA. Such FERC regulation could decrease revenue, increase operating costs, and, depending on the facility in question, could adversely affect Antero Midstream's results of operations and cash flows. In addition, if any of Antero Midstream's facilities were found to have provided services or otherwise operated in violation of the ICA, this could result in the imposition of administrative and civil remedies and criminal penalties, as well as a requirement to disgorge charges collected for such services in excess of the rate established by the FERC.

State regulation of gathering facilities generally includes various safety, environmental and, in some circumstances, nondiscriminatory take requirements and complaint-based rate regulation. States in which we operate may adopt ratable take and common purchaser statutes, which would require our gathering pipelines to take natural gas without undue discrimination in favor of one producer over another producer or one source of supply over another similarly situated source of supply. The regulations under these statutes may have the effect of imposing some restrictions on our ability as an owner of gathering facilities to decide with whom we contract to gather natural gas. States in which we operate may also adopt a complaint-based regulation of natural gas gathering activities, which allows natural gas producers and shippers to file complaints with state regulators in an effort to resolve grievances relating to gathering access and rate discrimination. We cannot predict whether such regulation will be adopted and whether such a complaint will be filed against us in the future. Failure to comply with state regulations can result in the imposition of administrative, civil and criminal remedies. To date, there has been no adverse effect to our system due to state regulations.

Our gathering operations could be adversely affected should they be subject in the future to more stringent application of state regulation of rates and services. Our gathering operations also may be or become subject to additional safety and operational regulations relating to the design, installation, testing, construction, operation, replacement and management of gathering facilities. Additional rules and legislation pertaining to these matters are considered or adopted from time to time. We cannot predict what effect, if any, such changes might have on our operations, but the industry could be required to incur additional capital expenditures and increased costs depending on future legislative and regulatory changes.

The Energy Policy Act of 2005, or EAct 2005, amended the NGA and NGPA to prohibit fraud and manipulation in natural gas markets. The FERC subsequently issued a final rule making it unlawful for any entity, in connection with the purchase or sale of natural gas or transportation service subject to FERC's jurisdiction, to defraud, make an untrue statement or omit a material fact or engage in any practice, act or course of business that operates or would operate as a fraud. The FERC's anti-manipulation rules apply to intrastate sales and gathering activities only to the extent that there is a "nexus" to FERC-jurisdictional transactions. EAct 2005 also provided the FERC with the authority to impose civil penalties of up to approximately \$2 million (adjusted annually for inflation) per day per violation. On January 9, 2017, FERC issued an order (Order No. 834) increasing the maximum civil penalty amounts under the NGA and NGPA to adjust for inflation. FERC may now assess civil penalties under the NGA and NGPA of up to \$1,269,500 per violation per day.

Pipeline Safety Regulation

Some of our gas pipelines are subject to regulation by the Pipeline and Hazardous Materials Safety Administration, or PHMSA, pursuant to the Natural Gas Pipeline Safety Act of 1968, or NGPSA, with respect to natural gas, and the Hazardous Liquids Pipeline Safety Act of 1979, or HLPSA, with respect to crude oil and NGLs. Both the NGPSA and the HLPSA were amended by the Pipeline Safety Act of 1992, the Accountable Pipeline Safety and Partnership Act of 1996, the Pipeline Safety Improvement Act of 2002, or PSIA, as reauthorized and amended by the Pipeline Inspection, Protection, Enforcement and Safety Act of 2006, or the

PIPES Act, and the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011, or 2011 Pipeline Safety Act. The NGPSA and HLPESA regulate safety requirements in the design, construction, operation and maintenance of natural gas, crude oil and NGL pipeline facilities, while the PSIA establishes mandatory inspections for all U.S. crude oil, NGL and natural gas transmission pipelines in high-consequence areas, or HCAs.

The PHMSA has developed regulations that require pipeline operators to implement integrity management programs, including more frequent inspections and other measures to ensure pipeline safety in HCAs. The regulations require operators, including us, to:

- ① perform ongoing assessments of pipeline integrity;
- ① identify and characterize applicable threats to pipeline segments that could impact a HCA;
- ① improve data collection, integration and analysis;
- ① repair and remediate pipelines as necessary; and
- ① implement preventive and mitigating actions.

The 2011 Pipeline Safety Act, among other things, increased the maximum civil penalty for pipeline safety violations and directed the Secretary of Transportation to promulgate rules or standards relating to expanded integrity management requirements, automatic or remote-controlled valve use, excess flow valve use, leak detection system installation and testing to confirm the material strength of pipe operating above 30% of specified minimum yield strength in high consequence areas. Consistent with the act, PHMSA finalized rules that increased the maximum administrative civil penalties for violation of the pipeline safety laws and regulations to \$200,000 per violation per day, with a maximum of \$2,000,000 for a series of violations. Effective April 27, 2017, those maximum civil penalties were increased to \$209,002 per violation per day, with a maximum of \$2,090,022 for a series of violations, to account for inflation. The PHMSA has also issued a final rule applying safety regulations to certain rural low-stress hazardous liquid pipelines that were not covered previously by some of its safety regulation.

On June 22, 2016, the President of the United States signed into law new legislation entitled Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2016, or the PIPES Act. The PIPES Act reauthorizes PHMSA through 2019, and facilitates greater pipeline safety by providing PHMSA with emergency order authority, including authority to issue prohibitions and safety measures on owners and operators of gas or hazardous liquid pipeline facilities to address imminent hazards, without prior notice or an opportunity for a hearing, as well as enhanced release reporting requirements, requiring a review of both natural gas and hazardous liquid integrity management programs, and mandating the creation of a working group to consider the development of an information-sharing system related to integrity risk analyses. The PIPES Act also requires that PHMSA publish periodic updates on the status of those mandates outstanding from the 2011 Pipeline Safety Act, of which approximately twelve remain to be completed. The mandates yet to be acted upon include requiring certain shut-off valves on transmission lines, mapping all high consequence areas, and shortening the deadline for accident and incident notifications.

PHMSA regularly revises its pipeline safety regulations. For example, in March of 2015, PHMSA finalized new rules applicable to gas and hazardous liquid pipelines that, among other changes, impose new post-construction inspections, welding, gas component pressure testing requirements, as well as requirements for calculating pressure reductions for immediate repairs on liquid pipelines. In addition, in May 2016, PHMSA proposed rules that would, if adopted, impose more stringent requirements for certain gas lines. Among other things, the proposed rulemaking would extend certain of PHMSA's current regulatory safety programs for gas pipelines beyond "high consequence areas" to cover gas pipelines found in newly defined "moderate consequence areas" that contain as few as five dwellings within the potential impact area and would also require gas pipelines installed before 1970 that are currently exempted from certain pressure testing obligations to be tested to determine their maximum allowable operating pressures, or MAOP. Other new requirements proposed by PHMSA under rulemaking would require pipeline operators to: report to PHMSA in the event of certain MAOP exceedances; strengthen PHMSA integrity management requirements; consider seismicity in evaluating threats to a pipeline; conduct hydrostatic testing for all pipeline segments manufactured using longitudinal seam welds; and use more detailed guidance from PHMSA in the selection of assessment methods to inspect pipelines. The proposed rulemaking also seeks to impose a number of requirements on natural gas gathering lines. PHMSA has announced its intention to divide the proposed rule into three parts and issue three separate final rulemakings in 2019. Part I is expected to address the expansion of risk assessment and MAOP requirements (expected issuance in March 2019); Part II is expected to address the expansion of integrity management program regulations (expected issuance in June 2019); and Part III is expected to expand the regulation of gas gathering lines (expected issuance in August 2019). Separately, in January 2017, PHMSA finalized regulations for hazardous liquid pipelines that

significantly extend and expand the reach of certain PHMSA integrity management requirements (i.e., periodic assessments, leak detection and repairs), regardless of the pipeline's proximity to a high consequence area. The final rule would also impose new reporting requirements for certain unregulated pipelines, including all hazardous liquid gathering lines. However, implementation of this rule has been delayed as a result of the change in U.S. Presidential Administrations, and the final rule is not expected to be published by the Federal Register until the first half of 2019. Separately, in March 2017, new PHMSA rules related to gas and hazardous liquid pipeline accident reporting, control room personnel training requirements, personnel drug and alcohol testing, and incorporating consensus standards by reference for integrity management issues such as in-line inspection and stress corrosion cracking direct assessment became effective.

States are largely preempted by federal law from regulating pipeline safety for interstate lines but most are certified by the DOT to assume responsibility for enforcing federal intrastate pipeline regulations and inspection of intrastate pipelines. States may adopt stricter standards for intrastate pipelines than those imposed by the federal government for interstate lines; however, states vary considerably in their authority and capacity to address pipeline safety. State standards may include requirements for facility design and management in addition to requirements for pipelines. We do not anticipate any significant difficulty in complying with applicable state laws and regulations. Our natural gas pipelines have continuous inspection and compliance programs designed to keep the facilities in compliance with pipeline safety and pollution control requirements.

We regularly review all existing and proposed pipeline safety requirements and work to incorporate the new requirements into procedures and budgets. We expect to incur increasing regulatory compliance costs, based on the intensification of the regulatory environment and upcoming changes to regulations as outlined above. In addition to regulatory changes, costs may be incurred when there is an accidental release of a commodity transported by our system, or a regulatory inspection identifies a deficiency in our required programs.

Regulation of Environmental and Occupational Safety and Health Matters

General

Our natural gas gathering and compression and water handling and treatment activities are subject to stringent and complex federal, state and local laws and regulations relating to the protection of the environment. As an owner or operator of these facilities, we must comply with these laws and regulations at the federal, state and local levels. These laws and regulations can restrict or impact our business activities in many ways, such as:

- ① requiring the installation of pollution-control equipment, imposing emission or discharge limits or otherwise restricting the way we operate resulting in additional costs to our operations;
- ① limiting or prohibiting construction activities in areas, such as air quality nonattainment areas, wetlands, coastal regions or areas inhabited by endangered or threatened species;
- ① delaying system modification or upgrades during review of permit applications and revisions;
- ① requiring investigatory and remedial actions to mitigate discharges, releases or pollution conditions associated with our operations or attributable to former operations; and
- ① enjoining the operations of facilities deemed to be in non-compliance with permits issued pursuant to or regulatory requirements imposed by such environmental laws and regulations.

Failure to comply with these laws and regulations may trigger a variety of administrative, civil and criminal enforcement measures, including the assessment of monetary penalties and natural resource damages. Certain environmental statutes impose strict joint and several liability for costs required to clean up and restore sites where hazardous substances, hydrocarbons or solid wastes have been disposed or otherwise released. Moreover, neighboring landowners and other third parties may file common law claims for personal injury and property damage allegedly caused by the release of hazardous substances, hydrocarbons or solid waste into the environment.

The trend in environmental regulation has been to place more restrictions and limitations on activities that may affect the environment and thus, there can be no assurance as to the amount or timing of future expenditures for environmental compliance or remediation and actual future expenditures may be different from the amounts we currently anticipate. As with the midstream industry in general, complying with current and anticipated environmental laws and regulations can increase our capital costs to

construct, maintain and operate equipment and facilities. While these laws and regulations affect our maintenance capital expenditures and net income, we do not believe they will have a material adverse effect on our business, financial position, results of operations or cash flows, nor do we believe that they will affect our competitive position since the operations of our competitors are generally similarly affected. In addition, we believe that the various activities in which we are presently engaged that are subject to environmental laws and regulations are not expected to materially interrupt or diminish our operational ability to gather natural gas and provide water handling and treatment services. We cannot assure you, however, that future events, such as changes in existing laws or enforcement policies, the promulgation of new laws or regulations, or the development or discovery of new facts or conditions will not cause us to incur significant costs. Below is a discussion of the material environmental laws and regulations that relate to our business.

Hydraulic Fracturing Activities

Hydraulic fracturing is an important and common practice that is used to stimulate production of natural gas and/or oil from dense subsurface rock formations. The hydraulic fracturing process involves the injection of water, sand, and chemicals under pressure through a cased and cemented wellbore into targeted subsurface formations to fracture the surrounding rock and stimulate production. Our primary customer, Antero Resources, uses hydraulic fracturing as part of its completion operations as does most of the U.S. onshore oil and natural gas industry. Hydraulic fracturing is typically regulated by state oil and gas commissions and similar agencies; however, in recent years the EPA, has asserted limited authority over hydraulic fracturing and has issued or sought to propose rules related to the control of air emissions, disclosure of chemicals used in the process, and the disposal of flowback and produced water resulting from the process. Some states, including those in which we operate, have adopted, and other states are considering adopting, regulations that could impose more stringent disclosure and/or well construction requirements on hydraulic fracturing operations. For example, in July 2015, the Ohio Department of Natural Resources issued final rules for horizontal drilling well-pad construction. The Ohio legislature has also adopted laws requiring oil and natural gas operators to disclose chemical ingredients used to hydraulically fracture wells and to conduct pre-drilling baseline water quality sampling of certain water wells near a proposed horizontal well. Local governments also may seek to adopt ordinances within their jurisdictions regulating the time, place and manner of drilling activities in general or hydraulic fracturing activities in particular. Some states and municipalities have sought to ban hydraulic fracturing altogether. We cannot predict whether any such federal, state, or local legal restrictions relating to the hydraulic fracturing process will ever be enacted in areas where our customers operate and if so, what the effects of such restrictions would be. If additional levels of regulation and permits were required through the adoption of new laws and regulations at the federal state or local level, that could lead to delays, increased operating costs and process prohibitions that could reduce the volumes of water and natural gas that move through our systems, which in turn could materially adversely affect our revenues and results of operations.

Hazardous Waste

Antero Midstream and Antero Resources' operations generate solid wastes, including some hazardous wastes, that are subject to the federal Resource Conservation and Recovery Act, or RCRA, and comparable state laws, which impose requirements for the handling, storage, treatment and disposal of hazardous waste. RCRA currently exempts many natural gas gathering and field processing wastes from classification as hazardous waste. Specifically, RCRA excludes from the definition of hazardous waste produced waters and other wastes intrinsically associated with the exploration, development, or production of crude oil and natural gas, including residual constituents derived from those exempt wastes. However, these oil and gas exploration and production wastes may still be regulated under state solid waste laws and regulations, and it is possible that certain oil and natural gas exploration and production wastes now classified as exploration and production-exempt non-hazardous waste could be classified as hazardous waste in the future. For example, in December 2016, the EPA and environmental groups entered into a consent decree to address EPA's alleged failure to timely assess its RCRA Subtitle D criteria regulations exempting certain exploration and production related oil and gas wastes from regulation as hazardous wastes under RCRA. The consent decree requires EPA to propose a rulemaking no later than March 15, 2019 for revision of certain Subtitle D criteria regulations pertaining to oil and gas wastes or to sign a determination that revision of the regulations is not necessary. Any revisions to Subtitle D would have to be finalized by 2021. Stricter regulation of wastes generated during our or our customer's operations could result in increased costs for our operations or the operations of our customers, which could in turn reduce demand for our services, increase our waste disposal costs, and adversely affect our business.

Our Antero Clearwater Facility and adjacent Antero Landfill operate pursuant to West Virginia Department of Environmental Protection ("DEP") permits for the management of stormwater and wastewater and the disposal and management of solid waste. The produced water, flowback water, and other waste associated with shale development treated at the Antero Clearwater Facility are exempt from RCRA hazardous waste regulations. Likewise, the input (residual salt derived from the wastewater treated at the Antero Clearwater Facility) and output (leachate derived from precipitation run-off contacting the non-hazardous salt) to and from the Antero Landfill also qualify as exploration and production-exempt non-hazardous wastes because they derive from non-hazardous exempt material. However, in the event that hazardous non-exempt waste streams are introduced to and mix with the exempt waste at the

Antero Clearwater Facility, or if we otherwise fail to handle or treat such exempt materials pursuant to our West Virginia DEP permits, we may be subject to penalties and/or corrective action measures. Additionally, in the event that we dispose of sludges containing naturally occurring radioactive material (generated at the Antero Clearwater Facility) at the Antero Landfill or other third-party facility that is not authorized to receive such radioactive waste, we may be subject to significant liabilities in the form of administrative, civil or criminal penalties and/or remedial obligations to remove previously disposed radioactive wastes and remediate contaminated property.

Site Remediation

The Comprehensive Environmental Response, Compensation and Liability Act, or CERCLA, also known as the Superfund law and comparable state laws impose liability without regard to fault or the legality of the original conduct, on certain classes of persons responsible for the release of hazardous substances into the environment. Such classes of persons include the current and past owners or operators of sites where a hazardous substance was released, and companies that disposed or arranged for disposal of hazardous substances at offsite locations, such as landfills. Although petroleum as well as natural gas is excluded from CERCLA's definition of "hazardous substance," in the course of our ordinary operations, our operations generate wastes that may be designated as hazardous substances. CERCLA authorizes the EPA, states, and, in some cases, third parties to take actions in response to releases or threatened releases of hazardous substances into the environment and to seek to recover from the classes of responsible persons the costs they incur to address the release. Under CERCLA, we could be subject to strict joint and several liabilities for the costs of cleaning up and restoring sites where hazardous substances have been released into the environment and for damages to natural resources.

We currently own or lease, and may have in the past owned or leased, properties that have been used for the gathering and compression of natural gas and the gathering and transportation of oil. Although we typically used operating and disposal practices that were standard in the industry at the time, petroleum hydrocarbons or wastes may have been disposed of or released on or under the properties owned or leased by it or on or under other locations where such substances have been taken for disposal. Such petroleum hydrocarbons or wastes may have migrated to property adjacent to our owned and leased sites or the disposal sites. In addition, some of the properties may have been operated by third parties or by previous owners whose treatment and disposal or release of petroleum hydrocarbons or wastes was not under our control. These properties and the substances disposed or released on them may be subject to CERCLA, RCRA and analogous state laws. Under such laws, we could be required to remove previously disposed wastes, including waste disposed of by prior owners or operators; remediate contaminated property, including groundwater contamination, whether from prior owners or operators or other historic activities or spills; or perform remedial operations to prevent future contamination. We are not currently a potentially responsible party in any federal or state Superfund site remediation and there are no current, pending or anticipated Superfund response or remedial activities at or implicating our facilities or operations.

Air Emissions

The federal Clean Air Act, and comparable state laws, regulate emissions of air pollutants from various industrial sources, including natural gas processing plants and compressor stations, and also impose various emission limits, operational limits and monitoring, reporting and recordkeeping requirements on air emission sources. Failure to comply with these requirements could result in monetary penalties, injunctions, conditions or restrictions on operations, and potentially criminal enforcement actions. These laws are frequently subject to change. For example, in October 2015, the EPA lowered the National Ambient Air Quality Standard, or NAAQS, for ozone from 75 to 70 parts per billion, and completed attainment/non-attainment designations in July 2018. State implementation of the revised NAAQS could result in stricter permitting requirements, delay or prohibit our ability to obtain such permits, and result in increased expenditures for pollution control equipment, the costs of which could be significant. Applicable laws and regulations require pre-construction permits for the construction or modification of certain projects or facilities with the potential to emit air emissions above certain thresholds. These pre-construction permits generally require use of best available control technology, or BACT, to limit air emissions. In addition, in June 2016, the EPA finalized rules under the federal Clean Air Act regarding criteria for aggregating multiple sites into a single source for air-quality permitting purposes applicable to the oil and gas industry. This rule could cause small facilities (such as tank batteries and compressor stations), on an aggregate basis, to be deemed a major source, thereby triggering more stringent air permitting requirements, which in turn could result in operational delays or require us to install costly pollution control equipment. Several EPA new source performance standards, or NSPS, and national emission standards for hazardous air pollutants, or NESHAP, also apply to our facilities and operations. These NSPS and NESHAP standards impose emission limits and operational limits as well as detailed testing, recordkeeping and reporting requirements on the "affected facilities" covered by these regulations. Several of our facilities are "major" facilities requiring Title V operating permits which impose semi-annual reporting requirements.

Water Discharges

The Federal Water Pollution Control Act, or the Clean Water Act, and comparable state laws impose restrictions and strict controls regarding the discharge of pollutants, including produced waters and other oil and natural gas wastes, into federal and state waters. The discharge of pollutants into regulated waters is prohibited, except in accordance with the terms of a permit issued by the EPA or the state. The discharge of dredge and fill material in regulated waters, including wetlands, is also prohibited, unless authorized by a permit issued by the U.S. Army Corps of Engineers. These laws and any implementing regulations provide for administrative, civil, and criminal penalties for any unauthorized discharges of oil and other substances in reportable quantities and may impose substantial potential liability for the costs of removal, remediation, and damages. In September 2015, the EPA and U.S. Army Corps of Engineers issued a final rule defining the scope of the EPA's and the Corps' jurisdiction over waters of the U.S. (the "WOTUS rule"). Several legal challenges to the WOTUS rule followed, and the WOTUS rule was stayed nationwide in October 2015 pending resolution of the court challenges. In January 2018, the U.S. Supreme Court determined that federal district courts have jurisdiction to review the WOTUS rule; consequently, the previously filed district court cases have been allowed to proceed, resulting in a patchwork of implementation in 22 states (including Pennsylvania and Ohio), the District of Columbia, and the U.S. territories, and a stay of the rule in 28 states (including West Virginia). On December 11, 2018, the EPA and the Corps proposed a new rule that would narrow federal jurisdictional reach compared to the WOTUS rule. Several environmental groups have signaled their intent to challenge the proposed rule. As a result of these developments, future implementation of the WOTUS rule or any new rule is uncertain at this time. To the extent the WOTUS rule expands the scope of the CWA's jurisdiction in areas where we operate, we could face increased costs and delays with respect to obtaining permits for dredge and fill activities in wetland areas.

Pursuant to these laws and regulations, we may be required to obtain and maintain approvals or permits for the discharge of wastewater or storm water and are required to develop and implement spill prevention, control and countermeasure plans, also referred to as "SPCC plans," in connection with on-site storage of significant quantities of oil. These laws and regulations provide for administrative, civil, and criminal penalties for any discharges not authorized by the permit and may impose substantial potential liability for the costs of removal, remediation, and damages. We believe that compliance with such permits will not have a material adverse effect on our business operations.

Occupational Safety and Health Act

We are also subject to the requirements of the federal Occupational Safety and Health Act, as amended, or OSHA, and comparable state laws that regulate the protection of the health and safety of employees. In addition, OSHA's hazard communication standard, the Emergency Planning and Community Right to Know Act and implementing regulations and similar state statutes and regulations require that information be maintained about hazardous materials used or produced in our operations and that this information be provided to employees, state and local government authorities and citizens. We do not believe that compliance with worker health and safety requirements will have a material adverse effect on our business or operations.

Endangered Species

The Endangered Species Act, or ESA, and analogous state laws restrict activities that may affect endangered or threatened species or their habitats. The designation of previously unprotected species as threatened or endangered in areas where underlying property operations are conducted could cause us to incur increased costs arising from species protection measures or could result in limitations on our operating activities that could have an adverse impact on our results of operations.

Climate Change

In response to findings that emissions of GHGs present an endangerment to public health and the environment, the EPA has adopted regulations under existing provisions of the federal Clean Air Act, that, among other things, establish Prevention of Significant Deterioration, or PSD, pre-construction permits, and Title V operating permits for GHG emissions from certain large stationary sources that are already potential major sources of criteria pollutant emissions regulated under the statute. Under these regulations, facilities required to obtain PSD permits must meet BACT standards for their GHG emissions established by the states or, in some cases, by the EPA, for those emissions. The EPA has also adopted rules requiring the monitoring and reporting of GHG emissions from specified sources in the United States, including, among others, certain onshore oil and natural gas processing and fractionating facilities. In June 2016, the EPA finalized new regulations, known as Subpart OOOOa, that set emissions standards for methane and volatile organic compounds from new and modified oil and natural gas production and natural gas processing and transmission facilities. In June 2017, the EPA proposed to delay implementation of these requirements for two years, but in July 2017, the U.S. Court of Appeals for the District of Columbia Circuit ruled that such a stay was unlawful. In September 2018, the EPA proposed amendments to the 2016 standards that would relax the rule's fugitive emissions requirements, pneumatic pump standards,

and closed vent system certification requirements, among other changes. Various industry and environmental groups separately challenged both the methane requirements and the EPA's attempts to delay implementation of the rule. In addition, in April 2018, several states filed a lawsuit that seeks to compel the EPA to issue methane performance standards for existing sources in the oil and natural gas source category. As a result of these developments, future implementation of the 2016 standards is uncertain at this time. However, given the long-term trend toward increasing regulation, future federal GHG regulations of the oil and gas industry remain a possibility, and several states have separately imposed their own regulations on methane emissions from oil and gas production activities. These rules (and any additional regulations) could impose new compliance costs and permitting burdens on natural gas operations.

While Congress has from time to time considered legislation to reduce emissions of GHGs, there has not been significant activity in the form of federal legislation in recent years. Although it is not possible at this time to predict how any new legislation or regulations that may be adopted to address GHG emissions would impact our business, any such future laws and regulations that limit or otherwise address emissions of GHGs could adversely affect demand for the oil and natural gas that exploration and production operators produce, some of whom are our customers, which could thereby reduce demand for our midstream services.

In addition, the United States (along with numerous other nations) agreed to the Paris Agreement on climate change in December 2015, which calls for signatory countries to set their own GHG emissions targets and be transparent about the measures each country will use to achieve its GHG emissions targets. The Paris Agreement entered into force in November 2016, however, in August 2017, the U.S. State Department officially informed the United Nations of the United States' intent to withdraw from the Paris Agreement to seek negotiations either to re-enter the Paris Agreement on different terms or to establish a new framework agreement. The Paris Agreement provides for a four-year exit process beginning when it took effect in November 2016, which would result in an effective exit date of November 2020. The United States' adherence to the exit process and/or the terms on which the United States may re-enter the Paris Agreement or a separately negotiated agreement are unclear at this time.

Notwithstanding potential risks related to climate change, the International Energy Agency estimates that oil and gas will continue to represent a major share of global energy use through 2040, and other private sector studies project continued growth in demand for the next two decades. However, recent activism directed at shifting funding away from companies with energy-related assets could result in limitations or restrictions on certain sources of funding for the energy sector. Moreover, activist shareholders have introduced proposals that may seek to force companies to adopt aggressive emission reduction targets or to shift away from more carbon-intensive activities. While we cannot predict the outcomes of such proposals, they could ultimately make it more difficult to engage in exploration and production activities.

Finally, it should be noted that a number of scientists have concluded that increasing concentrations of GHGs in the Earth's atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, droughts and floods and other climatic events; if any such effects were to occur, it is uncertain if they would have an adverse effect on our financial condition and operations.

Although we have not experienced any material adverse effect from compliance with environmental requirements, there is no assurance that this will continue. We did not have any material capital or other non-recurring expenditures in connection with complying with environmental laws or environmental remediation matters in 2018, nor do we anticipate that such expenditures will be material in 2019.

Employees

We do not have any employees. The officers of our general partner and its subsidiaries and affiliates, who are also officers of Antero Resources, manage our operations and activities. As of December 31, 2018, Antero Resources employed approximately 623 people who provide support to our operations. All of the employees required to conduct and support our operations are employed by Antero Resources. Antero Resources considers its relations with its employees to be satisfactory. Additionally, we have a secondment agreement whereby Antero Resources provides seconded employees to perform certain operational services with respect to our assets for a 20-year period that commenced on Antero Midstream's IPO date.

Legal Proceedings

Our operations are subject to a variety of risks and disputes normally incident to our business. As a result, we may, at any given time, be a defendant in various legal proceedings and litigation arising in the ordinary course of business. See "Item 3. Litigation."

We maintain insurance policies with insurers in amounts and with coverage and deductibles that we, with the advice of our insurance advisors and brokers, believe are reasonable and prudent. We cannot, however, assure you that this insurance will be adequate to protect us from all material expenses related to potential future claims for personal and property damage or that these levels of insurance will be available in the future at economical prices.

Address, Website and Availability of Public Filings

Our principal executive offices are at 1615 Wynkoop Street, Denver, Colorado 80202. Our telephone number is (303) 357-7310. Our website is located at www.anteromidstream.com.

We make available free of charge our Annual Reports on Form 10-K, our Quarterly Reports on Form 10-Q, and our Current Reports on Form 8-K as soon as reasonably practicable after we file such material with, or furnish it to, the SEC. These documents are located www.anteromidstream.com under the “Investors Relations” link.

Information on our website is not incorporated into this Annual Report on Form 10-K or our other filings with the SEC and is not a part of them.

Item 1A. Risk Factors

Limited partner interests are inherently different from the capital stock of a corporation, although many of the business risks to which we are subject are similar to those that would be faced by a corporation engaged in a similar business. Investors should carefully consider the following risk factors together with all of the other information included in this Annual Report of Form 10-K, including the matters addressed under “Cautionary Statement Regarding Forward-Looking Statements,” in evaluating an investment in our common units.

If any of the following risks were to occur, our business, financial condition, results of operations and cash available for distribution could be materially adversely affected.

Risks Related to the Transactions

We may incur substantial transaction-related costs in connection with the Transactions, and if the Transactions do not occur, we will not benefit from the expenses we have incurred in pursuit of the Transactions.

We expect to incur substantial expenses in connection with completing the Transactions, including fees paid to legal, financial and accounting advisors, filing fees, proxy solicitation costs and printing costs. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. The Transactions may not be completed. If the Transactions are not completed, we will have incurred substantial expenses for which no ultimate benefit will have been received.

We are subject to contractual interim operating restrictions while the proposed Transactions are pending, which could adversely affect our business and operations.

Under the terms of the Simplification Agreement, we are subject to certain restrictions on the conduct of our business prior to completing the Transactions, which may adversely affect our ability to execute certain of our business strategies. Such limitations could negatively affect our businesses and operations prior to the completion of the Transactions.

We may be subject to class action lawsuits relating to the Transactions, which could materially adversely affect our business, financial condition and operating results.

We and the directors and officers of our general partner may be subject to class action lawsuits relating to the Transactions and other additional lawsuits that may be filed. Such litigation is very common in connection with acquisitions of public companies, regardless of any merits related to the underlying acquisition. While we will evaluate and defend against any actions vigorously, the costs of the defense of such lawsuits and other effects of such litigation could have an adverse effect on our business, financial condition and operating results.

One of the conditions to consummating the Transactions is that no injunction or other order prohibiting or otherwise preventing the consummation of the Transactions shall have been issued by any court or governmental entity of competent jurisdiction in the United States. Consequently, if any lawsuit is filed challenging the Transactions and is successful in obtaining an injunction preventing the parties to the Simplification Agreement from consummating the Transactions, such injunction may prevent the

Transactions from being completed in the expected timeframe, or at all.

Failure to complete, or significant delays in completing, the Transactions could negatively affect the trading prices of our common units and our future business and financial results.

Completion of the Transactions is not assured and is subject to risks, including the risks that approval of the Transactions by AMGP's shareholders and our unitholders or by governmental agencies is not obtained or that other closing conditions are not satisfied. If the Transactions are not completed, or if there are significant delays in completing the Transactions, the trading price of our common units and our future business and financial results could be negatively affected, and we will be subject to several risks, including the following:

- we may be liable for damages to other parties under the terms and conditions of the Simplification Agreement;
- negative reactions from the financial markets, including declines in the prices of our common units due to the fact that current prices may reflect a market assumption that the Transactions will be completed;
- having to pay certain significant costs relating to the Transactions; and
- the attention of our management will have been diverted to the Transactions rather than our own operations and pursuit of other opportunities that could have been beneficial to us.

Risks Related to Our Business

Because substantially all of our revenue is derived from Antero Resources, any development that materially and adversely affects Antero Resources' operations, financial condition or market reputation could have a material and adverse impact on us.

Antero Resources is our most significant customer and has accounted for substantially all of our revenue since inception, and we expect to derive most of our revenues from Antero Resources. As a result, any event, whether in our area of operations or otherwise, that adversely affects Antero Resources' production, drilling and completion schedule, financial condition, leverage, market reputation, liquidity, results of operations or cash flows may adversely affect our revenues and cash available for distribution. Accordingly, we are indirectly subject to the business risks of Antero Resources, including, among others:

- ① a reduction in or slowing of Antero Resources' development program, which would directly and adversely impact demand for our gathering and compression services and our water handling and treatment services;
- ① a reduction in or slowing of Antero Resources' well completions, which would directly and adversely impact demand for our water handling and treatment services;
- ① the volatility of natural gas, NGLs and oil prices, which could have a negative effect on the value of Antero Resources' properties, its drilling programs or its ability to finance its operations;
- ① the availability of capital on an economic basis to fund Antero Resources' exploration and development activities as well as to fund our capital expenditure programs;
- ① Antero Resources' ability to replace reserves;
- ① Antero Resources' drilling and operating risks, including potential environmental liabilities;
- ① transportation and processing capacity constraints and interruptions;
- ① adverse effects of governmental and environmental regulation; and
- ① losses from pending or future litigation.

In late 2014, global energy commodity prices declined precipitously as a result of several factors, including an increase in worldwide commodity supplies, a stronger U.S. dollar, relatively mild weather in large portions of the U.S., and strong competition

among some oil producing countries for market share. While commodity prices have increased from the lows experienced in 2016, they remain very volatile and substantially less than the highs seen in 2014.

Changes in commodity prices can significantly affect Antero Resources' operations and financial condition, and therefore our capital resources, liquidity, and expected operating results. Because of the natural decline in production from existing wells, our success depends, in part, on Antero Resources' ability to replace declining production and our ability to secure new sources of natural gas from Antero Resources or third parties. Additionally, our water handling and treatment services are directly associated with Antero Resources' well completion activities and water needs, which are partially driven by horizontal lateral lengths and the number of completion stages per well. Any decrease in volumes of natural gas and produced water that Antero Resources produces or any decrease in the number of wells that Antero Resources completes could adversely affect our business and operating results.

Further, we are subject to the risk of non-payment or non-performance by Antero Resources, including with respect to our gathering and compression and water handling and treatment services agreements. We cannot predict the extent to which Antero Resources' business would be impacted if conditions in the energy industry deteriorate, nor can we estimate the impact such conditions would have on Antero Resources' ability to execute its drilling and development program or perform under our gathering and compression and water handling and treatment services agreements. Any material non-payment or non-performance by Antero Resources could reduce our ability to make distributions to our unitholders.

Also, due to our relationship with Antero Resources, our ability to access the capital markets, or the pricing or other terms of any capital markets transactions, may be adversely affected by any impairment to Antero Resources' financial condition or adverse changes in its credit ratings.

Any material limitation on our ability to access capital as a result of such adverse changes at Antero Resources could limit our ability to obtain future financing under favorable terms, or at all, or could result in increased financing costs in the future. Similarly, material adverse changes at Antero Resources could negatively impact our unit price, limiting our ability to raise capital through equity issuances or debt financing, or could negatively affect our ability to engage in, expand, or pursue our business activities, and could also prevent us from engaging in certain transactions that might otherwise be considered beneficial to us.

Please see Item 1A, "Risk Factors" in Antero Resources' Annual Report on Form 10-K for the year ended December 31, 2018 (which is not, and shall not be deemed to be, incorporated by reference herein) for a full disclosure of the risks associated with Antero Resources' business.

We may not generate sufficient cash from operations following the establishment of cash reserves and payment of fees and expenses, including cost reimbursements to our general partner, to enable us to pay the minimum quarterly distribution to our unitholders.

In order to make our minimum quarterly distribution of \$0.17 per common unit per quarter, or \$0.68 per unit per year, we will require available cash of approximately \$32 million per quarter, or approximately \$127 million per year based on the common units outstanding at December 31, 2018, as well as grants made under the Antero Midstream Partners LP Long-term Incentive Plan. We may not generate sufficient cash flows each quarter to support the payment of the minimum quarterly distribution or to increase our quarterly distributions in the future from the fourth quarter of 2018 level of \$0.47 per unit.

The amount of cash we can distribute on our units principally depends upon the amount of cash we generate from our operations, which will fluctuate from quarter to quarter based on, among other things:

- ① the volume of natural gas we gather and compress and the volume of water we handle and treat in connection with well completion operations;
- ① the rates we charge third parties, if any, for our water handling and treatment and gathering and compression services;
- ① market prices of natural gas, NGLs and oil and their effect on Antero Resources' drilling schedule as well as produced volumes;
- ① Antero Resources' ability to fund its drilling program;
- ① adverse weather conditions;

- ① the level of our operating, maintenance and general and administrative costs;
- ① regulatory action affecting the supply of, or demand for, natural gas, the rates we can charge for our services, how we contract for services, our existing contract, our operating costs or our operating flexibility; and
- ① prevailing economic conditions.

In addition, the actual amount of cash we will have available for distribution will depend on other factors, including:

- ① the level and timing of maintenance and expansion capital expenditures we make;
- ① our debt service requirements and other liabilities;
- ① our ability to borrow under our debt agreements to pay distributions;
- ① fluctuations in our working capital needs;
- ① restrictions on distributions contained in any of our debt agreements;
- ① the cost of acquisitions, if any;
- ① fees and expenses of our general partner and its affiliates (including Antero Resources) we are required to reimburse;
- ① the amount of cash reserves established by our general partner; and
- ① other business risks affecting our cash levels.

Because of the natural decline in production from existing wells, our success depends, in part, on Antero Resources' ability to replace declining production and our ability to secure new sources of natural gas from Antero Resources or third parties. Additionally, our water handling and treatment services are directly associated with Antero Resources' well completion activities and water needs, which are partially driven by horizontal lateral lengths and the number of completion stages per well. Finally, under certain circumstances, Antero Resources may dispose of acreage dedicated to us free from such dedication without our consent. Any decrease in volumes of natural gas that Antero Resources produces, any decrease in the number of wells that Antero Resources completes, or any decrease in the number of acres that are dedicated to us could adversely affect our business and operating results.

The natural gas volumes that support our gathering business depend on the level of production from natural gas wells connected to our systems, which may be less than expected and will naturally decline over time. To the extent Antero Resources reduces its development activity or otherwise ceases to drill and complete wells, revenues for our gathering and compression and water handling and treatment services will be directly and adversely affected. Our ability to maintain water handling and treatment services revenues is substantially dependent on continued completion activity by Antero Resources or third parties over time, as well as the volumes of produced water from such activity. In addition, natural gas volumes from completed wells will naturally decline and our cash flows associated with these wells will also decline over time. In order to maintain or increase throughput levels on our gathering systems, we must obtain new sources of natural gas from Antero Resources or third parties. The primary factors affecting our ability to obtain additional sources of natural gas include (i) the success of Antero Resources' drilling activity in our areas of operation, (ii) Antero Resources' acquisition of additional acreage and (iii) our ability to obtain dedications of acreage from third parties. Demand for our fresh water delivery services, which make up a substantial portion of our water handling and treatment services revenues, is dependent on Antero Resources' completion activities. To the extent that Antero Resources or other fresh water delivery customers complete wells with shorter lateral lengths or use less water in their completions, the demand for our fresh water delivery services would be reduced.

We have no control over Antero Resources' or other producers' levels of development and completion activity in our areas of operation, the amount of reserves associated with wells connected to our systems or the rate at which production from a well declines. In addition, our water handling and treatment business is dependent upon active development in our areas of operation. In order to maintain or increase throughput levels on our water handling and treatment systems, we must service new wells. We have no control over Antero Resources or other producers or their development plan decisions, which are affected by, among other things:

- ① the availability and cost of capital;
- ① prevailing and projected natural gas, NGLs and oil prices;
- ① demand for natural gas, NGLs and oil;
- ① quantities of reserves;
- ① geologic considerations;
- ① environmental or other governmental regulations, including the availability of drilling permits and the regulation of hydraulic fracturing; and
- ① the costs of producing the gas and the availability and costs of drilling rigs and other equipment.

Natural gas prices are affected by storage levels, weather, and production levels. In late 2014, natural gas prices in the US declined as a result of several factors including increased production by producers. Although prices have recovered periodically since then with spikes in January 2018 and November 2018, prices remain below pre-2014 levels for natural gas. NGL prices have generally fluctuated along with oil prices. Oil prices in 2014 precipitously declined in 2014 from approximately \$100 per BBL to under \$30 per BBL in early 2016. Oil prices have recovered periodically since then, reaching the mid \$70 per BBL range in 2018, but then again declined in late 2018 to below \$50 per BBL as production increases from the United States and other oil producing countries led to a return of market concern regarding increasing global oil stocks and potential future supply and demand imbalances. Lower commodity prices reduce our revenues, profitability, and our ability to borrow. We may be unable to obtain needed capital or financing on satisfactory terms, which could lead to a decline in Antero Resources' reserves as existing reserves are depleted. Lower commodity prices may also reduce the amount of natural gas, NGLs and oil that Antero Resources can produce economically.

These lower prices have compelled most natural gas and oil producers, including Antero Resources, to reduce the level of exploration, drilling and production activity and 2019 capital budgets. This will have a significant effect on our capital resources, liquidity and expected operating results. Natural gas and oil prices directly affect Antero Resources' production. If prices decrease further, it could reduce our revenues and ability to pay distributions. Sustained reductions in development or production activity in our areas of operation could lead to reduced utilization of our services.

Due to these and other factors, even if reserves are known to exist in areas served by our assets, producers have chosen, and may choose in the future, not to develop those reserves. If reductions in development activity result in our inability to maintain the current levels of throughput on our systems, or our water handling and treatment services, or if reductions in lateral lengths or use less water in their completions result in a decrease in demand for our water handling and treatment services on a per well basis, those reductions could reduce our revenue and cash flows and adversely affect our ability to make cash distributions to our unitholders.

Finally, each of the gathering and compression agreement, water services agreement and right of first offer agreement between us and Antero Resources permit Antero Resources to sell, transfer, convey, assign, grant, or otherwise dispose of dedicated properties free of the dedication under such agreements, provided that the number of net acres of dedicated properties so disposed of, when added to the number of net acres of dedicated properties previously disposed of free of the dedication since the respective effective dates of the agreements, does not exceed the aggregate number of net acres of dedicated properties acquired by Antero Resources since such effective dates. Accordingly, under certain circumstances, Antero Resources may dispose of a significant number of net acres of dedicated properties free from dedication without our consent, and we have no control over the timing or extent of such dispositions. Any such dispositions could adversely affect our business and operating results.

The gathering and compression agreement only includes minimum volume commitments under certain circumstances.

The gathering and compression agreement includes minimum volume commitments only on new high pressure pipelines and compressor stations that we construct subsequent to our initial public offering in November 2014 at Antero Resources' request. The high pressure pipelines and compressor stations that existed prior to our initial public offering are not supported by minimum volume commitments from Antero Resources. Any decrease in the current levels of throughput on our gathering and compression systems could reduce our revenue and cash flows and adversely affect our ability to make cash distributions to our unitholders.

We will be required to make substantial capital expenditures to increase our asset base. If we are unable to obtain needed capital or financing on satisfactory terms, our ability to make cash distributions may be diminished or our financial leverage could increase.

In order to increase our asset base, we will need to make expansion capital expenditures. If we do not make sufficient or effective expansion capital expenditures, we will be unable to expand our business operations and, as a result, we will be unable to raise the level of our future cash distributions. To fund our expansion capital expenditures and investment capital expenditures, we will be required to use cash from our operations or incur borrowings. Alternatively, we may sell additional common units or other securities to fund our capital expenditures. Such uses of cash from our operations will reduce cash available for distribution to our unitholders. Our ability to obtain bank financing or our ability to access the capital markets for future equity or debt offerings may be limited by our or Antero Resources' financial condition at the time of any such financing or offering and the covenants in our existing debt agreements, as well as by general economic conditions, contingencies and uncertainties that are beyond our control. Even if we are successful in obtaining the necessary funds, the terms of such financings could limit our ability to pay distributions to our unitholders. In addition, incurring additional debt may significantly increase our interest expense and financial leverage, and issuing additional limited partner interests may result in significant unitholder dilution and would increase the aggregate amount of cash required to maintain the then current distribution rate, which could materially decrease our ability to pay distributions at the prevailing distribution rate. Neither Antero Resources, our general partner or any of their respective Affiliates is committed to providing any direct or indirect support to fund our growth.

Our gathering and compression and water handling and treatment systems are concentrated in the Appalachian Basin, making us vulnerable to risks associated with operating in one major geographic area.

We rely primarily on revenues generated from gathering and compression and water handling and treatment systems that we own, which are located in the Marcellus and Utica Shales. As a result of this concentration, we may be disproportionately exposed to the impact of regional supply and demand factors, delays or interruptions of production from wells in this area caused by governmental regulation, market limitations or interruption of the compression, processing or transportation of natural gas, NGLs or oil.

The amount of cash we have available for distribution to our unitholders depends primarily on our cash flows and not solely on profitability, which may prevent us from making distributions, even during periods in which we record net income.

The amount of cash we have available for distribution depends primarily upon our cash flows and not solely on profitability, which will be affected by non-cash items. As a result, we may make cash distributions during periods when we record a net loss for financial accounting purposes, and conversely, we might fail to make cash distributions during periods when we record net income for financial accounting purposes.

Our construction or purchase of new gathering and compression, processing, water handling and treatment or other assets may not be completed on schedule, at the budgeted cost or at all, may not operate as designed or at the expected levels, may not result in revenue increases and may be subject to regulatory, environmental, political, legal and economic risks, all of which could adversely affect our cash flows, results of operations and financial condition and, as a result, our ability to distribute cash to our unitholders.

The construction of additions or modifications to our existing systems and the construction or purchase of new assets, involves numerous regulatory, environmental, political and legal uncertainties beyond our control and may require the expenditure of significant amounts of capital. Financing may not be available on economically acceptable terms or at all. If we undertake these projects, we may not be able to complete them on schedule, at the budgeted cost or at all, or they may not operate as designed or at the expected levels. Moreover, our revenues may not increase immediately upon the expenditure of funds on a particular project. For instance, the construction of our water treatment facility took longer than planned and to date, the facility has run at reduced operating rates below the designed capacity and therefore not met certain completion milestones under the terms of the construction contract. In addition, we may construct facilities to capture anticipated future production growth in an area in which such growth does not materialize. As a result, new gathering and compression, water handling and treatment or other assets may not be able to attract enough throughput to achieve our expected investment return, which could adversely affect our results of operations and financial condition. In addition, the construction of additions to our existing assets may require us to obtain new rights-of-way prior to constructing new pipelines or facilities. We may be unable to timely obtain such rights-of-way to connect new natural gas supplies to our existing gathering pipelines or capitalize on other attractive expansion opportunities. Additionally, it may become more expensive for us to obtain new rights-of-way or to expand or renew existing rights-of-way. If the cost of renewing or obtaining new rights-of-way increases, our cash flows could be adversely affected.

We may be unable to make attractive acquisitions or successfully integrate acquired businesses, and any inability to do so may disrupt our business and hinder our ability to grow.

In the future, we may make acquisitions of businesses that complement or expand our current business. We may not be able to identify attractive acquisition opportunities. Even if we do identify attractive acquisition opportunities, we may not be able to complete the acquisition or do so on commercially acceptable terms.

The success of any completed acquisition will depend on our ability to effectively integrate the acquired business into our existing operations. The process of integrating acquired businesses may involve unforeseen difficulties and may require a disproportionate amount of our managerial and financial resources. In addition, possible future acquisitions may be larger and for purchase prices significantly higher than those paid for earlier acquisitions. No assurance can be given that we will be able to identify suitable acquisition opportunities, negotiate acceptable terms, obtain financing for acquisitions on acceptable terms or successfully acquire identified targets. Our failure to achieve consolidation savings, to integrate the acquired businesses and assets into our existing operations successfully or to minimize any unforeseen operational difficulties could have a material adverse effect on our business, results of operations and financial condition and, as a result, our ability to make cash distributions to our unitholders.

In addition, our revolving credit facility and the indenture governing our senior notes impose certain limitations on our ability to enter into mergers or combination transactions. Our revolving credit facility and the indenture governing our senior notes also limit our ability to incur certain indebtedness, which could indirectly limit our ability to engage in acquisitions of businesses.

We own a 50% interest in the Joint Venture, which is operated by MarkWest Energy. While we have the ability to influence certain business decisions affecting the Joint Venture, the success of our investment in the Joint Venture will depend on MarkWest's operation of the Joint Venture.

On February 6, 2017, we entered into the Joint Venture with MarkWest. While we and MarkWest each own a 50% interest in the Joint Venture, MarkWest is the primary operator of the Joint Venture. Accordingly, we depend on MarkWest for the day-to-day operations of the Joint Venture. Our lack of control over the Joint Venture's day-to-day operations and the associated costs of operations could result in receiving lower cash distributions from the Joint Venture than currently anticipated, which could reduce our cash available for distribution to our unitholders. In addition, differences in views among the owners of the Joint Venture could result in delayed decisions or in failures to agree on significant matters, potentially adversely affecting the business and results of operations or prospects of the Joint Venture and, in turn, the amount of cash from the Joint Venture operations distributed to us.

If the Joint Venture is not successful or if the Joint Venture does not perform as expected, our future financial performance may be negatively impacted.

We may be exposed to certain risks in connection with our ownership interest in the Joint Venture, including regulatory, environmental and litigation risks. If such risks or other anticipated or unanticipated liabilities were to materialize, any desired benefits of our entry into the Joint Venture may not be fully realized, if at all, and its future financial performance may be negatively impacted.

In addition, the Joint Venture may result in other difficulties including, among other things:

- ⌚ diversion of our management's attention from other business concerns;
- ⌚ managing regulatory compliance and corporate governance matters;
- ⌚ an increase in our indebtedness; and
- ⌚ potential environmental or other regulatory compliance matters or liabilities and/or title issues, including certain liabilities arising from the operation of the Joint Venture assets prior to the closing of the Joint Venture.

Interruptions in operations at any of the Joint Venture's facilities may adversely affect its operations and our gathering and processing and water handling and treatment operations.

The Joint Venture assets consist of processing plants in West Virginia and a one third interest in a fractionator in Ohio (the "MarkWest fractionator"). Any significant interruption at these facilities would adversely affect the Joint Venture's operations. Because a significant portion of Antero Resources' production is processed by the Joint Venture, any significant interruption at these facilities would also adversely affect our midstream operations.

We do not operate the MarkWest fractionator, and the operations of the Joint Venture's processing facilities and the MarkWest fractionator could be partially or completely shut down, temporarily or permanently, as the result of circumstances not within its control, such as:

- ⌚ unscheduled turnarounds or catastrophic events, including damages to facilities, related equipment and surrounding properties caused by earthquakes, tornadoes, hurricanes, floods, fires, severe weather, explosions and other natural disasters;
- ⌚ restrictions imposed by governmental authorities or court proceedings;
- ⌚ labor difficulties that result in a work stoppage or slowdown;
- ⌚ a disruption in the supply of gas to the Joint Venture's processing and fractionation plants and associated facilities;
- ⌚ disruption in the supply of power, water and other resources necessary to operate the Joint Venture's facilities;
- ⌚ damage to the Joint Venture's facilities resulting from gas that do not comply with applicable specifications; and
- ⌚ inadequate fractionation capacity or market access to support production volumes, including lack of availability of rail cars, barges, pipeline capacity, or market constraints, including reduced demand or limited markets for certain NGL products.

In addition, MarkWest's fractionation operations in the Marcellus and Utica regions are integrated, and as a result, it is possible that an interruption of these operations in other regions may impact operations in the regions in which the Joint Venture's facilities are located.

If additional takeaway pipelines under construction or other pipeline projects are not completed, Antero Resources', and correspondingly the Partnership's, future growth may be limited.

Antero Resources has secured sufficient long-term firm takeaway capacity in each of its core operating areas to accommodate its current development plans, including through major pipelines that are in existence or currently under construction and through third-party trucking services; however, any failure of any pipeline under construction to be completed, any unavailability of existing takeaway pipelines or the failure of any third party to perform under its service contracts, could cause Antero Resources to curtail its future development and production plans. Sustained reductions in development or production activity in our areas of operation could lead to reduced demand for our services, which could adversely affect our operating margin, cash flows and ability to make cash distributions to our unitholders.

Recent action and the possibility of future action on trade by U.S. and foreign governments has increased the costs of certain equipment and materials used in the construction of our assets and has created uncertainty in global markets, which may adversely affect our income from operations and cash flows.

The construction of gathering pipelines, compressor stations, processing and fractionation facilities and water handling and treatment assets is subject to construction cost overruns due to costs and availability of equipment and materials such as steel. If third party providers of steel products essential to our capital improvements and additions are unable to obtain raw materials, including steel, at historical prices, they may raise the price we pay for such products. On March 8, 2018, the President of the United States issued two proclamations directing the imposition of ad valorem tariffs of 25 percent on certain imported steel products and 10 percent on certain imported aluminum products, with limited exceptions. On May 31, 2018, the U.S. announced that it would also impose steel and aluminum tariffs on Canada, Mexico, and the 28 member countries of the European Union. The Canada and Mexico tariffs are left in place under the revised free trade agreement reached in late 2018 among the United States, Canada, and Mexico, although the agreement has not yet been ratified. In addition, Argentina, Australia, Brazil, and South Korea implemented measures to address the impairment to U.S. national security attributable to steel and aluminum imports that were deemed satisfactory to the United States. As a result, imports of steel and/or aluminum from these countries have been exempted from the imposition of tariff-based remedies, but, with the exception of Australia, the United States has implemented quantitative restrictions in the form of absolute quotas, meaning that imports in excess of the allotted quota will be disallowed. Effective August 13, 2018, the United States announced that it would impose a 50 percent ad valorem tariff on steel articles imported from Turkey. On August 29, 2018, the President authorized the Department of Commerce to provide targeted relief, in response to specific requests from affected domestic parties, from the steel and/or aluminum quotas on imports from South Korea, Brazil, and Argentina. Following these proclamations, domestic prices for steel have risen and are expected to continue to rise. These price increases may result in increased costs associated with the continued build-out of our assets, as well as projects under development. Because we generate substantially all of our revenue under agreements with Antero Resources that provide for fixed-fee structures, we will generally be unable to pass these cost increases along to our customers, and our income from operations and cash flows may be adversely affected.

A shortage of equipment and skilled labor in the Appalachian Basin could reduce equipment availability and labor productivity and increase labor costs, which could have a material adverse effect on our business and results of operations.

Gathering and compression and water handling and treatment services require special equipment and laborers skilled in multiple disciplines, such as equipment operators, mechanics and engineers, among others. The employees supporting our operations are employees of Antero Resources. If Antero Resources experiences shortages of skilled labor or there is a lack of necessary equipment in the Appalachian Basin in the future, our allocation of labor costs and overall productivity could be materially and adversely affected. If our allocation labor prices increase or if Antero Resources experiences materially increased health and benefit costs for employees, our results of operations could be materially and adversely affected.

If third-party pipelines or other midstream facilities interconnected to our gathering and compression systems become partially or fully unavailable, our operating margin, cash flows and ability to make cash distributions to our unitholders could be adversely affected.

Our gathering and compression assets connect to other pipelines or facilities owned and operated by unaffiliated third parties. The continuing operation of third-party pipelines, compressor stations and other midstream facilities is not within our control. These pipelines, plants and other midstream facilities may become unavailable because of testing, turnarounds, line repair, maintenance, reduced operating pressure, lack of operating capacity, regulatory requirements and curtailments of receipt or deliveries due to insufficient capacity or because of damage from severe weather conditions or other operational issues. In addition, if the costs to us to access and transport on these third-party pipelines significantly increase, our profitability could be reduced. If any such increase in costs occurs or if any of these pipelines or other midstream facilities become unable to receive or transport natural gas, our operating margin, cash flows and ability to make cash distributions to our unitholders could be adversely affected.

Our exposure to commodity price risk may change over time.

We currently generate all of our revenues pursuant to fee-based contracts under which we are paid based on the volumes of natural gas that we gather and compress and water that we handle and treat, rather than the underlying value of the commodity. Consequently, our existing operations and cash flows have little direct exposure to commodity price risk. Although we intend to enter into similar fee-based contracts with new customers in the future, our efforts to negotiate such contractual terms may not be successful. In addition, we may acquire or develop additional midstream assets in a manner that increases our exposure to commodity price risk. Future exposure to the volatility of natural gas, NGL and oil prices, especially in light of the recent declines, could have a material adverse effect on our business, results of operations and financial condition and, as a result, our ability to make cash distributions to our unitholders.

Restrictions in our existing and future debt agreements could adversely affect our business, financial condition, results of operations and ability to make quarterly cash distributions to our unitholders.

Our revolving credit facility limits our ability to, among other things:

- ① incur or guarantee additional debt;
- ① redeem or repurchase units or make distributions under certain circumstances;
- ① make certain investments and acquisitions;
- ① incur certain liens or permit them to exist;
- ① enter into certain types of transactions with affiliates;
- ① merge or consolidate with another company; and
- ① transfer, sell or otherwise dispose of assets.

The indenture governing our senior notes contains similar restrictive covenants. In addition, our revolving credit facility also contains covenants requiring us to maintain certain financial ratios. Our ability to meet those financial ratios and tests can be affected by events beyond our control, and we cannot assure you that we will meet any such ratios and tests. Additionally, we may not be able to borrow the full amount of commitments under our revolving credit facility if doing so would cause us to not meet a financial covenant.

The provisions of our revolving credit facility and the indenture governing our senior notes may affect our ability to obtain future financing and pursue attractive business opportunities and our flexibility in planning for, and reacting to, changes in business conditions. In addition, a failure to comply with the provisions of our revolving credit facility or the indenture governing our senior notes could result in a default or an event of default that could enable our lenders or noteholders to declare the outstanding principal of that debt, together with accrued and unpaid interest, to be immediately due and payable. If the payment of our debt is accelerated, our assets may be insufficient to repay such debt in full, and our unitholders could experience a partial or total loss of their investment. Please read “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.”

If our assets become subject to FERC regulation or federal, state or local regulations or policies change, or if we fail to comply with market behavior rules, our financial condition, results of operations and cash flows could be materially and adversely affected.

Our gathering and transportation operations are exempt from regulation by the FERC, under the NGA. Section 1(b) of the NGA, exempts natural gas gathering facilities from regulation by the FERC under the NGA. Although the FERC has not made any formal determinations with respect to any of our facilities, we believe that the natural gas pipelines in our gathering systems meet the traditional tests the FERC has used to establish whether a pipeline is a gathering pipeline not subject to FERC jurisdiction. The distinction between FERC- regulated transmission services and federally unregulated gathering services, however, has been the subject of substantial litigation, and the FERC determines whether facilities are gathering facilities on a case-by-case basis, so the classification and regulation of our gathering facilities may be subject to change based on future determinations by the FERC, the courts, or Congress. If the FERC were to consider the status of an individual facility and determine that the facility or services provided by it are not exempt from FERC regulation under the NGA, the rates for, and terms and conditions of, services provided by such facility would be subject to regulation by the FERC under the NGA or the NGPA. Such regulation could decrease revenue, increase operating costs, and, depending upon the facility in question, could adversely affect our results of operations and cash flows.

State regulation of natural gas gathering facilities and intrastate transportation pipelines generally includes various safety, environmental and, in some circumstances, nondiscriminatory take and common purchaser requirements, as well as complaint-based rate regulation. Other state regulations may not directly apply to our business, but may nonetheless affect the availability of natural gas for purchase, compression and sale.

Moreover, FERC regulations indirectly impact our businesses and the markets for products derived from these businesses. The FERC’s policies and practices across the range of its natural gas regulatory activities, including, for example, its policies on open

access transportation, market manipulation, ratemaking, gas quality, capacity release and market center promotion, indirectly affect the intrastate natural gas market. Should we fail to comply with any applicable FERC administered statutes, rules, regulations and orders, we could be subject to substantial penalties and fines, which could have a material adverse effect on our results of operations and cash flows. The FERC has civil penalty authority under the NGA and NGPA to impose penalties for current violations of up to \$1,265,500 per day for each violation and disgorgement of profits associated with any violation.

For more information regarding federal and state regulation of our operations, please read “Business—Regulation of Operations.”

Increased regulation of hydraulic fracturing could result in reductions or delays in natural gas, NGLs and oil production by our customers, which could reduce the throughput on our gathering and compression systems and the number of wells for which we provide water handling and treatment services, which could adversely impact our revenues.

All of Antero Resources’ natural gas, NGLs and oil production is developed from unconventional sources, such as shale formations. These reservoirs require hydraulic fracturing completion processes to release the liquids and natural gas from the rock so it can flow through casing to the surface. Hydraulic fracturing is a well stimulation process that utilizes large volumes of water and sand (or other proppant) combined with fracturing chemical additives that are pumped at high pressure to crack open previously impenetrable rock to release hydrocarbons. Hydraulic fracturing is typically regulated by state oil and gas commissions and similar agencies, but the EPA has asserted federal regulatory authority pursuant to the SDWA over certain hydraulic fracturing activities involving the use of diesel fuels and issued permitting guidance in February 2014 regarding such activities. Also, in May 2014, the EPA proposed rules under the Toxic Substances Control Act to require companies to disclose information regarding the chemicals used in hydraulic fracturing; however, to date, no further action has been taken on the proposal. In addition, the EPA finalized rules in June 2016 that prohibit the discharge of wastewater from hydraulic fracturing operations to publicly owned wastewater treatment plants.

Certain governmental reviews have been conducted or are underway that focus on environmental aspects of hydraulic fracturing practices. For example, in December 2016, the EPA released its final report on the potential impacts of hydraulic fracturing on drinking water resources. The final report concluded that “water cycle” activities associated with hydraulic fracturing may impact drinking water resources “under some circumstances,” noting that the following hydraulic fracturing water cycle activities and local- or regional-scale factors are more likely than others to result in more frequent or more severe impacts: water withdrawals for fracturing in times or areas of low water availability; surface spills during the management of fracturing fluids, chemicals or produced water; injection of fracturing fluids into wells with inadequate mechanical integrity; injection of fracturing fluids directly into groundwater resources; discharge of inadequately treated fracturing wastewater to surface waters; and disposal or storage of fracturing wastewater in unlined pits. Because the report did not find a direct link between hydraulic fracturing itself and contamination of groundwater resources, this years-long study report does not appear to provide any basis for further regulation of hydraulic fracturing at the federal level.

In addition, Congress has from time to time considered legislation to provide for federal regulation of hydraulic fracturing under the SDWA and to require disclosure of the chemicals used in the hydraulic fracturing process. At the state level, several states have adopted or are considering legal requirements that could impose more stringent permitting, disclosure, and well construction requirements on hydraulic fracturing activities. At the state level, several states have adopted or are considering adopting regulations that could impose more stringent disclosure and/or well construction requirements on hydraulic fracturing operations. For example, in July 2015, the Ohio Department of Natural Resources issued final rules for horizontal drilling well-pad construction. The Ohio legislature has also adopted laws requiring oil and natural gas operators to disclose chemical ingredients used to hydraulically fracture wells and to conduct pre-drilling baseline water quality sampling of certain water wells near a proposed horizontal well. Local governments also may seek to adopt ordinances within their jurisdictions regulating the time, place and manner of drilling activities in general or hydraulic fracturing activities in particular.

Antero Midstream cannot predict whether any such legislation will ever be enacted and if so, what its provisions would be. If additional levels of regulation and permits were required through the adoption of new laws and regulations at the federal, state or local level, that could lead to delays, increased operating costs and process prohibitions that could reduce the volumes of liquids and natural gas that move through our gathering systems or reduce the number of wells drilled and completed that require fresh water for hydraulic fracturing activities, which in turn could materially adversely affect our revenues and results of operations.

Oil and natural gas producers' operations, especially those using hydraulic fracturing, are substantially dependent on the availability of water. Restrictions on the ability to obtain water may incentivize water recycling efforts by oil and natural gas producers, which would decrease the demand for our fresh water delivery services.

Our business includes fresh water delivery for use in our customers' natural gas, NGL and oil exploration and production activities. Water is an essential component of natural gas, NGL and oil production during the drilling, and in particular, the hydraulic fracturing process. We depend on Antero Resources to source the fresh water we deliver. The availability of Antero Resources' water supply may be limited due to reasons such as prolonged drought. Some state and local governmental authorities have begun restricting the use of water subject to their jurisdiction for hydraulic fracturing to ensure adequate local water supply. Any such decrease in the demand for water handling and treatment services would adversely affect our business and results of operations.

We or any third-party customers may incur significant liability under, or costs and expenditures to comply with, environmental and occupational health and workplace safety regulations, which are complex and subject to frequent change.

As an owner, lessee or operator of gathering pipelines and compressor stations, we are subject to various stringent federal, state, provincial and local laws and regulations relating to the discharge of materials into, and protection of, the environment. Numerous governmental authorities, such as the EPA and analogous state agencies, have the power to enforce compliance with these laws and regulations and the permits issued under them, oftentimes requiring difficult and costly response actions. These laws and regulations may impose various obligations that are applicable to our and our customer's operations, including the acquisition of permits to conduct regulated activities, the incurrence of capital or operating expenditures to limit or prevent releases of materials from our or our customers' operations, the imposition of specific standards addressing worker protection, and the imposition of substantial liabilities and remedial obligations for pollution or contamination resulting from our and our customer's operations. Failure to comply with these laws, regulations and permits may result in joint and several, strict liability and the assessment of administrative, civil and criminal penalties, the imposition of remedial obligations, and the issuance of injunctions limiting or preventing some or all of our operations. Private parties, including the owners of the properties through which our gathering systems pass and facilities where wastes resulting from our operations are taken for reclamation or disposal, may also have the right to pursue legal actions to enforce compliance, as well as to seek damages for non-compliance, with environmental laws and regulations or for personal injury or property damage. We may not be able to recover all or any of these costs from insurance. In addition, we may experience a delay in obtaining or be unable to obtain required permits, which may cause us to lose potential and current customers, interrupt our operations and limit our growth and revenues, which in turn could affect our profitability. There is no assurance that changes in or additions to public policy regarding the protection of the environment will not have a significant impact on our operations and profitability. For example, in June 2016, the EPA finalized rules under the federal Clean Air Act regarding criteria for aggregating multiple sites into a single source for air-quality permitting purposes applicable to the oil and gas industry. This rule could cause small facilities (such as tank batteries and compressor stations), on an aggregate basis, to be deemed a major source, thereby triggering more stringent air permitting requirements, which in turn could result in operational delays or require us to install costly pollution control equipment.

Our operations also pose risks of environmental liability due to leakage, migration, releases or spills from our operations to surface or subsurface soils, surface water or groundwater. Certain environmental laws impose strict as well as joint and several liability for costs required to remediate and restore sites where hazardous substances, hydrocarbons, or solid wastes have been stored or released. We may be required to remediate contaminated properties currently or formerly operated by us or facilities of third parties that received waste generated by our operations regardless of whether such contamination resulted from the conduct of others or from consequences of our own actions that were in compliance with all applicable laws at the time those actions were taken. In addition, claims for damages to persons or property, including natural resources, may result from the environmental, health and safety impacts of our operations. Moreover, public interest in the protection of the environment has increased dramatically in recent years. The trend of more expansive and stringent environmental legislation and regulations applied to the crude oil and natural gas industry could continue, resulting in increased costs of doing business and consequently affecting profitability. Please read "Business—Regulation of Environmental and Occupational Safety and Health Matters" for more information.

Stricter regulation of wastes generated during our or our customers' operations, or the introduction of hazardous non-exempt waste to our Antero Clearwater Facility, could result in liability under, or costs and expenditures to comply with, environmental laws and regulations governing the handling, storage, treatment and disposal of solid and hazardous wastes, and the permits issued under them.

Our and Antero Resources' operations generate solid wastes, including some hazardous wastes, that are subject to RCRA, and comparable state laws, which impose requirements for the handling, storage, treatment and disposal of hazardous waste. RCRA currently exempts many natural gas gathering and field processing wastes from classification as hazardous waste. Specifically, RCRA

excludes from the definition of hazardous waste produced waters and other wastes intrinsically associated with the exploration, development, or production of crude oil and natural gas, including residual constituents derived from those exempt wastes. However, these oil and gas exploration and production wastes may still be regulated under state solid waste laws and regulations, and it is possible that certain oil and natural gas exploration and production wastes now classified as exploration and production-exempt non-hazardous waste could be classified as hazardous waste in the future. For example, in December 2016, the EPA and environmental groups entered into a consent decree to address EPA's alleged failure to timely assess its RCRA Subtitle D criteria regulations exempting certain exploration and production related oil and gas wastes from regulation as hazardous wastes under RCRA. The consent decree requires EPA to propose a rulemaking no later than March 15, 2019 for revision of certain Subtitle D criteria regulations pertaining to oil and gas wastes or to sign a determination that revision of the regulations is not necessary. Stricter regulation of wastes generated during our or our customers' operations could result in increased costs for our operations or the operations of our customers, which could in turn reduce demand for our services and adversely affect our business.

The Antero Clearwater Facility and adjacent Antero Landfill operate pursuant to West Virginia DEP permits for the management of stormwater and wastewater and the disposal and management of solid waste. The produced water, flowback water, and other waste associated with shale development treated at the Antero Clearwater Facility are exempt from RCRA hazardous waste regulations. Likewise, the input (residual salt derived from the wastewater treated at the Antero Clearwater Facility) and output (leachate derived from precipitation run-off contacting the non-hazardous salt) to and from the Antero Landfill also qualify as exploration and production-exempt non-hazardous wastes because they derive from non-hazardous exempt material. However, in the event that hazardous non-exempt waste streams are introduced to and mix with the exempt waste at the Antero Clearwater Facility, or if we otherwise fail to handle or treat such exempt materials pursuant to our West Virginia DEP permits, we may be subject to penalties and/or corrective action measures.

Climate change laws and regulations restricting emissions of “greenhouse gases” could result in increased operating costs and reduced demand for the natural gas that we gather while potential physical effects of climate change could disrupt Antero Resources' production and cause it to incur significant costs in preparing for or responding to those effects.

In response to findings that emissions of carbon dioxide, methane and other GHGs present an endangerment to public health and the environment, the EPA has adopted regulations under existing provisions of the federal Clean Air Act that, among other things, establish PSD construction and Title V operating permit reviews for certain large stationary sources that are already potential major sources of certain principal, or criteria, pollutant emissions. Facilities required to obtain PSD permits for their GHG emissions also will be required to meet “best available control technology” standards that will be established by the states or, in some cases, by the EPA for those emissions. These EPA rules could adversely affect our operations and restrict or delay our ability to obtain air permits for new or modified sources. In addition, the EPA has adopted rules requiring the monitoring and reporting of GHG emissions from specified onshore and offshore oil and gas production sources in the United States on an annual basis, which include certain of our operations. For example, in December 2015, the EPA finalized rules that added new sources to the scope of the GHG monitoring and reporting rule. These new sources include gathering and boosting facilities, as well as completions and workovers of hydraulically fractured wells. The revisions also include the addition of well identification reporting requirements for certain facilities. These changes to EPA's GHG emissions reporting rule could result in increased compliance costs.

In June 2016, the EPA finalized new regulations, known as Subpart OOOOa, that establish emission standards for methane and volatile organic compounds from new and modified oil and natural gas production and natural gas processing and transmission facilities. The EPA's rule package includes first-time standards to address emissions of methane from equipment and processes across the source category, including hydraulically fractured oil and natural gas well completions. In addition, the rule package extends existing VOC standards under the EPA's Subpart OOOO to include previously unregulated equipment within the oil and natural gas source category. In June 2017, the EPA proposed to delay implementation of the 2016 methane rule, but in July 2017, the U.S. Court of Appeals for the District of Columbia Circuit ruled that such a stay was unlawful. In September 2018, the EPA proposed amendments to the 2016 standards that would relax the rule's fugitive emissions monitoring requirements and expand exceptions to pneumatic pump requirements, among other changes. Various industry and environmental groups separately challenged both the methane requirements and the EPA's attempts to delay implementation of the rules. In addition, in April 2018, several states filed a lawsuit that seeks to compel the EPA to issue methane performance standards for existing sources in the oil and natural gas source category. As a result of these developments, substantial uncertainty exists with respect to implementation of the EPA's 2016 methane rule. However, given the long-term trend toward increasing regulation, future federal GHG regulations of the oil and gas industry remain a possibility, and several states, including West Virginia and Ohio, have separately imposed their own regulations on methane emissions from oil and gas production activities.

While Congress has from time to time considered legislation to reduce emissions of GHGs, there has been significant activity in the form of federal legislation in recent years. In the absence of such federal climate legislation, a number of state and regional

efforts have emerged that are aimed at tracking and/or reducing GHG emissions by means of cap and trade programs that typically require major sources of GHG emissions, such as electric power plants, to acquire and surrender emission allowances in return for emitting those GHGs. Although it is not possible at this time to predict how legislation or new regulations that may be adopted to address GHG emissions would impact our business, any such future laws and regulations imposing reporting obligations on, or limiting emissions of GHGs from, our equipment and operations could require us to incur costs to reduce emissions of GHGs associated with our operations. Substantial limitations on GHG emissions could also adversely affect demand for the oil and natural gas Antero Resources produces and lower the value of its reserves. Depending on the severity of any such limitations, the effect on the value of Antero Resources reserves could be significant.

On an international level, the United States is one of almost 200 nations that, in December 2015, agreed to an international climate change agreement in Paris, France, that calls for countries to set their own GHG emissions targets and be transparent about the measures each country will use to achieve its GHG emissions targets (“Paris Agreement”). The Paris Agreement was signed by the United States in April 2016 and entered into force on November 4, 2016; however, the Paris Agreement does not impose any binding obligations on its participants. In August 2017, the U.S. Department of State officially informed the United Nations of the United States’ intent to withdraw from the Paris Agreement. The Paris Agreement provides for a four-year exit process beginning when it took effect in November 2016, which would result in an effective exit date of November 2020. The United States’ adherence to the exit process and/or the terms on which the United States may reenter the Paris Agreement or a separately negotiated agreement are unclear at this time.

Notwithstanding potential risks related to climate change, the International Energy Agency estimates that oil and gas will continue to represent a major share of global energy use through 2040, and other private sector studies project continued growth in demand for the next two decades. However, recent activism directed at shifting funding away from companies with energy-related assets could result in limitations or restrictions on certain sources of funding for the energy sector. Moreover, activist shareholders have introduced proposals that may seek to force companies to adopt aggressive emission reduction targets or to shift away from more carbon-intensive activities. While we cannot predict the outcomes of such proposals, they could ultimately make it more difficult to engage in exploration and production activities. Finally, it should be noted that a number of scientists have concluded that increasing concentrations of GHGs in the Earth’s atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, floods, droughts, and other extreme climatic events; if any such effects were to occur, they have the potential to cause physical damage to our assets or affect the availability of water and thus could have an adverse effect on our exploration and production operations.

We may incur significant costs and liabilities as a result of pipeline integrity management program testing and any related pipeline repair or preventative or remedial measures.

The United States Department of Transportation, or DOT, has adopted regulations requiring pipeline operators to develop integrity management programs for transportation pipelines located where a leak or rupture could do the most harm in “high consequence areas.” The regulations require operators to:

- ① perform ongoing assessments of pipeline integrity;
- ① identify and characterize applicable threats to pipeline segments that could impact a high consequence area;
- ① improve data collection, integration and analysis;
- ① repair and remediate the pipeline as necessary; and
- ① implement preventive and mitigating actions.

The Pipeline Safety, Regulatory Certainty and Job Creation Act of 2011, or the 2011 Pipeline Safety Act, among other things, increased the maximum civil penalty for pipeline safety violations and directed the Secretary of Transportation to promulgate rules or standards relating to expanded integrity management requirements, automatic or remote-controlled valve use, excess flow valve use, leak detection system installation and testing to confirm the material strength of pipe operating above 30% of specified minimum yield strength in high consequence areas. Consistent with the 2011 Pipeline Safety Act, the Pipelines and Hazardous Materials Safety Administration, or PHMSA, finalized rules consistent with the signed act that increased the maximum administrative civil penalties for violations of the pipeline safety laws and regulations to \$200,000 per violation per day, with a maximum of \$2,000,000 for a related series of violations. In April 2017, those maximum civil penalties were increased to \$209,002 and \$2,090,022, respectively, to account for inflation. Should our operations fail to comply with DOT or comparable state regulations, we

could be subject to substantial penalties and fines. Additionally, in May 2011, PHMSA published a final rule adding reporting obligations and integrity management standards to certain rural low-stress hazardous liquid pipelines that were not previously regulated in such manner.

In June 2016, the President of the United States signed into law important new legislation entitled Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2016, or the PIPES Act. The PIPES Act reauthorizes PHMSA through 2019, and facilitates greater pipeline safety by providing PHMSA with emergency order authority, including authority to issue prohibitions and safety measures on owners and operators of gas or hazardous liquid pipeline facilities to address imminent hazards, without prior notice or an opportunity for a hearing, as well as enhanced release reporting requirements, requiring a review of both natural gas and hazardous liquid integrity management programs, and mandating the creation of a working group to consider the development of an information-sharing system related to integrity risk analyses. The PIPES Act also requires that PHMSA publish periodic updates on the status of those mandates outstanding from 2011 Pipeline Safety Act, of which approximately nine remain to be completed. The mandates yet to be acted upon include requiring certain shut-off valves on transmission lines, mapping all high consequence areas, and requiring pipeline owners or operators to reconfirm their MAOP as expeditiously as economically feasible.

PHMSA regularly revises its pipeline safety regulations. For example, in March 2015, PHMSA finalized new rules applicable to gas and hazardous liquid pipelines that, among other changes, impose new post-construction inspections, welding, gas component pressure testing requirements, as well as requirements for calculating pressure reductions for immediate repairs on liquid pipelines. More recently, in January 2017, PHMSA finalized regulations for hazardous liquid pipelines that significantly extend and expand the reach of certain PHMSA integrity management requirements (i.e., periodic assessments, leak detection and repairs) regardless of the pipeline's proximity to a high consequence area. The final rule also imposes new reporting requirements for certain unregulated pipelines, including all hazardous liquid gathering lines. However, implementation of this rule was delayed as a result of the change in U.S. Presidential Administrations, and the final rule is not expected to be published in the Federal Register until the first half of 2019. Separately, in March 2017, new PHMSA rules related to gas and hazardous liquid pipeline accident reporting, control room personnel training requirements, personnel drug and alcohol testing, and incorporating consensus standards by reference for integrity management issues such as in-line inspection and stress corrosion cracking direct assessment became effective. Additional future regulatory action expanding PHMSA jurisdiction and imposing stricter integrity management requirements is likely. For example, in May 2016, PHMSA proposed rules that would, if adopted, impose more stringent requirements for certain gas transmission and gathering pipelines. Among other things, the proposed rulemaking would extend certain of PHMSA's current regulatory safety programs for gas pipelines beyond "high consequence areas" to cover gas pipelines found in newly defined "moderate consequence areas" that contain as few as 5 dwellings within the potential impact area and would also require gas pipelines installed before 1970 that are currently exempted from certain pressure testing obligations to be tested to determine their MAOP. Other new requirements proposed by PHMSA under the rulemaking would require pipeline operators to: report to PHMSA in the event of certain MAOP exceedances; strengthen PHMSA integrity management requirements; consider seismicity in evaluating threats to a pipeline; conduct hydrostatic testing for all pipeline segments manufactured using longitudinal seam welds; and use more detailed guidance from PHMSA in the selection of assessment methods to inspect pipelines. The proposed rulemaking also seeks to impose a number of requirements on gathering lines. PHMSA has announced its intention to divide the proposed rule into three parts and issue three separate final rulemakings in 2019. Part I is expected to address the expansion of risk assessment and MAOP requirements (expected issuance in March 2019); Part II is expected to address the expansion of integrity management program regulations (expected issuance in June 2019); and Part III is expected to expand the regulation of gas gathering lines (expected issuance in August 2019). The adoption of these and other laws or regulations that apply more comprehensive or stringent safety standards could require us to install new or modified safety controls, pursue new capital projects, or conduct maintenance programs on an accelerated basis, all of which could require us to incur increased operational costs that could be significant. While we cannot predict the outcome of legislative or regulatory initiatives, such legislative and regulatory changes could have a material effect on our cash flow. Please read "Business—Pipeline Safety Regulation" for more information.

Our business involves many hazards and operational risks, some of which may not be fully covered by insurance. The occurrence of a significant accident or other event that is not fully insured could curtail our operations and have a material adverse effect on our ability to distribute cash and, accordingly, the market price for our common units.

Our operations are subject to all of the hazards associated with the provision, gathering and compression of natural gas, NGLs and oil, and water handling and treatment services, including:

- ① unintended breach of impoundment and downstream flooding, release of invasive species or aquatic pathogens, hazardous spills near intake points, trucking collision, vandalism, excessive road damage or bridge collapse and unauthorized access or use of automation controls;

- ① damage to pipelines, compressor stations, pump stations, impoundments, related equipment and surrounding properties caused by natural disasters, acts of terrorism and acts of third parties;
- ① damage from construction, farm and utility equipment as well as other subsurface activity (for example, mine subsidence);
- ① leaks of natural gas, NGLs or oil or losses of natural gas, NGLs or oil as a result of the malfunction of equipment or facilities;
- ① fires, ruptures and explosions;
- ① other hazards that could also result in personal injury and loss of life, pollution of the environment, including natural resources, and suspension of operations; and
- ① hazards experienced by other operators that may affect our operations by instigating increased regulations and oversight.

Any of these risks could adversely affect our ability to conduct operations or result in substantial loss to us as a result of claims for:

- ① injury or loss of life;
- ① damage to and destruction of property, natural resources and equipment;
- ① pollution and other environmental damage;
- ① regulatory investigations and penalties;
- ① suspension of our operations; and
- ① repair and remediation costs.

We may elect not to obtain insurance for any or all of these risks if we believe that the cost of available insurance is excessive relative to the risks presented. In addition, pollution and environmental risks generally are not fully insurable under policies we are covered under, and neither we nor our general partner on our behalf have obtained pollution insurance. The occurrence of an event that is not fully covered by insurance could have a material adverse effect on our business, financial condition and results of operations.

We do not own all of the land on which our pipelines and facilities are located, which could result in disruptions to our operations.

We do not own all of the land on which our pipelines and facilities have been constructed, and we are, therefore, subject to the possibility of more onerous terms or increased costs to retain necessary land use if we do not have valid rights-of-way or if such rights-of-way lapse or terminate. We obtain the rights to construct and operate our pipelines on land owned by third parties and governmental agencies for a specific period of time. Our loss of these rights, through our inability to renew right-of-way contracts or otherwise, could have a material adverse effect on our business, results of operations, financial condition and ability to make cash distributions to you.

We are subject to complex federal, state and local laws and regulations that could adversely affect the cost, manner or feasibility of conducting our operations or expose us to significant liabilities.

Our operations are subject to complex and stringent federal, state and local laws and regulations. In order to conduct our operations in compliance with these laws and regulations, we must obtain and maintain numerous permits, approvals and certificates from various federal, state and local governmental authorities. We may incur substantial costs in order to maintain compliance with these existing laws and regulations and the permits and other approvals issued thereunder. In addition, our costs of compliance may increase or operational delays may occur if existing laws and regulations are revised or reinterpreted, or if new laws and regulations apply to our operations. Failure to comply with such laws and regulations, including any evolving interpretation and enforcement by governmental authorities, could have a material adverse effect on our business, financial condition and results of operations. Also, we

might not be able to obtain or maintain all required environmental regulatory approvals for our operations. If there is a delay in obtaining any required environmental regulatory approvals, or if we fail to obtain and comply with them, the operation or construction of our facilities could be prevented or become subject to additional costs.

In addition, new or additional regulations, new interpretations of existing requirements or changes in our operations could also trigger the need for Environmental Assessments or more detailed Environmental Impact Statements under the National Environmental Policy Act and analogous state laws, or that impose new permitting requirements on our operations could result in increased costs or delays of, or denial of rights to conduct, our development programs. For example, in September 2015, the EPA and U.S. Army Corps of Engineers, or the Corps, issued a final rule under the federal Clean Water Act, or the CWA, defining the scope of the EPA's and the Corps' jurisdiction over waters of the United States ("WOTUS"), but several legal challenges to the rule followed, and the WOTUS rule was stayed nationwide in October 2015 pending resolution of the court challenges. The EPA and the Corps proposed a rulemaking in June 2017 to repeal the WOTUS rule, and announced their intent to issue a new rule defining the CWA's jurisdiction. In January 2018, the U.S. Supreme Court issued a decision finding that jurisdiction to hear challenges to the WOTUS rule resides with the federal district courts; consequently, the previously filed district court cases have been allowed to proceed, resulting in a patchwork of implementation in some states and stays in others. Following the Supreme Court's decision, the EPA and the Corps issued a final rule in January 2018 staying implementation of the WOTUS rule for two years while the agencies reconsider the rule, but a federal judge barred the agencies' suspension of the rule in August 2018. Various district court decisions have revived the WOTUS rule in 22 states, while a federal court in Georgia has enjoined implementation of the rule in 11 states. As a result of these developments, future implementation of the rule is uncertain at this time. To the extent the rule expands the scope of the CWA's jurisdiction, we could face increased costs and delays with respect to obtaining permits for dredge and fill activities in wetland areas. Such potential regulations or litigation could increase our operating costs, reduce our liquidity, delay or halt our operations or otherwise alter the way we conduct our business, which could in turn have a material adverse effect on our business, financial condition and results of operations. Further, the discharges of natural gas, NGLs, oil, and other pollutants into the air, soil or water may give rise to significant liabilities on our part to the government and third parties. Please read "Item 1. Business—Regulation of Environmental and Occupational Safety and Health Matters" for a further description of laws and regulations that affect us.

The loss of key personnel could adversely affect our ability to operate.

We depend on the services of a relatively small group of our general partner's senior management and technical personnel. We do not maintain, nor do we plan to obtain, any insurance against the loss of any of these individuals. The loss of the services of our general partner's senior management or technical personnel, including Paul M. Rady, Chairman and Chief Executive Officer, and Glen C. Warren, Jr., President, could have a material adverse effect on our business, financial condition and results of operations.

We do not have any officers or employees and rely solely on officers of our general partner and employees of Antero Resources.

We are managed and operated by the board of directors of our general partner. Affiliates of Antero Resources conduct businesses and activities of their own in which we have no economic interest. As a result, there could be material competition for the time and effort of the officers and employees who provide services to our general partner and Antero Resources. If our general partner and the officers and employees of Antero Resources do not devote sufficient attention to the management and operation of our business, our financial results may suffer, and our ability to make distributions to our unitholders may be reduced.

Debt we incur in the future may limit our flexibility to obtain financing and to pursue other business opportunities.

Our future level of debt could have important consequences to us, including the following:

- ① our ability to obtain additional financing, if necessary, for working capital, capital expenditures (including required drilling pad connections and well connections pursuant to our gathering and compression agreements as well as acquisitions) or other purposes may be impaired or such financing may not be available on favorable terms;
- ① our funds available for operations, future business opportunities and distributions to unitholders will be reduced by that portion of our cash flows required to make interest payments on our debt;
- ① we may be more vulnerable to competitive pressures or a downturn in our business or the economy generally; and
- ① our flexibility in responding to changing business and economic conditions may be limited.

Our ability to service our debt will depend upon, among other things, our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond our control. If our operating results are not sufficient to service any future indebtedness, we will be forced to take actions such as reducing distributions, reducing or delaying our business activities, investments or capital expenditures, selling assets or issuing equity. We may not be able to effect any of these actions on satisfactory terms or at all.

Terrorist or cyber-attacks and threats could have a material adverse effect on our business, results of operations, financial condition and ability to make cash distributions.

Terrorist or cyber-attacks may significantly affect the energy industry, including our operations and those of our suppliers and customers, as well as general economic conditions, consumer confidence and spending, and market liquidity. Strategic targets, such as energy-related assets, may be at greater risk of future attacks than other targets in the United States. Our insurance may not protect us against such occurrences. We depend on digital technology in many areas of our business and operations, including, but not limited to, performing many of our gathering and compression and water handling and treatment services, recording financial and operating data, oversight and analysis of our operations, and communications with the employees supporting our operations and our customers or service providers. Deliberate attacks on our assets, security breaches in our systems or infrastructure, or the systems or infrastructure of third-parties or the cloud, could lead to the corruption or loss of our proprietary and potentially sensitive data, delays in the performance of services for our customers, difficulty in completing and settling transactions, challenges in maintaining our books and records, environmental damage, communication interruptions, or other operational disruptions and third-party liabilities. Cybersecurity attacks in particular are becoming more sophisticated and include, but are not limited to, malicious software, ransomware, attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information, and corruption of data.

As cyber-attacks continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any vulnerabilities to cyber-attacks. In particular, our implementation of various procedures and controls to monitor and mitigate security threats and to increase security for our personnel, information, facilities and infrastructure may result in increased capital and operating costs. To date, we have not experienced any material losses relating to cyber-attacks; however, there can be no assurance that we will not suffer such losses in the future. Consequently, it is possible that any of these occurrences, or a combination of them, could have a material adverse effect on our business, results of operations, financial condition and ability to make cash distributions.

Risks Inherent in an Investment in Us

Antero Resources, our general partner and their respective affiliates, including AMGP, which owns our general partner, have conflicts of interest with us and limited duties to us and our unitholders, and they may favor their own interests to the detriment of us and our other common unitholders.

AMGP owns and controls our general partner and appoints all of the officers and directors of our general partner. All of the officers and a majority of the directors of our general partner are officers or directors of AMGP GP LLC, the general partner of AMGP (“AMGP GP”). Similarly, all of the officers and a majority of the directors of our general partner are also officers or directors of Antero Resources. Although our general partner has a duty to manage us in a manner that is beneficial to us and our unitholders, the directors and officers of our general partner have a fiduciary duty to manage our general partner in a manner that is beneficial to its owner, AMGP. Further, our general partner’s directors and officers who are also directors and officers of Antero Resources have a fiduciary duty to manage Antero Resources in a manner that is beneficial to Antero Resources. Conflicts of interest will arise between Antero Resources, AMGP, and our general partner, on the one hand, and us and our common unitholders, on the other hand. In resolving these conflicts of interest, our general partner may favor its own interests and the interests of AMGP or Antero Resources over our interests and the interests of our unitholders. These conflicts include the following situations, among others:

- ① actions taken by our general partner may affect the amount of cash available to pay distributions to unitholders;
- ① the directors and officers of AMGP have a fiduciary duty to make decisions in the best interests of AMGP and its owners, which may be contrary to our interests;
- ① the directors and officers of Antero Resources have a fiduciary duty to make decisions in the best interests of Antero Resources and its owners, which may be contrary to our interests;

- ① our general partner is allowed to take into account the interests of parties other than us, such as AMGP, in exercising certain rights under our partnership agreement;
- ① except in limited circumstances, our general partner has the power and authority to conduct our business without unitholder approval;
- ① our general partner may cause us to borrow funds in order to permit the payment of cash distributions;
- ① our general partner determines the amount and timing of asset purchases and sales, borrowings, issuances of additional partnership securities and the level of reserves, each of which can affect the amount of cash that is distributed to our unitholders;
- ① our general partner determines the amount and timing of any capital expenditure and whether a capital expenditure is classified as a maintenance capital expenditure, which reduces operating surplus, or an expansion capital expenditure, which does not reduce operating surplus, and this determination can affect the amount of cash from operating surplus that is distributed to our unitholders;
- ① our partnership agreement limits the liability of, and replaces the duties owed by, our general partner and also restricts the remedies available to our unitholders for actions that, without the limitations, might constitute breaches of fiduciary duty;
- ① common unitholders have no right to enforce obligations of our general partner and its affiliates under agreements with us;
- ① contracts between us, on the one hand, and our general partner and its affiliates, on the other, are not and will not be the result of arm's length negotiations;
- ① our partnership agreement permits us to distribute up to \$75.0 million as operating surplus, even if it is generated from asset sales, non-working capital borrowings or other sources that would otherwise constitute capital surplus, which may be used to fund distributions on the incentive distribution rights;
- ① our general partner determines which costs incurred by it and its affiliates (including Antero Resources) are reimbursable by us;
- ① our partnership agreement does not restrict our general partner from causing us to pay it or its affiliates for any services rendered to us or entering into additional contractual arrangements with its affiliates on our behalf;
- ① our general partner intends to limit its liability regarding our contractual and other obligations;
- ① our general partner may exercise its right to call and purchase common units if it and its affiliates (including Antero Resources) own more than 80% of the common units;
- ① our general partner controls the enforcement of obligations that it and its affiliates (including Antero Resources) owe to us;
- ① we may not choose to retain separate counsel for ourselves or for the holders of common units;
- ① our general partner's affiliates may compete with us, and neither our general partner nor its affiliates have any obligation to present business opportunities to us; and
- ① the holder or holders of our incentive distribution rights may elect to cause us to issue common units to it in connection with a resetting of incentive distribution levels without the approval of our unitholders, which may result in lower distributions to our common unitholders in certain situations.

Certain of our common unitholders have investments in our affiliates that may conflict with the interests of other holders of our common units, including with respect to the Transactions.

Certain funds affiliated with Warburg Pincus LLC (“Warburg”), certain funds affiliated with Yorktown Partners LLC (“Yorktown”), Paul M. Rady and Glen C. Warren, Jr. (collectively, the “Sponsors”) own a significant interest in us. Affiliates of Warburg and Yorktown, Mr. Rady and Mr. Warren serve as members of the board of directors of our general partner and the board of directors of Antero Resources and AMGP GP, and each of Warburg and Yorktown are controlled in part by individuals who serve as members of the board of directors of AMGP and the board of directors of Antero Resources. The Sponsors also own the membership interests in AMGP GP, a majority of the common shares in AMGP, a majority of the Series B Units in IDR LLC, the holder of our IDRs, and a significant portion of the shares of common stock of Antero Resources. Please see “Item 11. Executive Compensation—Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table—Series B Units in IDR LLC” for more information regarding the Series B Units in IDR LLC. As a result of their investments in AMGP, AMGP GP and Antero Resources, the Sponsors may have conflicting interests with other holders of our common units, including with respect to the Transactions. Conflicts of interest could arise in the future between us, on the one hand, and the Sponsors, on the other hand, regarding, among other things, decisions related to our financing, capital expenditure and growth plans, decisions to modify or limit the IDRs in the future, the terms of our agreements with Antero Resources and AMGP and their respective subsidiaries, and the pursuit of potentially competitive business activities or business opportunities.

Ongoing cost reimbursements due to our general partner and its affiliates for services provided, which are determined by our general partner, will be substantial and will reduce our cash available for distribution to our unitholders.

Prior to making distributions on our common units, we reimburse our general partner and its affiliates for all expenses they incur on our behalf. These expenses include all costs incurred by our general partner and its affiliates in managing and operating us, including costs for rendering administrative staff and support services to us and reimbursements paid by our general partner to Antero Resources for customary management and general administrative services. There is no limit on the amount of expenses for which our general partner and its affiliates may be reimbursed under the services agreement. Our partnership agreement provides that our general partner determines the expenses that are allocable to us in good faith. In addition, under Delaware partnership law, our general partner has unlimited liability for our obligations, such as our debts and environmental liabilities, except for our contractual obligations that are expressly made without recourse to our general partner. To the extent our general partner incurs obligations on our behalf, we are obligated to reimburse or indemnify it. If we are unable or unwilling to reimburse or indemnify our general partner, our general partner may take actions to cause us to make payments of these obligations and liabilities. Any such payments could reduce the amount of cash otherwise available for distribution to our unitholders.

We expect to distribute a significant portion of our cash available for distribution to our partners, which could limit our ability to grow and make acquisitions.

We plan to distribute most of our cash available for distribution, which may cause our growth to proceed at a slower pace than that of businesses that reinvest their cash to expand ongoing operations. To the extent we issue additional units in connection with any acquisitions or expansion capital expenditures, the payment of distributions on those additional units may increase the risk that we will be unable to maintain or increase our per unit distribution level. There are no limitations in our partnership agreement on our ability to issue additional units, including units ranking senior to the common units. In addition, the incurrence of commercial borrowings or other debt to finance our growth strategy would result in increased interest expense, which, in turn, may reduce the cash that we have available to distribute to our unitholders.

Our partnership agreement replaces our general partner’s fiduciary duties to holders of our units with contractual standards governing its duties.

Our partnership agreement contains provisions that eliminate and replace the fiduciary standards to which our general partner would otherwise be held by state fiduciary duty law. For example, our partnership agreement permits our general partner to make a number of decisions, in its individual capacity, as opposed to in its capacity as our general partner, or otherwise, free of fiduciary duties to us and our unitholders other than the implied contractual covenant of good faith and fair dealing, which means that a court will enforce the reasonable expectations of the parties where the language in our partnership agreement does not provide for a clear course of action. This entitles our general partner to consider only the interests and factors that it desires, and it has no duty or obligation to give any consideration to any interest of, or factors affecting, us, our affiliates or our limited partners. Examples of decisions that our general partner may make in its individual capacity include:

- ① how to allocate business opportunities among us and its other affiliates;

- ① whether to exercise its limited call right;
- ① how to exercise its voting rights with respect to the units it owns;
- ① whether to exercise its registration rights;
- ① whether to elect to reset target distribution levels; and
- ① whether or not to consent to any merger or consolidation of the partnership or amendment to the partnership agreement.

Unitholders are treated as having consented to the provisions in the partnership agreement, including the provisions discussed above.

Our partnership agreement limits the liability of, and replaces the duties owed by, our general partner and also restricts the remedies available to our unitholders for actions that, without the limitations, might constitute breaches of fiduciary duty.

Our partnership agreement contains provisions that restrict the remedies available to our unitholders for actions that might otherwise constitute breaches of fiduciary duty under state fiduciary duty law. For example, our partnership agreement provides that:

- ① our general partner will not have any liability to us or our unitholders for decisions made in its capacity as general partner so long as it acted in good faith, meaning it believed that the decision was not adverse to the interest of the partnership, and, with respect to criminal conduct, did not act with the knowledge that its conduct was unlawful;
- ① our general partner and its officers and directors will not be liable for monetary damages or otherwise to us or our limited partners for any acts or omissions unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that such losses or liabilities were the result of the conduct of our general partner or such officer or director engaged in by it in bad faith or, with respect to any criminal conduct, with the knowledge that its conduct was unlawful; and
- ① in resolving conflicts of interest, it will be presumed that in making its decision our general partner, the board of directors of our general partner or the conflicts committee of the board of directors of our general partner acted in good faith, and in any proceeding brought by or on behalf of any limited partner or us, the person bringing or prosecuting such proceeding will have the burden of overcoming such presumption and proving that such decision was not in good faith.

Our partnership agreement designates the Court of Chancery of the State of Delaware as the exclusive forum for certain types of actions and proceedings that may be initiated by our unitholders, which limits our unitholders' ability to choose the judicial forum for disputes with us or our general partner's directors, officers or other employees. Our partnership agreement also provides that any unitholder bringing an unsuccessful action will be obligated to reimburse us for any costs we have incurred in connection with such unsuccessful action.

Our partnership agreement provides that, with certain limited exceptions, the Court of Chancery of the State of Delaware will be the exclusive forum for any claims, suits, actions or proceedings (1) arising out of or relating in any way to our partnership agreement (including any claims, suits or actions to interpret, apply or enforce the provisions of our partnership agreement or the duties, obligations or liabilities among limited partners or of limited partners to us, or the rights or powers of, or restrictions on, the limited partners or us), (2) brought in a derivative manner on our behalf, (3) asserting a claim of breach of a duty owed by any director, officer or other employee of us or our general partner, or owed by our general partner, to us or the limited partners, (4) asserting a claim arising pursuant to any provision of the Delaware Revised Uniform Limited Partnership Act (the "Delaware Act") or (5) asserting a claim against us governed by the internal affairs doctrine. In addition, if any unitholder brings any of the aforementioned claims, suits, actions or proceedings and such person does not obtain a judgment on the merits that substantially achieves, in substance and amount, the full remedy sought, then such person shall be obligated to reimburse us and our affiliates for all fees, costs and expenses of every kind and description, including but not limited to all reasonable attorneys' fees and other litigation expenses, that the parties may incur in connection with such claim, suit, action or proceeding. Limited partners who own common units irrevocably consent to these limitations, provisions and potential reimbursement obligations regarding claims, suits, actions or proceedings and submitting to the exclusive jurisdiction of the Court of Chancery of the State of Delaware (or such other court) in connection with any such claims, suits, actions or proceedings. These provisions may have the effect of discouraging lawsuits against us and our general partner's directors and officers.

Holders of our common units have limited voting rights and are not entitled to elect our general partner or its directors, which could reduce the price at which our common units will trade.

Compared to the holders of common stock in a corporation, unitholders have limited voting rights and, therefore, limited ability to influence management's decisions regarding our business. Unitholders will have no right on an annual or ongoing basis to elect our general partner or its board of directors. The board of directors of our general partner, including the independent directors, is chosen entirely by AMGP, as a result of it owning our general partner, and not by our unitholders. Please read "Item 10. Directors, Executive Officers, and Corporate Governance—Management of Antero Midstream Partners LP" and "Certain Relationships and Related Transactions." Unlike publicly-traded corporations, we do not conduct annual meetings of our unitholders to elect directors or conduct other matters routinely conducted at annual meetings of stockholders of corporations. As a result of these limitations, the price at which the common units will trade could be diminished because of the absence or reduction of a takeover premium in the trading price.

Our general partner intends to limit its liability regarding our obligations.

Our general partner intends to limit its liability under contractual arrangements between us and third parties so that the counterparties to such arrangements have recourse only against our assets, and not against our general partner or its assets. Our general partner may therefore cause us to incur indebtedness or other obligations that are nonrecourse to our general partner. Our partnership agreement provides that any action taken by our general partner to limit its liability is not a breach of our general partner's duties, even if we could have obtained more favorable terms without the limitation on liability. In addition, we are obligated to reimburse or indemnify our general partner to the extent that it incurs obligations on our behalf. Any such reimbursement or indemnification payments would reduce the amount of cash otherwise available for distribution to our unitholders.

The holder or holders of our incentive distribution rights may elect to cause us to issue common units to it in connection with a resetting of the target distribution levels related to its incentive distribution rights, without the approval of the conflicts committee of our general partner's board of directors or the holders of our common units. This could result in lower distributions to holders of our common units.

The holder or holders of a majority of our incentive distribution rights have the right, at any time they have received incentive distributions at the highest level to which they are entitled (50%) for each of the prior four consecutive fiscal quarters, to reset the initial target distribution levels at higher levels based on our cash distribution levels at the time of the exercise of the reset election. The incentive distribution rights have received incentive distributions at the highest level for the prior four consecutive fiscal quarters. Following a reset election, a baseline distribution amount will be calculated equal to an amount equal to the prior cash distribution per common unit for the fiscal quarter immediately preceding the reset election (such amount is referred to as the "reset minimum quarterly distribution"), and the target distribution levels will be reset to correspondingly higher levels based on percentage increases above the reset minimum quarterly distribution.

We anticipate that the holder of our incentive distribution rights would exercise this reset right in order to facilitate acquisitions or internal growth projects that would not be sufficiently accretive to cash distributions per unit without such conversion. However, the holder of our incentive distribution rights may transfer the incentive distribution rights at any time. It is possible that the holder of our incentive distribution rights or a transferee could exercise this reset election at a time when we are experiencing declines in our aggregate cash distributions or at a time when the holders of the incentive distribution rights expect that we will experience declines in our aggregate cash distributions in the foreseeable future. In such situations, the holders of the incentive distribution rights may be experiencing, or may expect to experience, declines in the cash distributions it receives related to the incentive distribution rights and may therefore desire to be issued our common units, which are entitled to specified priorities with respect to our distributions and which therefore may be more advantageous for them to own in lieu of the right to receive incentive distribution payments based on target distribution levels that are less certain to be achieved. As a result, a reset election may cause our common unitholders to experience dilution in the amount of cash distributions that they would have otherwise received had we not issued new common units to the holders of the incentive distribution rights in connection with resetting the target distribution levels.

The incentive distribution rights may be transferred to a third party without unitholder consent.

The holder of our incentive distribution rights may transfer the incentive distribution rights to a third party at any time without the consent of our unitholders. If the incentive distribution rights are transferred to a third party but our general partner retains its general partner interest, our general partner (and its owner, AMGP) may not have the same incentive to grow our partnership and increase quarterly distributions to unitholders over time as it would if it had retained indirect ownership of the incentive distribution rights.

Increases in interest rates could adversely impact our unit price and our ability to issue additional equity, to incur debt to capture growth opportunities or for other purposes, or to make cash distributions at our intended levels.

If interest rates rise, the interest rates on our revolving credit facility, future credit facilities and debt offerings could be higher than current levels, causing our financing costs to increase accordingly. As with other yield-oriented securities, our unit price is impacted by the level of our cash distributions and implied distribution yield. The distribution yield is often used by investors to compare and rank related yield-oriented securities for investment decision-making purposes. Therefore, changes in interest rates, either positive or negative, may affect the yield requirements of investors who invest in our units, and a rising interest rate environment could have an adverse impact on our unit price and our ability to issue additional equity, to incur debt to expand or for other purposes, or to make cash distributions at our intended levels.

Our partnership agreement restricts the voting rights of unitholders owning 20% or more of our common units.

Unitholders' voting rights are further restricted by the partnership agreement provision providing that any units held by a person or group that owns 20% or more of any class of units then outstanding, other than our general partner, its affiliates (including Antero Resources), their transferees and persons who acquired such units with the prior approval of the board of directors of our general partner, cannot vote on any matter.

Control of our general partner may be transferred to a third party without unitholder consent.

Our general partner may transfer its general partner interest to a third party in a merger or in a sale of all or substantially all of its assets without the consent of our unitholders. Furthermore, our partnership agreement does not restrict the ability of the owners of our general partner from transferring all or a portion of their respective ownership interest in our general partner to a third party. The new owners of our general partner would then be in a position to replace the board of directors and officers of our general partner with its own choices and thereby exert significant control over the decisions made by the board of directors and officers. This effectively permits a "change of control" without the vote or consent of the unitholders.

We may issue additional units, including units that are senior to the common units, without unitholder approval, which would dilute our unitholders' existing ownership interests.

Our partnership agreement does not limit the number of additional limited partner interests that we may issue at any time without the approval of our unitholders. The issuance by us of additional common units or other equity securities of equal or senior rank will have the following effects:

- ⌚ each unitholder's proportionate ownership interest in us will decrease;
- ⌚ the amount of cash available for distribution on each unit may decrease;
- ⌚ the ratio of taxable income to distributions may increase;
- ⌚ the relative voting strength of each previously outstanding unit may be diminished; and
- ⌚ the market price of the common units may decline.

Future sales of common units in the public markets or otherwise, which sales could have an adverse impact on the trading price of the common units.

As of February 8, 2019, Antero Resources holds 98,870,335 common units. Additionally, we have agreed to provide Antero Resources with certain registration rights, pursuant to which we may be required to register the common units they hold under the Securities Act and applicable state securities laws. Pursuant to the registration rights agreement and our partnership agreement, we may be required to undertake a future public or private offering of common units and use the net proceeds from such offering to redeem an equal number of common units held by Antero Resources.

In November 2014, we filed a registration statement on Form S-8 under the Securities Act to register common units issuable under the Antero Midstream Partners Long-Term Incentive Plan (the "Midstream LTIP"). Subject to applicable vesting requirements, Rule 144 limitations applicable to affiliates and the expiration of lock-up agreements, common units registered under the registration statement on Form S-8 will be available for resale immediately in the public market without restriction.

Future sales of common units in public or private markets could have an adverse impact on the price of the common units or on any trading market that may develop.

Our general partner has a limited call right that may require unitholders to sell their common units at an undesirable time or price.

If at any time our general partner and its affiliates (including Antero Resources) own more than 80% of the common units, our general partner will have the right, but not the obligation, which it may assign to any of its affiliates or to us, to acquire all, but not less than all, of the common units held by unaffiliated persons at a price equal to the greater of (i) the average of the daily closing price of the common units over the 20 trading days preceding the date three days before notice of exercise of the call right is first mailed and (ii) the highest per-unit price paid by our general partner or any of its affiliates for common units during the 90-day period preceding the date such notice is first mailed. As a result, unitholders may be required to sell their common units at an undesirable time or price and may not receive any return or a negative return on their investment. Unitholders may also incur a tax liability upon a sale of their units. Our general partner is not obligated to obtain a fairness opinion regarding the value of the common units to be repurchased by it upon exercise of the limited call right. There is no restriction in our partnership agreement that prevents our general partner from issuing additional common units and exercising its call right. If our general partner exercised its limited call right, the effect would be to take us private and, if the units were subsequently deregistered, we would no longer be subject to the reporting requirements of the Securities Exchange Act of 1934, or the Exchange Act. Antero Resources, which is an affiliate of our general partner, owns an aggregate of 52.8% of our common units.

Your liability may not be limited if a court finds that unitholder action constitutes control of our business.

A general partner of a partnership generally has unlimited liability for the obligations of the partnership, except for those contractual obligations of the partnership that are expressly made without recourse to the general partner. Our partnership is organized under Delaware law, and we own assets and conduct business in West Virginia and Ohio. You could be liable for any and all of our obligations as if you were a general partner if:

- ⌚ a court or government agency determined that we were conducting business in a state but had not complied with that particular state's partnership statute; or
- ⌚ your right to act with other unitholders to remove or replace the general partner, to approve some amendments to our partnership agreement or to take other actions under our partnership agreement constitute "control" of our business.

Unitholders may have liability to repay distributions that were wrongfully distributed to them.

Under certain circumstances, unitholders may have to repay amounts wrongfully returned or distributed to them. Under Section 17-607 of the Delaware Act, we may not make a distribution to our unitholders if the distribution would cause our liabilities to exceed the fair value of our assets. Delaware law provides that for a period of three years from the date of the impermissible distribution, limited partners who received the distribution and who knew at the time of the distribution that it violated Delaware law will be liable to the limited partnership for the distribution amount. Substituted limited partners are liable for the obligations of the assignor to make contributions to the partnership that are known to the substituted limited partner at the time it became a limited partner and for unknown obligations if the liabilities could be determined from the partnership agreement. Liabilities to partners on account of their partnership interest and liabilities that are non-recourse to the partnership are not counted for purposes of determining whether a distribution is permitted.

The New York Stock Exchange does not require a publicly-traded partnership like us to comply with certain of its corporate governance requirements.

Our common units are listed on the NYSE under the symbol "AM." Because we are a publicly-traded partnership, the NYSE does not require us to have a majority of independent directors on our general partner's board of directors or to establish a compensation committee or a nominating and corporate governance committee. Accordingly, unitholders do not have the same protections afforded to certain corporations that are subject to all of the NYSE corporate governance requirements. Please read "Item 10. Directors, Executive Officers, and Corporate Governance—Management of Antero Midstream Partners LP."

Tax Risks to Common Unitholders

Our tax treatment depends on our status as a partnership for federal income tax purposes, as well as us not being subject to a material amount of entity-level taxation. If the IRS were to treat us as a corporation for federal income tax purposes, or if we were to become subject to entity-level taxation for state tax purposes, our cash available for distribution to our unitholders would be substantially reduced.

The anticipated after tax economic benefit of an investment in our common units depends largely on our being treated as a partnership for federal income tax purposes.

Despite the fact that we are organized as a limited partnership under Delaware law, we would be treated as a corporation for U.S. federal income tax purposes unless we satisfy a “qualifying income” requirement. Based upon our current operations, and current Treasury Restrictions, we believe we satisfy the qualifying income requirement. We have requested and obtained a favorable private letter ruling from the IRS to the effect that, based on the facts presented in the private letter ruling request, income from fresh water delivery services is qualifying income for federal income tax purposes. We have not requested, and do not plan to request, a ruling from the IRS on any other matter affecting us. Failing to meet the qualifying income requirement or a change in current law could cause us to be treated as a corporation for U.S. federal income tax purposes or otherwise subject us to taxation as an entity.

If we were treated as a corporation for federal income tax purposes, we would pay U.S. federal income tax on our taxable income at the corporate tax rate. Distributions to our unitholders would generally be taxed again as corporate distributions, and no income, gains, losses or deductions would flow through to our unitholders. Because a tax would be imposed upon us as a corporation, our cash available for distribution to our unitholders would be substantially reduced. Therefore, treatment of us as a corporation would result in a material reduction in the anticipated cash flows and after-tax return to our unitholders, likely causing a substantial reduction in the value of our common units.

Our partnership agreement provides that if a law is enacted or existing law is modified or interpreted in a manner that subjects us to taxation as a corporation or otherwise subjects us to entity-level taxation for U.S. federal, state or local income tax purposes, the minimum quarterly distribution amount and the target distribution amounts may be adjusted to reflect the impact of that law or interpretation on us. We own assets and conduct business in West Virginia and Ohio. Several states have been evaluating ways to subject partnerships to entity-level taxation through the imposition of state income, franchise or other forms of taxation. For example, Ohio imposes a commercial activity tax of 0.26% on taxable gross receipts with a “substantial nexus” with Ohio. Imposition of a similar tax on us in other jurisdictions that we may expand to could substantially reduce our cash available for distribution to our unitholders.

The tax treatment of publicly traded partnerships or an investment in our units could be subject to potential legislative, judicial or administrative changes and differing interpretations, possibly applied on a retroactive basis.

The present U.S. federal income tax treatment of publicly traded partnerships, including us, or an investment in our common units, may be modified by administrative, legislative or judicial changes or differing interpretations at any time. From time to time, members of Congress have proposed and considered substantive changes to the existing U.S. federal income tax laws that would affect publicly traded partnerships including a prior legislative proposal that would have eliminated the qualifying income exception to the treatment of all publicly traded partnerships as corporations upon which we rely for our treatment as a partnership for U.S. federal income tax purposes.

In addition, the Treasury Department has issued, and in the future may issue, regulations interpreting those laws that affect publicly traded partnerships. Although there are no current legislative or administrative proposals, there can be no assurance that there will not be further changes to U.S. federal income tax laws or the Treasury Department’s interpretation of the qualifying income rules in a manner that could impact our ability to qualify as a publicly traded partnership in the future.

Any modification to the U.S. federal income tax laws may be applied retroactively and could make it more difficult or impossible for us to meet the exception for certain publicly traded partnerships to be treated as partnerships for U.S. federal income tax purposes. We are unable to predict whether any changes or other proposals will ultimately be enacted. Any future legislative changes could negatively impact the value of an investment in our common units. Our unitholders are urged to consult with their own tax advisors with respect to the status of regulatory or administrative developments and proposals and their potential effect on their investment in our common units.

If the IRS were to contest the federal income tax positions we take, it may adversely impact the market for our common units, and the costs of any such contest would reduce cash available for distribution to our unitholders.

We have not requested a ruling from the IRS with respect to our treatment as a partnership for U.S. federal income tax purposes. The IRS may adopt positions that differ from the conclusions of our counsel or from the positions we take. It may be necessary to resort to administrative or court proceedings to sustain some or all of our counsel's conclusions or the positions we take. A court may not agree with some or all of our counsel's conclusions or positions we take. Any contest with the IRS may materially and adversely impact the market for our common units and the price at which they trade. Moreover, the costs of any contest between us and the IRS will result in a reduction in our cash available for distribution to our unitholders and thus will be borne indirectly by our unitholders.

If the IRS makes audit adjustments to our income tax returns for tax years beginning after December 31, 2017, it (and some states) may assess and collect any taxes (including any applicable penalties and interest) resulting from such audit adjustments directly from us, in which case our cash available for distribution to our unitholders might be substantially reduced and our current and former unitholders may be required to indemnify us for any taxes (including any applicable penalties and interest) resulting from such audit adjustments that were paid on behalf of such unitholders.

Pursuant to the Bipartisan Budget Act of 2015, for tax years beginning after December 31, 2017, if the IRS makes audit adjustments to our income tax returns, it (and some states) may assess and collect any taxes (including any applicable penalties and interest) resulting from such audit adjustments directly from us. To the extent possible under the new rules, our general partner may elect to either pay the taxes (including any applicable penalties and interest) directly to the IRS or, if we are eligible, issue a revised information statement to each unitholder and former unitholder with respect to an audited and adjusted return. Although our general partner may elect to have our unitholders and former unitholders take such audit adjustment into account and pay any resulting taxes (including applicable penalties or interest) in accordance with their interests in us during the tax year under audit, there can be no assurance that such election will be practical, permissible or effective in all circumstances. As a result, our current unitholders may bear some or all of the tax liability resulting from such audit adjustment, even if such unitholders did not own units in us during the tax year under audit. If, as a result of any such audit adjustment, we are required to make payments of taxes, penalties and interest, our cash available for distribution to our unitholders might be substantially reduced and our current and former unitholders may be required to indemnify us for any taxes (including any applicable penalties and interest) resulting from such audit adjustments that were paid on such unitholders' behalf. These rules are not applicable for tax years beginning on or prior to December 31, 2017.

Even if unitholders do not receive any cash distributions from us, unitholders will be required to pay taxes on their share of our taxable income.

Unitholders are required to pay federal income taxes and, in some cases, state and local income taxes on their share of our taxable income, whether or not they receive cash distributions from us. Unitholders may not receive cash distributions from us equal to their share of our taxable income or even equal to the actual tax due from them with respect to that income.

In response to current market conditions, we may engage in transactions to deliver and manage our liquidity that may result in income and gain to our unitholders without a corresponding cash distribution. For example, if we sell assets and use the proceeds to repay existing debt or fund capital expenditures, unitholders may be allocated taxable income and gain resulting from the sale without receiving a cash distribution. Further, taking advantage of opportunities to reduce our existing debt, such as debt exchanges, debt repurchases, or modifications of our existing debt could result in "cancellation of indebtedness income" (also referred to as "COD income") being allocated to our unitholders as taxable income. Unitholders may be allocated COD income, and income tax liabilities arising therefrom may exceed cash distributions. The ultimate effect of any such allocations will depend on the unitholder's individual tax position with respect to its units. Unitholders are encouraged to consult their tax advisors with respect to the consequences to them of COD income.

Tax gain or loss on the disposition of our common units could be more or less than expected.

If a unitholder sells common units, such unitholder will recognize a gain or loss equal to the difference between the amount realized and that unitholder's tax basis in those common units. Because distributions in excess of a unitholder's allocable share of our net taxable income decrease such unitholder's tax basis in its common units, the amount, if any, of such prior excess distributions with respect to the units that unitholder sells will, in effect, become taxable income to such unitholder if the units are sold at a price greater than the unitholder's tax basis in those units, even if the price the unitholder receives is less than its original cost. In addition, because the amount realized includes a unitholder's share of our nonrecourse liabilities, if a unitholder sells its common units, the unitholder may incur a tax liability in excess of the amount of cash it receives from the sale.

A substantial portion of the amount realized from a unitholder's sale of our units, whether or not representing gain, may be taxed as ordinary income to such unitholder due to potential recapture items, including depreciation recapture. Thus, a unitholder may recognize both ordinary income and capital loss from the sale of units if the amount realized on a sale of such units is less than such unitholder's adjusted basis in the units. Net capital loss may only offset capital gains and, in the case of individuals, up to \$3,000 of ordinary income per year. In the taxable period in which a unitholder sells its units, such unitholder may recognize ordinary income from our allocations of income and gain to such unitholder prior to the sale and from recapture items that generally cannot be offset by any capital loss recognized upon the sale of units.

Unitholders may be subject to limitation on their ability to deduct interest expense incurred by us.

In general, we are entitled to a deduction for interest paid or accrued on indebtedness properly allocable to our trade or business during our taxable year. However, under the Tax Cuts and Jobs Act, for taxable years beginning after December 31, 2017, our deduction for "business interest" is limited to the sum of our business interest income and 30% of our "adjusted taxable income." For the purposes of this limitation, our adjusted taxable income is computed without regard to any business interest expense or business interest income, and in the case of taxable years beginning before January 1, 2022, any deduction allowable for depreciation, amortization, or depletion.

Non-U.S. unitholders will be subject to U.S. taxes and withholding with respect to their income and gain from owning our units.

Non-U.S. unitholders are generally taxed and subject to income tax filing requirements by the United States on income effectively connected with a U.S. trade or business. Income allocated to our unitholders and any gain from the sale of our units will generally be considered to be "effectively connected" with a U.S. trade or business. As a result, distributions to a non-U.S. unitholder will be subject to withholding at the highest applicable effective tax rate and a non-U.S. unitholder who sells or otherwise disposes of a unit will also be subject to U.S. federal income tax on the gain realized from the sale or disposition of that unit.

The Tax Cuts and Jobs Act imposes a withholding obligation of 10% of the amount realized upon a non-U.S. unitholder's sale or exchange of an interest in a partnership that is engaged in a U.S. trade or business. However, due to challenges of administering a withholding obligation applicable to open market trading and other complications, the IRS has temporarily suspended the application of this withholding rule to open market transfers of interests in publicly traded partnerships pending promulgation of regulations or other guidance that resolves the challenges. It is not clear if or when such regulations or other guidance will be issued. Non-U.S. unitholders should consult a tax advisor before investing in our common units.

Tax-exempt entities face unique tax issues from owning our common units that may result in adverse tax consequences to them.

Investment in our common units by tax-exempt entities, such as employee benefit plans and individual retirement accounts (known as IRAs) raises issues unique to them. For example, virtually all of our income allocated to organizations that are exempt from U.S. federal income tax, including IRAs and other retirement plans, will be unrelated business taxable income and will be taxable to them. With respect to taxable years beginning after December 31, 2017, subject to the proposed aggregation rules for certain similarly situated businesses or activities issued by the Treasury Department, a tax-exempt entity with more than one unrelated trade or business (including by attribution from investment in a partnership such as ours) is required to compute the unrelated business taxable income of such tax-exempt entity separately with respect to each such trade or business (including for purposes of determining any net operating loss deduction). As a result, for years beginning after December 31, 2017, it may not be possible for tax-exempt entities to utilize losses from an investment in our partnership to offset unrelated business taxable income from another unrelated trade or business and vice versa. Tax-exempt entities should consult a tax advisor before investing in our common units.

We treat each purchaser of common units as having the same tax benefits without regard to the common units actually purchased. The IRS may challenge this treatment, which could adversely affect the value of the common units.

Because we cannot match transferors and transferees of our common units and because of other reasons, we have adopted certain methods for allocating depreciation and amortization deductions that may not conform to all aspects of existing Treasury Regulations. Our counsel is unable to opine as to the validity of this approach. A successful IRS challenge to the use of these methods could adversely affect the amount of tax benefits available to our unitholders. It also could affect the timing of these tax benefits or the amount of gain from a unitholder's sale of common units and could have a negative impact on the value of our common units or result in audit adjustments to a unitholder's tax returns.

We generally prorate our items of income, gain, loss and deduction between transferors and transferees of our common units each month based upon the ownership of our common units on the first day of each month, instead of on the basis of the date a particular unit is transferred. The IRS may challenge this treatment, which could change the allocation of items of income, gain, loss and deduction among our unitholders.

We generally prorate our items of income, gain, loss and deduction between transferors and transferees of our units each month based upon the ownership of our units on the first day of each month (the “Allocation Date”), instead of on the basis of the date a particular unit is transferred. Similarly, we generally allocate (i) certain deductions for depreciation of capital additions, (ii) gain or loss realized on a sale or other disposition of our assets, and (iii) in the discretion of the general partner, any other extraordinary item of income, gain, loss or deduction based upon ownership on the Allocation Date. Treasury Regulations allow a similar monthly simplifying convention, but such regulations do not specifically authorize all aspects of our proration method. If the IRS were to challenge our proration method, we may be required to change the allocation of items of income, gain, loss and deduction among our unitholders.

A unitholder whose units are the subject of a securities loan (e.g., a loan to a “short seller” to cover a short sale of units) may be considered to have disposed of those units. If so, the unitholder would no longer be treated for tax purposes as a partner with respect to those units during the period of the loan and could recognize gain or loss from the disposition.

Because there are no specific rules governing the U.S. federal income tax consequence of loaning a partnership interest, a unitholder whose units are the subject of a securities loan may be considered to have disposed of the loaned units. In that case, the unitholder may no longer be treated for tax purposes as a partner with respect to those units during the period of the loan to the short seller and the unitholder may recognize gain or loss from such disposition. Moreover, during the period of the loan, any of our income, gain, loss or deduction with respect to those units may not be reportable by the unitholder and any cash distributions received by the unitholder as to those units could be fully taxable as ordinary income. Unitholders desiring to assure their status as partners and avoid the risk of gain recognition from a securities loan are urged to consult a tax advisor to determine whether it is advisable to modify any applicable brokerage account agreements to prohibit their brokers from borrowing their units.

We have adopted certain valuation methodologies in determining a unitholder’s allocations of income, gain, loss and deduction. The IRS may challenge these methodologies or the resulting allocations, and such a challenge could adversely affect the value of our common units.

In determining the items of income, gain, loss and deduction allocable to our unitholders, we must routinely determine the fair market value of our assets. Although we may from time to time consult with professional appraisers regarding valuation matters, we make many fair market value estimates using a methodology based on the market value of our common units as a means to measure the fair market value of our assets. The IRS may challenge these valuation methods and the resulting allocations of income, gain, loss and deduction.

A successful IRS challenge to these methods or allocations could adversely affect the timing or amount of taxable income or loss being allocated to our unitholders. It also could affect the amount of gain recognized from the sale of our common units, have a negative impact on the value of our common units or result in audit adjustments to our unitholders’ tax returns without the benefit of additional deductions.

Unitholders will likely be subject to state and local taxes and income tax return filing requirements in jurisdictions where they do not live as a result of investing in our common units.

In addition to U.S. federal income taxes, our unitholders may be subject to other taxes, including foreign, state and local taxes, unincorporated business taxes and estate, inheritance or intangible taxes that are imposed by the various jurisdictions in which we conduct business or own property now or in the future, even if they do not live in any of those jurisdictions. Unitholders will likely be required to file foreign, state and local income tax returns and pay state and local income taxes in some or all of these various jurisdictions. Further, unitholders may be subject to penalties for failure to comply with those requirements.

We own assets and conduct business in West Virginia and Ohio, each of which imposes a personal income tax on individuals. If we make acquisitions or expand our business, we may own assets or conduct business in additional states that impose a personal income tax. It is each unitholder’s responsibility to file all United States federal, foreign, state and local tax returns and pay any taxes due in these jurisdictions. Our counsel has not rendered an opinion on the state or local tax consequences of an investment in our common units. Unitholders should consult with their own tax advisors regarding the filing of such tax returns, the payment of such taxes, and the deductibility of any taxes paid.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 3. Legal Proceedings

Our operations are subject to a variety of risks and disputes normally incident to our business. As a result, we may, at any given time, be a defendant in various legal proceedings and litigation arising in the ordinary course of business. However, we are not currently subject to any material litigation.

We maintain insurance policies with insurers in amounts and with coverage and deductibles that we, with the advice of our insurance advisors and brokers, believe are reasonable and prudent. We cannot, however, assure you that this insurance will be adequate to protect us from all material expenses related to potential future claims for personal and property damage or that these levels of insurance will be available in the future at economical prices.

Item 4. Mine Safety Disclosures

Not applicable.

PART II**Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities****Common Units**

Our common units are listed on the New York Stock Exchange and traded under the symbol “AM.” On February 8, 2019, our common units were held by 2 holders of record. The number of holders does not include the holders for whom units are held in a “nominee” or “street” name. In addition, as of February 13, 2019, Antero Resources and its affiliates owned 98,870,335 of our common units, which represents a 52.8% limited partner interest in us.

Issuer Purchases of Equity Securities

The following table sets forth our common unit repurchase activity for each period presented:

Period	Number of Common Units Purchased	Average Price Paid per Common Unit	Total Number of Common Units Purchased as Part of Publicly Announced Plans	Maximum Number of Common Units that May Yet be Purchased Under the Plan
October 1, 2018 – October 31, 2018	548	\$ 32.72	—	N/A
November 1, 2018 – November 30, 2018	146,486	\$ 28.20	—	N/A
December 1, 2018 – December 31, 2018	—	\$ —	—	N/A

Common units repurchased represent common units withheld from issuance upon the vesting of phantom units under the Midstream LTIP to satisfy tax withholding obligations.

Securities Authorized for Issuance Under Equity Compensation Plans

In connection with the completion of our IPO, our general partner adopted the Midstream LTIP, which permits the issuance of up to 10,000,000 common units. Restricted unit grants were made to each of the independent directors of our general partner and phantom unit grants have been made to each of the executive officers of our general partner and certain employees of Antero Resources under the Midstream LTIP. Please read the information under “Item 11. Executive Compensation – Compensation Discussion and Analysis – Equity Compensation Plan Information.”

Our Minimum Quarterly Distribution

Our partnership agreement provides for a minimum quarterly distribution of \$0.17 per unit for each whole quarter, or \$0.68 per unit on an annualized basis.

The board of directors of our general partner has adopted a policy pursuant to which distributions for each quarter will be paid to the extent we have sufficient cash after establishment of cash reserves and payment of fees and expenses, including payments to our general partner and its affiliates. Our ability to pay the minimum quarterly distribution is subject to various restrictions and other factors.

If cash distributions to our unitholders exceed \$0.1955 per common unit in any quarter, our unitholders and the holders of our IDRs will receive distributions according to the following percentage allocations:

Total Quarterly Distribution	Marginal Percentage Interest in Distributions	
	Unitholders	Holder of IDRs
Target Amount		
above \$0.1955 up to \$0.2125	85 %	15 %
above \$0.2125 up to \$0.2550	75 %	25 %
above \$0.2550	50 %	50 %

There is no guarantee that we will make cash distributions to our unitholders. We do not have a legal or contractual obligation to pay distributions quarterly or on any other basis or at our minimum quarterly distribution rate or at any other rate. Our cash distribution policy may be changed at any time and is subject to certain restrictions, including our partnership agreement, our credit facility and applicable partnership law.

General Partner Interest

Our general partner owns a non-economic general partner interest in us, which does not entitle it to receive cash distributions. However, the owner of our general partner controls the owner of our IDRs and is entitled to receive a portion of the distributions on our IDRs due to its indirect ownership of our IDRs.

Cash Distributions and Conversion of Subordinated Units

On January 16, 2019, the board of directors of our general partner declared a cash distribution of \$0.47 per unit for the quarter ended December 31, 2018. The distribution was paid on February 13, 2019 to unitholders of record as of February 1, 2019.

Antero Resources was issued all of our subordinated units in connection with our IPO. Under the terms of our partnership agreement, the subordination period expired on February 9, 2017 and all 75,940,957 subordinated units were converted into common units on a one-for-one basis.

Item 6. Selected Financial Data

The following table presents our selected historical financial data, for the periods and as of the dates indicated, for the Partnership and our Predecessor. Our Predecessor for accounting purposes consisted of Antero Resources' gathering and compression assets and related operations on a carve-out basis. The Partnership was originally formed as Antero Resources Midstream LLC and converted into a limited partnership in connection with the completion of the Partnership's IPO on November 10, 2014. The information in this report includes periods prior to the Water Acquisition, which occurred on September 23, 2015. Consequently, the Partnership's consolidated financial statements have been retrospectively recast for all periods presented to include the historical results of Antero Water because the Water Acquisition was between entities under common control. Antero Water's operations through September 23, 2015 consisted entirely of fresh water delivery.

The selected financial data presented below are qualified in their entirety by reference to, and should be read in conjunction with, "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this report:

(in thousands, except per unit amounts)	Year ended December 31,				
	2014	2015	2016	2017	2018
Revenue:					
Revenue—Antero Resources	\$ 258,029	386,164	585,517	772,233	1,027,015
Revenue—third-party	8,245	1,160	835	264	924
Gain on sale of assets—Antero Resources	—	—	—	—	583
Gain on sale of assets—third-party	—	—	3,859	—	—
Total revenue	<u>266,274</u>	<u>387,324</u>	<u>590,211</u>	<u>772,497</u>	<u>1,028,522</u>
Operating expenses:					
Direct operating	48,821	78,852	161,587	232,538	316,423
General and administrative (excluding equity-based compensation)	18,748	28,736	28,114	31,529	40,556
Equity-based compensation	11,618	22,470	26,049	27,283	21,073
Impairment of property and equipment	—	—	—	23,431	5,771
Depreciation	53,029	86,670	99,861	119,562	130,013
Accretion and change in fair value of contingent acquisition consideration	—	3,333	16,489	13,476	(93,019)
Accretion of asset retirement obligations	—	—	—	—	135
Total operating expenses	<u>132,216</u>	<u>220,061</u>	<u>332,100</u>	<u>447,819</u>	<u>420,952</u>
Operating income	134,058	167,263	258,111	324,678	607,570
Interest expense, net	(6,183)	(8,158)	(21,893)	(37,557)	(61,906)
Equity in earnings of unconsolidated affiliates	—	—	485	20,194	40,280
Net income and comprehensive income	\$ 127,875	159,105	236,703	307,315	585,944
Pre-IPO net income attributed to parent	(98,219)	—	—	—	—
Pre-Water Acquisition net income attributed to parent	(22,234)	(40,193)	—	—	—
Net income attributable to incentive distribution rights	—	(1,264)	(16,944)	(69,720)	(142,906)
Limited partners' interest in net income	<u>\$ 7,422</u>	<u>117,648</u>	<u>219,759</u>	<u>237,595</u>	<u>443,038</u>
Net income per limited partner unit—basic	\$ 0.05	0.74	1.24	1.28	2.37
Net income per limited partner unit—diluted	\$ 0.05	0.74	1.24	1.28	2.36
Weighted average limited partner units outstanding—basic	151,882	158,479	176,647	185,630	187,048
Weighted average limited partner units outstanding—diluted	151,882	158,527	176,801	186,083	187,398

(in thousands)	December 31,				
	2014	2015	2016	2017	2018
Balance sheet data (at period end):					
Cash and cash equivalents	\$ 230,192	6,883	14,042	8,363	—
Property and equipment, net	\$ 1,531,595	1,893,826	2,195,879	2,605,602	2,958,415
Total assets	\$ 1,816,610	1,980,032	2,349,895	3,042,209	3,546,417
Long-term indebtedness	\$ 115,000	620,000	849,914	1,196,000	1,632,147
Total partners' capital	\$ 1,620,903	1,082,745	1,222,810	1,516,469	1,691,508
Cash flows data:					
Net cash provided by operating activities	\$ 169,433	259,678	378,607	475,796	657,560
Net cash used in investing activities	\$ (797,505)	(445,455)	(478,163)	(779,818)	(666,587)
Net cash provided by (used in) financing activities	\$ 858,264	(37,532)	106,715	298,343	664
Other financial data:					
Adjusted EBITDA ⁽¹⁾	\$ 198,705	279,736	404,353	528,625	717,375

⁽¹⁾ For a discussion of the non-GAAP financial measure Adjusted EBITDA, including a reconciliation of Adjusted EBITDA to its most directly comparable financial measures calculated and presented in accordance with GAAP, please read “— Non-GAAP Financial Measures” below.

Non-GAAP Financial Measures

We use Adjusted EBITDA as an important indicator of our performance. We define Adjusted EBITDA as net income before interest expense, impairment, depreciation, accretion and changes in fair value of contingent acquisition consideration, accretion of asset retirement obligations, equity-based compensation, excluding equity in earnings of unconsolidated affiliates and gain on sale of assets, and including cash distributions from unconsolidated affiliates.

We use Adjusted EBITDA to assess:

- ① the financial performance of our assets, without regard to financing methods in the case of Adjusted EBITDA, capital structure or historical cost basis;
- ① our operating performance and return on capital as compared to other publicly traded partnerships in the midstream energy sector, without regard to financing or capital structure; and
- ① the viability of acquisitions and other capital expenditure projects.

We define Distributable Cash Flow as Adjusted EBITDA less interest paid, income tax withholding payments and cash reserved for payments of income tax withholding upon vesting of equity-based compensation awards, cash reserved/paid for bond interest and maintenance capital expenditures. We use Distributable Cash Flow as a performance metric to compare the cash generating performance of the Partnership from period to period and to compare the cash generating performance for specific periods to the cash distributions (if any) that are expected to be paid to unitholders. Distributable Cash Flow does not reflect changes in working capital balances.

Adjusted EBITDA and Distributable Cash Flow are non-GAAP financial measures. The GAAP measure most directly comparable to Adjusted EBITDA and Distributable Cash Flow is net income. The non-GAAP financial measures of Adjusted EBITDA and Distributable Cash Flow should not be considered as alternatives to the GAAP measure of net income. Adjusted EBITDA and Distributable Cash Flow are not presentations made in accordance with GAAP and have important limitations as an analytical tool because they include some, but not all, items that affect net income and Adjusted EBITDA. You should not consider Adjusted EBITDA and Distributable Cash Flow in isolation or as a substitute for analyses of results as reported under GAAP. Our definition of Adjusted EBITDA and Distributable Cash Flow may not be comparable to similarly titled measures of other partnerships.

“Segment Adjusted EBITDA” is also used by our management team for various purposes, including as a measure of operating performance and as a basis for strategic planning and forecasting. Segment Adjusted EBITDA is a non-GAAP financial measure that we define as operating income before equity-based compensation expense, impairment of property and equipment, depreciation, accretion and changes in fair value of contingent acquisition consideration, accretion of asset retirement obligations, excluding equity in earnings of unconsolidated affiliates and gain on sale from assets, and including cash distributions from

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unconsolidated affiliates. Operating income represents net income before interest expense and equity in earnings of unconsolidated affiliates, and is the most directly comparable GAAP financial measure to Segment Adjusted EBITDA because we do not account for interest expense on a segment basis. The following tables represent a reconciliation of our operating income to Segment Adjusted EBITDA for the periods presented:

(in thousands)	Gathering and Processing	Water Handling and Treatment	Consolidated Total
Year ended December 31, 2014			
Operating income	\$ 21,452	112,606	134,058
Depreciation	36,789	16,240	53,029
Equity-based compensation	8,619	2,999	11,618
Segment and consolidated Adjusted EBITDA	<u>\$ 66,860</u>	<u>131,845</u>	<u>198,705</u>
Year ended December 31, 2015			
Operating income	\$ 103,523	63,740	167,263
Depreciation	60,838	25,832	86,670
Accretion and change in fair value of contingent acquisition consideration	—	3,333	3,333
Equity-based compensation	17,840	4,630	22,470
Segment and consolidated Adjusted EBITDA	<u>\$ 182,201</u>	<u>97,535</u>	<u>279,736</u>
Year ended December 31, 2016			
Operating income	\$ 170,861	87,250	258,111
Depreciation	69,962	29,899	99,861
Accretion and change in fair value of contingent acquisition consideration	—	16,489	16,489
Equity-based compensation	19,714	6,335	26,049
Distributions from unconsolidated affiliates	7,702	—	7,702
Gain on sale of assets—third-party	(3,859)	—	(3,859)
Segment and consolidated Adjusted EBITDA	<u>\$ 264,380</u>	<u>139,973</u>	<u>404,353</u>
Year ended December 31, 2017			
Operating income	\$ 207,075	117,603	324,678
Impairment of property and equipment expense	23,431	—	23,431
Depreciation	86,372	33,190	119,562
Accretion and change in fair value of contingent acquisition consideration	—	13,476	13,476
Equity-based compensation	19,730	7,553	27,283
Distributions from unconsolidated affiliates	20,195	—	20,195
Segment and consolidated Adjusted EBITDA	<u>\$ 356,803</u>	<u>171,822</u>	<u>528,625</u>
Year ended December 31, 2018			
Operating income	\$ 336,263	271,307	607,570
Impairment of property and equipment expense	5,771	—	5,771
Depreciation	83,250	46,763	130,013
Accretion and change in fair value of contingent acquisition consideration	—	(93,019)	(93,019)
Accretion of asset retirement obligations	—	135	135
Equity-based compensation	16,518	4,555	21,073
Distributions from unconsolidated affiliates	46,415	—	46,415
Gain on sale of assets—Antero Resources	(583)	—	(583)
Segment and consolidated Adjusted EBITDA	<u>\$ 487,634</u>	<u>229,741</u>	<u>717,375</u>

The following table represents a reconciliation of our Adjusted EBITDA and Distributable Cash Flow to the most directly comparable GAAP financial measures for the periods presented:

(in thousands)	Year ended December 31,				
	2014	2015	2016	2017	2018
Reconciliation of Net Income to Adjusted EBITDA and Distributable Cash Flow:					
Net income	\$ 127,875	159,105	236,703	307,315	585,944
Interest expense, net	6,183	8,158	21,893	37,557	61,906
Impairment of property and equipment	—	—	—	23,431	5,771
Depreciation	53,029	86,670	99,861	119,562	130,013
Accretion and change in fair value of contingent acquisition consideration	—	3,333	16,489	13,476	(93,019)
Accretion of asset retirement obligations	—	—	—	—	135
Equity-based compensation	11,618	22,470	26,049	27,283	21,073
Equity in earnings of unconsolidated affiliates	—	—	(485)	(20,194)	(40,280)
Distributions from unconsolidated affiliates	—	—	7,702	20,195	46,415
Gain on sale of assets—Antero Resources	—	—	—	—	(583)
Gain on sale of assets—third-party	—	—	(3,859)	—	—
Adjusted EBITDA	198,705	279,736	404,353	528,625	717,375
Pre-IPO net income attributed to parent	(98,219)	—	—	—	—
Pre-IPO depreciation attributed to parent	(43,419)	—	—	—	—
Pre-IPO equity-based compensation attributed to parent	(8,697)	—	—	—	—
Pre-IPO interest expense attributed to parent	(5,358)	—	—	—	—
Pre-Water Acquisition net income attributed to parent	(22,234)	(40,193)	—	—	—
Pre-Water Acquisition depreciation attributed to parent	(3,086)	(18,767)	—	—	—
Pre-Water Acquisition equity-based compensation attributed to parent	(654)	(3,445)	—	—	—
Pre-Water Acquisition interest expense attributed to parent	(359)	(2,326)	—	—	—
Interest paid	(331)	(5,149)	(13,494)	(46,666)	(62,844)
Decrease (increase) in cash reserved for bond interest ⁽¹⁾	—	—	(10,481)	291	—
Income tax withholding upon vesting of Antero Midstream Partners equity-based compensation awards	—	(4,806)	(5,636)	(5,945)	(5,529)
Maintenance capital expenditures ⁽²⁾	(1,157)	(13,097)	(21,622)	(55,159)	(52,729)
Distributable cash flow	\$ 15,191	191,953	353,120	421,146	596,273

⁽¹⁾ Cash reserved for bond interest expense on Antero Midstream's 5.375% senior notes outstanding during the period that is paid on a semi-annual basis on March 15th and September 15th of each year.

⁽²⁾ Maintenance capital expenditures represent that portion of our estimated capital expenditures associated with (i) the connection of new wells to our gathering and processing systems that we believe will be necessary to offset the natural production declines Antero Resources will experience on its wells over time, and (ii) water delivery to new wells necessary to maintain the average throughput volume on our systems.

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this report. The information provided below supplements, but does not form part of, our financial statements. This discussion contains forward-looking statements that are based on the views and beliefs of our management, as well as assumptions and estimates made by our management. Actual results could differ materially from such forward-looking statements as a result of various risk factors, including those that may not be in the control of management. For further information on items that could impact our future operating performance or financial condition, please read see “Item 1A. Risk Factors.” and the section entitled “Cautionary Statement Regarding Forward-Looking Statements.” We do not undertake any obligation to publicly update any forward-looking statements except as otherwise required by applicable law.

Overview

We are a growth-oriented master limited partnership formed by Antero Resources to own, operate and develop midstream energy assets to service Antero Resources’ increasing production. Our assets consist of gathering pipelines, compressor stations, and interests in processing and fractionation plants that collect and process production from Antero Resources’ wells in the Marcellus and Utica Shales in West Virginia and Ohio. Our assets also include two independent fresh water delivery systems that deliver fresh water from the Ohio River and several regional waterways and a wastewater treatment facility that was placed in service in 2018. These fresh water delivery systems consist of permanent buried pipelines, surface pipelines and fresh water storage facilities, as well as pumping stations and impoundments to transport the fresh water throughout the pipelines. The Partnership also owns water treatment assets including the Antero Clearwater Facility and a related landfill used for the disposal of waste therefrom (the “Antero Landfill”). Other fluid handling services include third party services for well completion and production operations in Antero Resources’ operating areas managed by Antero Midstream. We believe that our strategically located assets and our relationship with Antero Resources have allowed us to become a leading midstream energy company serving the Marcellus and Utica Shale plays.

Simplification Agreement

On February 26, 2018, we announced that the board of directors of our general partner formed a conflicts committee composed solely of directors who satisfy the requirements for serving on the Partnership’s conflicts committee in conjunction with the formation of the special committee at Antero Resources, and a conflicts committee at AMGP, the sole member of our general partner. In connection with the conflicts committee’s efforts to explore, review and evaluate potential transactions involving the Partnership, on October 9, 2018, we announced that we, AMGP and certain of their affiliates entered into the Simplification Agreement, pursuant to which, among other things, (1) AMGP will be converted from a limited partnership to a corporation under the laws of the State of Delaware, to be named Antero Midstream Corporation; (2) an indirect, wholly owned subsidiary of New AM will be merged with and into the Partnership, with the Partnership surviving the merger as an indirect, wholly owned subsidiary of New AM and (3) all the issued and outstanding Series B Units representing limited liability company interests of IDR Holdings will be exchanged for an aggregate of approximately 17.35 million shares of New AM’s common stock. As a result of the Transactions, the Partnership will be a wholly owned subsidiary of New AM and former shareholders of AMGP, unitholders of the Partnership and holders of Series B Units will each own New AM’s common stock.

For additional information on the Simplification Agreement and the Transactions, see “Item 13. Certain Relationships and Related Transactions and Director Independence.”

Recent Trends and Uncertainties

The gathering and compression agreement with Antero Resources is based on fixed fee structures, and we intend to continue to pursue additional fixed fee opportunities with Antero Resources and third parties in order to avoid direct commodity price exposure. However, to the extent that our future contractual arrangements with Antero Resources or third parties do not provide for fixed fee structures, we may become subject to commodity price risk. We are subject to commodity price risks to the extent that they impact Antero Resources’ development plan and therefore our gathering and water handling volumes.

During 2019, we plan to expand our existing Marcellus and Utica Shale gathering, compression, and water handling and treatment infrastructure to accommodate Antero Resources’ development plans. Antero Resources’ 2019 consolidated drilling and completion capital budget is \$1.1 billion to \$1.25 billion. Antero Resources plans to operate an average of five drilling rigs and complete between 115 and 125 horizontal wells, substantially all of which are located on acreage dedicated to us. A further or extended decline in commodity prices could cause some of the development and production projects of Antero Resources or third

parties to be uneconomic or less profitable, which could reduce gathering and water handling and treatment volumes in our current and future potential areas of operation. Those reductions in gathering and water handling and treatment volumes could reduce our revenue and cash flows and adversely affect our ability to make cash distributions to our unitholders.

Cash Distributions

The board of directors of our general partner declared a cash distribution of \$0.47 per unit for the quarter ended December 31, 2018. The distribution was paid on February 13, 2019 to unitholders of record as of February 1, 2019.

Credit Facility

Our revolving credit facility was amended in October 2018 to (i) increase lender commitments from \$1.5 billion to \$2.0 billion (ii) permit us and our guarantors under the facility to consummate the Transactions and (iii) modify the pricing grid to decrease pricing. At December 31, 2018, we have \$990 million outstanding and no letters of credit under the facility. The maturity date of the facility is October 26, 2022. See “Item 7. Debt Agreements—Revolving Credit Facility” for a description of our revolving Credit Facility.

Sources of Our Revenues

Our gathering and compression revenues are driven by the volumes of natural gas we gather and compress, and our water handling and treatment revenues are driven by quantities of fresh water delivered to our customers to support their well completion operations and produced water treated. Pursuant to our long-term contracts with Antero Resources, we have secured 20-year dedications covering a significant portion of Antero Resources’ current and future acreage for gathering and compression services. We have also entered into a 20-year water handling and treatment services agreement covering Antero Resources’ 612,000 net acres in West Virginia and Ohio, with a right of first offer on all future areas of operation. Under the agreement, we will receive a fixed fee for all fresh water deliveries by pipeline directly to the well site, subject to annual CPI adjustments. In addition, Antero Resources has agreed to pay a fee on a minimum volume of fresh water deliveries in calendar years 2016 through 2019. Minimum volume commitments are 120,000 barrels per day in 2019. All of Antero Resources’ existing acreage is dedicated to us for gathering and compression services except for existing third-party commitments. Approximately 153,000 net leasehold acres characterized by dry gas and liquids-rich production that have been previously dedicated to third-party gatherers.

Our gathering and compression operations are substantially dependent upon natural gas and oil production from Antero Resources’ upstream activity in its areas of operation. In addition, there is a natural decline in production from existing wells that are connected to our gathering systems. Although we expect that Antero Resources will continue to devote substantial resources to the development of oil and gas reserves, we have no control over this activity and Antero Resources has the ability to reduce or curtail such development at its discretion.

Our water handling and treatment operations are substantially dependent upon the number of wells drilled and completed by Antero Resources, as well as Antero Resources’ production. As of December 31, 2018, Antero Resources’ estimated net proved reserves were 18.0 Tcfe, of which 63% was natural gas, 35% were NGLs, and 2% were oil. As of December 31, 2018, Antero Resources’ drilling inventory consisted of 3,734 identified potential horizontal well locations, approximately 3,200 of which were located on acreage dedicated to us, providing us with significant opportunity for growth as Antero Resources’ drilling program continues and its production increases.

Under the terms of the Water Services Agreement, Antero Resources will pay a fixed fee per barrel in West Virginia and Ohio and all other locations for fresh water deliveries by pipeline directly to the well site, subject to annual CPI adjustments. Antero Resources also agreed to pay us a fixed fee per barrel for wastewater treatment at the Antero Clearwater Facility subject to annual CPI-based adjustments. In addition, we contract with third party service providers to provide Antero Resources flow back and produced water services and Antero Resources will reimburse us third party out-of-pocket costs plus 3%.

How We Evaluate Our Operations

We use a variety of financial and operational metrics to evaluate our performance. These metrics help us identify factors and trends that impact our operating results, profitability and financial condition. The key metrics we use to evaluate our business are provided below.

Adjusted EBITDA and Distributable Cash Flow

We use Adjusted EBITDA and Distributable Cash Flow as performance measures to assess the ability of our assets to generate cash sufficient to pay interest costs, support indebtedness and make cash distributions. Adjusted EBITDA and Distributable Cash flow are non-GAAP financial measures. See “Item 6. Selected Financial Data—Non-GAAP Financial Measures” for more information regarding these financial measures, including a reconciliation of Adjusted EBITDA and Distributable Cash Flow to the most directly comparable GAAP measures.

Gathering and Compression Throughput

We must continually obtain additional supplies of natural gas and oil to maintain or increase throughput on our systems. Our ability to maintain existing supplies of natural gas and oil and obtain additional supplies is primarily impacted by our acreage dedication and the level of successful drilling activity by Antero Resources and, to a lesser extent in the future, the potential for acreage dedications with and successful drilling by third party producers. Any increase in our throughput volumes over the near term will likely be driven by Antero Resources continuing its drilling and development activities on its Marcellus and Utica Shale acreage.

Water Handling and Treatment Volumes

Our fresh water volumes are primarily driven by hydraulic fracturing activities conducted as part of well completions. Our treatment volumes are primarily driven by produced water volumes, which are a function of Antero Resources’ production. Other fluid handling volumes are driven by hydraulic facturing activites and produced water volumes. Antero Resources’ consolidated acreage positions allow us to provide fresh water and other fluid handling services for Antero Resources’ completion activities in a more efficient manner. However, to the extent that Antero Resources’ drilling and completion schedule is not met, or Antero Resources uses less fresh water and other fluid handling services in its well completion operations than expected (for example, due to a reduction in completions), and production declines, our water volumes may decline. In addition, due to delays in reaching contractual treatment capacity of the wastewater treatment facility, the Partnership has and continues to accrue for liquidated damages from the vendor.

Principal Components of Our Cost Structure

The primary components of our operating expenses that we evaluate include direct operating, general and administrative, impairment, depreciation and interest.

- *Direct Operating.* We seek to maximize the profitability of our operations in part by minimizing, to the extent appropriate, expenses directly tied to operating and maintaining our assets. We schedule maintenance over time to avoid significant variability in our direct operating expense and minimize the impact on our cash flow. Gathering and compression operating costs consist primarily of labor, water disposal, pigging, fuel, monitoring, repair and maintenance, utilities and contract services, and comprise the most significant portion of our direct operating expense. Gathering and compression operating costs vary with the miles of pipeline and number of compressor stations in our gathering and compression system. Fresh water operating expenses consist primarily of labor, pigging, monitoring, repair and maintenance and contract services. Fresh water operating costs vary with the miles of pipeline, number of pumping stations, and to a lesser extent the number of well completions in the Marcellus and Utica Shales for which we deliver fresh water and number of impoundments in our fresh water system. Other water handling costs include contract services and vary directly with the costs level of services that we provide to Antero Resources. These costs are billed to Antero Resources at our cost plus 3%. Our other water handling costs consist of labor, monitoring and repair and maintenance costs. Wastewater treatment costs vary directly with the water volumes treated, and the operating efficiency of the wastewater treatment facility and related landfill. The other primary drivers of our direct operating expense include maintenance and contract services, regulatory and compliance and ad valorem taxes.
- *General and Administrative.* Our general and administrative expenses include direct charges and costs allocated by Antero Resources. These costs relate to: (i) various business services, including payroll processing, accounts payable processing and facilities management, (ii) various corporate services, including legal, accounting, treasury, information technology and human resources and (iii) compensation, including equity-based compensation. These expenses are charged or allocated to us based on the nature of the expenses and are allocated based on a combination of our proportionate share of Antero Resources’ gross property and equipment, capital expenditures and labor costs, as applicable. Management believes these allocation methodologies are reasonable.

Our general and administrative expenses include equity-based compensation costs allocated by Antero Resources to us for grants made pursuant to: (i) Antero Resources' Long-Term Incentive Plan (the "Antero Resources LTIP") and (ii) grants made to Antero Resources employees under our own plan.

- *Impairment.* We evaluate our long-lived assets for impairment when events or changes in circumstances indicate that the related carrying values of the assets may not be recoverable. If the carrying values of the assets are deemed not recoverable, the carrying values are reduced to their estimated fair value. In 2017, our impairment expense relates to condensate gathering lines which Antero Resources no longer uses. Our impairment expense in 2018 is due to the impairment of gathering assets acquired from Antero Resources at the time of our IPO related to well pads Antero Resources no longer has plans to drill and complete.
- *Depreciation.* Depreciation consists of our estimate of the decrease in value of the assets capitalized in property and equipment as a result of using the assets throughout the applicable year. Depreciation is computed over the asset's estimated useful life using the straight-line basis. We depreciate our property and equipment using an estimated useful life of 5 years for our fresh water surface pipelines and equipment, 10 years for our above ground storage tanks, 20 years for our permanent buried fresh water pipelines and equipment, 30 years for our wastewater treatment facility and 50 years for our gathering pipelines and compressor stations.
- *Interest.* In 2017 and 2018, interest expense represents interest related to: (i) borrowings under our revolving credit facility, (ii) borrowings of \$650 million under our 5.375% senior notes due September 15, 2024 (the "2024 Notes"), (iii) capital leases, and (iv) amortization of deferred financing costs incurred in connection with the revolving credit facility and the issuance of the 2024 Notes. In addition, we capitalized interest during the construction period of the water treatment facility.

Items Affecting Comparability of Our Financial Results

Certain of the historical financial results discussed below may not be comparable to our future financial results primarily as a result of the significant increase in the scope of our operations over the last several years. Our gathering and compression and water handling and treatment systems are relatively new, having been substantially built within the last five years. Accordingly, our revenues and expenses over that time reflect the significant ramp up in our operations. Additionally, our wastewater treatment facility was placed into service in 2018 and ran at operating rates below the stated capacity during the year. Due to delays in reaching contracted treatment capacity, the Partnership has and continues to accrue for liquidated damages from the contractor engaged to construct the facility. In addition, Antero Resources experienced significant growth in its production and drilling and completion activity levels over that same period. Accordingly, it may be difficult to project trends from our historical financial data going forward.

Results of Operations

Year Ended December 31, 2017 Compared to Year Ended December 31, 2018

We have two operating segments: (1) gathering and processing, and (2) water handling and treatment. The operating results and assets of our reportable segments were as follows for the year ended December 31, 2017 and 2018:

(in thousands)	Gathering and Processing	Water Handling and Treatment	Consolidated Total
Year ended December 31, 2017			
Revenues:			
Revenue—Antero Resources	\$ 396,202	376,031	772,233
Revenue—third-party	264	—	264
Total revenues	<u>396,466</u>	<u>376,031</u>	<u>772,497</u>
Operating expenses:			
Direct operating	39,251	193,287	232,538
General and administrative (excluding equity-based compensation)	20,607	10,922	31,529
Equity-based compensation	19,730	7,553	27,283
Impairment of property and equipment	23,431	—	23,431
Depreciation	86,372	33,190	119,562
Accretion and change in fair value of contingent acquisition consideration	—	13,476	13,476
Total expenses	<u>189,391</u>	<u>258,428</u>	<u>447,819</u>
Operating income	<u>\$ 207,075</u>	<u>117,603</u>	<u>324,678</u>
Segment and consolidated Adjusted EBITDA ⁽¹⁾	\$ 356,803	171,822	528,625
Year ended December 31, 2018			
Revenues:			
Revenue—Antero Resources	\$ 520,566	506,449	1,027,015
Revenue—third-party	—	924	924
Gain on sale of assets—Antero Resources	583	—	583
Total revenues	<u>521,149</u>	<u>507,373</u>	<u>1,028,522</u>
Operating expenses:			
Direct operating	49,256	267,167	316,423
General and administrative (excluding equity-based compensation)	30,091	10,465	40,556
Equity-based compensation	16,518	4,555	21,073
Impairment of property and equipment	5,771	—	5,771
Depreciation	83,250	46,763	130,013
Accretion and change in fair value of contingent acquisition consideration	—	(93,019)	(93,019)
Accretion of asset retirement obligations	—	135	135
Total expenses	<u>184,886</u>	<u>236,066</u>	<u>420,952</u>
Operating income	<u>\$ 336,263</u>	<u>271,307</u>	<u>607,570</u>
Segment and consolidated Adjusted EBITDA ⁽¹⁾	\$ 487,634	229,741	717,375

⁽¹⁾ For a discussion of the non-GAAP financial measure Adjusted EBITDA, including a reconciliation of Adjusted EBITDA to its most directly comparable financial measures calculated and presented in accordance with GAAP, please “Item 6. Selected Financial Data—Non-GAAP Financial Measures”.

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The following sets forth selected financial and operating data for the year ended December 31, 2017 compared to the year ended December 31, 2018:

(\$ in thousands, except realized fees)	Year Ended December 31,		Amount of Increase or Decrease	Percentage Change
	2017	2018		
Revenue:				
Revenue—Antero Resources	\$ 772,233	1,027,015	254,782	33 %
Revenue—third-party	264	924	660	250 %
Gain on sale of assets—Antero Resources	—	583	583	*
Total revenue	772,497	1,028,522	256,025	33 %
Operating expenses:				
Direct operating	232,538	316,423	83,885	36 %
General and administrative (excluding equity-based compensation)	31,529	40,556	9,027	29 %
Equity-based compensation	27,283	21,073	(6,210)	(23)%
Impairment of property and equipment	23,431	5,771	(17,660)	(75)%
Depreciation	119,562	130,013	10,451	9 %
Accretion and change in fair value of contingent acquisition consideration	13,476	(93,019)	(106,495)	*
Accretion of asset retirement obligations	—	135	135	*
Total operating expenses	447,819	420,952	(26,867)	(6)%
Operating income	324,678	607,570	282,892	87 %
Interest expense	(37,557)	(61,906)	(24,349)	65 %
Equity in earnings of unconsolidated affiliates	20,194	40,280	20,086	99 %
Net income	\$ 307,315	585,944	278,629	91 %
Adjusted EBITDA ⁽¹⁾	\$ 528,625	717,375	188,750	36 %
Operating Data:				
Gathering—low pressure (MMcf)	605,719	784,079	178,360	29 %
Gathering—high pressure (MMcf)	646,054	770,910	124,856	19 %
Compression (MMcf)	436,695	634,303	197,608	45 %
Fresh water delivery (MBbl)	55,892	71,180	15,288	27 %
Treated water (MBbl)	—	2,544	2,544	*
Other fluid handling (MBbl)	14,549	18,848	4,299	30 %
Wells serviced by fresh water delivery	142	162	20	14 %
Gathering—low pressure (MMcf/d)	1,660	2,148	488	29 %
Gathering—high pressure (MMcf/d)	1,770	2,112	342	19 %
Compression (MMcf/d)	1,196	1,738	542	45 %
Fresh water delivery (MBbl/d)	153	195	42	27 %
Treated water (MBbl/d)	—	7	7	*
Other fluid handling (MBbl/d)	40	52	12	30 %
Average realized fees:				
Average gathering—low pressure fee (\$/Mcf)	\$ 0.32	0.32	—	— %
Average gathering—high pressure fee (\$/Mcf)	\$ 0.19	0.19	—	— %
Average compression fee (\$/Mcf)	\$ 0.19	0.19	—	— %
Average fresh water delivery fee (\$/Bbl)	\$ 3.71	3.78	0.07	2 %
Average treated water fee (\$/Bbl)	\$ —	4.72	4.72	*
Joint Venture Operating Data:				
Processing—Joint Venture (MMcf)	97,276	227,113	129,837	133 %
Fractionation—Joint Venture (MBbl)	1,861	4,784	2,923	157 %
Processing—Joint Venture (MMcf/d)	267	622	355	133 %
Fractionation—Joint Venture (MBbl/d)	5	13	8	160 %

* Not meaningful or applicable.

⁽¹⁾ For a discussion of the non-GAAP financial measure Adjusted EBITDA, including a reconciliation of Adjusted EBITDA to its most directly comparable financial measures calculated and presented in accordance with GAAP, please “Item 6. Selected Financial Data—Non-GAAP Financial Measures”.

Revenue—Antero Resources. Revenues from Antero Resources increased by 33%, from \$772 million for the year ended December 31, 2017 to \$1,027 million for the year ended December 31, 2018. Gathering and processing revenues increased by 32%, from \$396 million for the year ended December 31, 2017 to \$521 million for the year ended December 31, 2018. Water handling and treatment revenues increased by 35%, from \$376 million for the year ended December 31, 2017 to \$506 million for the year ended December 31, 2018. These fluctuations are primarily the result of the following:

Gathering and Processing

- ⌚ low pressure gathering revenue increased \$60 million period over period due to an increase of throughput volumes of 178 Bcf, or 488 MMcf/d, which was due to 168 new wells added in 2018 and the expansion of our low pressure gathering system by 33 miles in 2018;
- high pressure gathering revenue increased \$26 million due to an increase of throughput volumes of 125 Bcf, or 342 MMcf/d, primarily as a result of the addition of three new high pressure gathering lines placed in service in 2018 and the expansion of our high pressure gathering system by 18 miles in 2018;
- ⌚ compression revenue increased \$39 million due to an increase of throughput volumes of 198 Bcf, or 542 MMcf/d, primarily due to the addition of three new compressor stations that were placed in service during 2018;

Water Handling and Treatment

- ⌚ fresh water delivery revenue increased \$62 million, due to an increase in fresh water delivery of 15,288 MBbl, or 42 MBbl/d, primarily due to an increase in the wells completed by Antero Resources.
- the wastewater treatment facility was placed in service in 2018, but has not yet had a significant impact on revenues as a result of delays in reaching planned capacity. Wastewater treatment revenues was \$12 million for 2018 with throughput volumes at the facility of 2,544 MBbl or 7 MBbl/d; and
- other fluid handling services revenue increased \$56 million due to an increase in wastewater handling and treatment volumes of 4,299 MBbl, or 12 MBbl/d, primarily due to an increase in the amount of wastewater produced from Antero Resources' production.

Direct operating expenses. Total direct operating expenses increased by 36%, from \$233 million for the year ended December 31, 2017 to \$316 million for the year ended December 31, 2018. Gathering and processing direct operating expenses increased from \$39 million for the year ended December 31, 2017 to \$49 million for the year ended December 31, 2018. The increase was primarily due to an increase in the number of gathering pipelines and compressor stations in 2018. Water handling and treatment direct operating expenses increased from \$193 million for the year ended December 31, 2017 to \$267 million for the year ended December 31, 2018. The increase was primarily due to an increase in wastewater handling and treatment volumes as well as an increase in the number of wells serviced by freshwater delivery services.

General and administrative expenses. General and administrative expenses (excluding equity-based compensation expense) increased by 29%, from \$32 million for the year ended December 31, 2017 to \$41 million for the year ended December 31, 2018. The increase was primarily due to an increase in the proportion of general and administrative expenses allocated from Antero Resources and increased direct general and administrative expenses to support our growth.

Equity-based compensation expenses. Equity-based compensation expense decreased by 23%, from \$27 million for the year ended December 31, 2017 to \$21 million for the year ended December 31, 2018. The decrease was primarily due to the decrease in the number and value of equity-based compensation awards in 2018 compared to 2017. Equity-based compensation expense allocated to us from Antero Resources has no effect on our cash flows.

Impairment of property and equipment expense. Impairment expense decreased from \$23 million for the year ended December 31, 2017 to \$6 million for the year ended December 31, 2018. The impairment in 2017 was related to certain condensate gathering lines that Antero Resources no longer uses while the impairment in 2018 was due to gathering assets acquired from Antero Resources at the time of our IPO related to well pads that Antero Resources no longer has plans to drill and complete.

Depreciation expense. Total depreciation expense increased by 9%, from \$120 million for the year ended December 31, 2017 to \$130 million for the year ended December 31, 2018. The increase was primarily due to additional assets placed into service partially offset by the change in estimated useful lives of gathering and compression facilities from 20 years to 50 years. On October 1, 2018, the Partnership changed the estimated useful lives of the gathering systems and facilities from 20 years to 50 years based on a change in the expected period that our systems and facilities will be used to support Antero Resources' producing wells. For the year ended December 31, 2018, the change in estimate decreased depreciation by \$18 million, increased net income and comprehensive income by \$18 million and increased basic and diluted net income per limited partner unit by \$0.10.

Accretion and change in fair value of contingent acquisition consideration. Accretion and change in fair value of contingent acquisition consideration changed from an increase of \$14 million for the year ended December 31, 2017 to a reduction of \$93 million for the year ended December 31, 2018 as a result of a decrease in fair value of \$106 million. In connection with the Water Acquisition, we agreed to pay Antero Resources \$125 million in cash if we deliver 176 million barrels or more of fresh water during the period between January 1, 2017 and December 31, 2019. As of December 31, 2018, we have delivered 127 million of the 176 million barrels and we expect to pay the entire amount of the contingent consideration for the delivery of 176 million barrels or more of fresh water during the period between January 1, 2017 and December 31, 2019. We have agreed to pay an additional \$125 million in cash if we deliver 219 million barrels or more of fresh water during the period between January 1, 2018 and December 31, 2020. As of December 31, 2018, we have delivered 71 million of the 219 million barrels or more of fresh water during the period between January 1, 2018 and December 31, 2020 and do not expect to deliver at least 219 million barrels based on Antero Resources' 2019 budget and long-term outlook.

Accretion of asset retirement obligations. In the first quarter of 2018, the Antero Landfill began accepting waste while the wastewater treatment facility was undergoing testing and commissioning, creating an asset retirement obligation to close and monitor the landfill in the future according to regulatory standards. The accretion of this obligation began in January 2018.

Operating income. Total operating income increased by 87%, from \$325 million for the year ended December 31, 2017 to \$608 million for the year ended December 31, 2018. Gathering and processing operating income increased from \$207 million for the year ended December 31, 2017 to \$336 million for the year ended December 31, 2018. The increase was primarily due to an increase in gathering and compression throughput volumes in 2018. Water handling and treatment operating income increased from \$118 million for the year ended December 31, 2017 to \$272 million for the year ended December 31, 2018 due to accretion and change in fair value of contingent acquisition consideration of an increase \$14 million for the year ended December 31, 2017 to a reduction of \$93 million for the year ended December 31, 2018 as a result of a decrease in fair value of \$106 million. This increase was also due to an increase in fresh water delivery volumes in 2018 as a result of an increase in water used in Antero Resources' completion activities.

Interest expense. Interest expense increased by 65%, from \$38 million, net of \$12 million in capitalized interest, for the year ended December 31, 2017 to \$62 million, net of \$4 million in capitalized interest, for the year ended December 31, 2018. The increase was due to an increase in interest expense incurred on increased borrowings outstanding under the revolving credit facility and increased interest rates.

Equity in earnings of unconsolidated affiliates. Equity in earnings in unconsolidated affiliates increased by 99%, from \$20 million for the year ended December 31, 2017 to \$40 million for the year ended December 31, 2018. Equity in earnings of unconsolidated affiliates represents the portion of the net income from our investments in Stonewall and the Joint Venture, which is allocated to us based on our equity interests. The increase is primarily attributable to an increase in the level of operations at the Joint Venture in 2018.

Adjusted EBITDA. Adjusted EBITDA increased by 36%, from \$529 million for the year ended December 31, 2017 to \$717 million for the year ended December 31, 2018. The increase was primarily due to an increase in revenue resulting from an increase in gathering, compression, and water volumes. For a discussion of the non-GAAP financial measure Adjusted EBITDA, including a reconciliation of Adjusted EBITDA to its most directly comparable financial measures calculated and presented in accordance with GAAP, please read "Item 6. Selected Financial Data—Non-GAAP Financial Measures."

Year Ended December 31, 2016 Compared to Year Ended December 31, 2017

The operating results and assets of our reportable segments were as follows for the year ended December 31, 2016 and 2017:

(in thousands)	Gathering and Processing	Water Handling and Treatment	Consolidated Total
Year ended December 31, 2016			
Revenues:			
Revenue—Antero Resources	\$ 303,250	282,267	585,517
Revenue—third-party	835	—	835
Gain on sale of assets	3,859	—	3,859
Total revenues	<u>307,944</u>	<u>282,267</u>	<u>590,211</u>
Operating expenses:			
Direct operating	27,289	134,298	161,587
General and administrative (excluding equity-based compensation)	20,118	7,996	28,114
Equity-based compensation	19,714	6,335	26,049
Depreciation	69,962	29,899	99,861
Accretion and change in fair value of contingent acquisition consideration	—	16,489	16,489
Total expenses	<u>137,083</u>	<u>195,017</u>	<u>332,100</u>
Operating income	<u>\$ 170,861</u>	<u>87,250</u>	<u>258,111</u>
Segment and consolidated Adjusted EBITDA ⁽¹⁾	\$ 264,380	139,973	404,353
Year ended December 31, 2017			
Revenues:			
Revenue—Antero Resources	\$ 396,202	376,031	772,233
Revenue—third-party	264	—	264
Total revenues	<u>396,466</u>	<u>376,031</u>	<u>772,497</u>
Operating expenses:			
Direct operating	39,251	193,287	232,538
General and administrative (excluding equity-based compensation)	20,607	10,922	31,529
Equity-based compensation	19,730	7,553	27,283
Impairment of property and equipment	23,431	—	23,431
Depreciation	86,372	33,190	119,562
Accretion and change in fair value of contingent acquisition consideration	—	13,476	13,476
Total expenses	<u>189,391</u>	<u>258,428</u>	<u>447,819</u>
Operating income	<u>\$ 207,075</u>	<u>117,603</u>	<u>324,678</u>
Segment and consolidated Adjusted EBITDA ⁽¹⁾	\$ 356,803	171,822	528,625

⁽¹⁾ For a discussion of the non-GAAP financial measure Adjusted EBITDA, including a reconciliation of Adjusted EBITDA to its most directly comparable financial measures calculated and presented in accordance with GAAP, please “Item 6. Selected Financial Data—Non-GAAP Financial Measures”.

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The following table sets forth selected financial and operating data for the year ended December 31, 2016 compared to the year ended December 31, 2017:

(\$ in thousands, except realized fees)	Year ended December 31,		Amount of Increase or Decrease	Percentage Change
	2016	2017		
Revenue:				
Revenue—Antero Resources	\$ 585,517	772,233	186,716	32 %
Revenue—third-party	835	264	(571)	(68)%
Gain on sale of assets—Antero Resources	3,859	—	(3,859)	*
Total revenue	590,211	772,497	182,286	31 %
Operating expenses:				
Direct operating	161,587	232,538	70,951	44 %
General and administrative (excluding equity-based compensation)	28,114	31,529	3,415	12 %
Equity-based compensation	26,049	27,283	1,234	5 %
Impairment of property and equipment	—	23,431	23,431	*
Depreciation	99,861	119,562	19,701	20 %
Accretion and change in fair value of contingent acquisition consideration	16,489	13,476	(3,013)	(18)%
Total operating expenses	332,100	447,819	115,719	35 %
Operating income	258,111	324,678	66,567	26 %
Interest expense	(21,893)	(37,557)	(15,664)	72 %
Equity in earnings of unconsolidated affiliates	485	20,194	19,709	*
Net income	\$ 236,703	307,315	70,612	30 %
Adjusted EBITDA ⁽¹⁾	\$ 404,353	528,625	124,272	31 %
Operating Data:				
Gathering—low pressure (MMcf)	513,390	605,719	92,329	18 %
Gathering—high pressure (MMcf)	481,646	646,054	164,408	34 %
Compression (MMcf)	271,060	436,695	165,635	61 %
Fresh water delivery (MBbl)	45,112	55,892	10,780	24 %
Other fluid handling (MBbl)	10,602	14,549	3,947	37 %
Wells serviced by fresh water delivery	131	142	11	8 %
Gathering—low pressure (MMcf/d)	1,403	1,660	257	18 %
Gathering—high pressure (MMcf/d)	1,316	1,770	454	34 %
Compression (MMcf/d)	741	1,196	455	61 %
Fresh water delivery (MBbl/d)	123	153	30	24 %
Other fluid handling (MBbl/d)	29	40	11	38 %
Average realized fees:				
Average gathering—low pressure fee (\$/Mcf)	\$ 0.31	0.32	0.01	3 %
Average gathering—high pressure fee (\$/Mcf)	\$ 0.19	0.19	—	— %
Average compression fee (\$/Mcf)	\$ 0.19	0.19	—	— %
Average fresh water delivery fee (\$/Bbl)	\$ 3.68	3.71	0.03	1 %
Joint Venture Operating Data:				
Processing—Joint Venture (MMcf)	—	97,276	97,276	*
Fractionation—Joint Venture (MBbl)	—	1,861	1,861	*
Processing—Joint Venture (MMcf/d)	—	267	267	*
Fractionation—Joint Venture (MBbl/d)	—	5	5	*

* Not meaningful or applicable.

⁽¹⁾ For a discussion of the non-GAAP financial measure Adjusted EBITDA, including a reconciliation of Adjusted EBITDA to its most directly comparable financial measures calculated and presented in accordance with GAAP, please read “Item 6. Selected Financial Data—Non-GAAP Financial Measures”.

Revenue—Antero Resources. Revenues from Antero Resources increased by 32%, from \$586 million for the year ended December 31, 2016 to \$772 million for the year ended December 31, 2017. Gathering and processing revenues increased by 30%, from \$304 million for the year ended December 31, 2016 to \$396 million for the year ended December 31, 2017. Water handling and treatment revenues increased by 33%, from \$282 million for the year ended December 31, 2016 to \$376 million for the year ended December 31, 2017. These fluctuations are primarily the result of the following:

Gathering and Processing

- ⌚ low pressure gathering revenue increased \$31 million period over period due to an increase of throughput volumes of 92 Bcf, or 257 MMcf/d, which was primarily due to 109 new wells added in 2017 and the expansion of our low pressure gathering system by 21 miles in 2017;
- ⌚ high pressure gathering revenue increased \$32 million due to an increase of throughput volumes of 164 Bcf, or 454 MMcf/d, primarily as a result of the addition of three new high pressure gathering lines placed in service in 2017 and the expansion of our high pressure gathering system by 18 miles in 2017;
- compression revenue increased \$31 million due to an increase of throughput volumes of 166 Bcf, or 455 MMcf/d, primarily due to the addition of five new compressor stations that were placed in service during 2017;
- condensate gathering revenue decreased \$2 million as the condensate line ceased operating in early 2017.

Water Handling and Treatment

- fresh water delivery revenue increased \$42 million due to an increase in fresh water delivery of 10,780 MBbl, or 30 MBbl/d, primarily due to an increase in the amount of water used in well completions by Antero Resources;
- other fluid handling services revenue increased \$52 million period over period due to an increase in other fluid handling volumes of 3,947 MBbl, or 11 MBbl/d.

Direct operating expenses. Total direct operating expenses increased by 44%, from \$162 million for the year ended December 31, 2016 to \$233 million for the year ended December 31, 2017. Gathering and compression direct operating expenses increased from \$27 million for the year ended December 31, 2016 to \$39 million for the year ended December 31, 2017. The increase was primarily due to an increase in the number of gathering pipelines and compressor stations in 2017. Water handling and treatment direct operating expenses increased from \$135 million for the year ended December 31, 2016 to \$194 million for the year ended December 31, 2017. The increase was primarily due to an increase in wastewater handling and treatment volumes as well as an increase in the number of wells serviced by freshwater delivery services.

General and administrative expenses. General and administrative expenses (excluding equity-based compensation expense) increased by 12%, from \$28 million for the year ended December 31, 2016 to \$32 million for the year ended December 31, 2017. The increase was primarily due to an increase in the proportion of general and administrative expenses allocated from Antero Resources and increased direct general and administrative expenses to support our growth.

Equity-based compensation expenses. Equity-based compensation expense remained relatively consistent at \$26 million for the year ended December 31, 2016 and \$27 million for the year ended December 31, 2017. Equity-based compensation expense allocated to us from Antero Resources has no effect on our cash flows.

Depreciation expense. Total depreciation expense increased by 20%, from \$100 million for the year ended December 31, 2016 to \$120 million for the year ended December 31, 2017. The increase was primarily due to additional assets placed into service.

Accretion and change in fair value of contingent acquisition consideration. Accretion and change in fair value of contingent acquisition consideration accretion expense decreased from \$17 million for the year ended December 31, 2016 to \$14 million for the year ended December 31, 2017. The decrease is due to a change in our estimate of weighted average cost of capital for the fair value calculation. In connection with the Water Acquisition, we have agreed to pay Antero Resources (a) \$125 million in cash if we deliver 176 million barrels or more of fresh water during the period between January 1, 2017 and December 31, 2019 and (b) an additional \$125 million in cash if we deliver 219 million barrels or more of fresh water during the period between January 1, 2018 and December 31, 2020. In conjunction with the Water Acquisition on September 23, 2015, we recorded a liability for the discounted net present value of the contingent acquisition consideration and, as time passes, we recognize accretion expense to increase the

discounted liability to the expected liability amounts. As of December 31, 2017, we expected to pay the entire amount of the contingent consideration amounts.

Operating income. Total operating income increased by 26%, from \$258 million for the year ended December 31, 2016 to \$325 million for the year ended December 31, 2017. Gathering and compression operating income increased from \$171 million for the year ended December 31, 2016 to \$207 million for the year ended December 31, 2017. The increase was primarily due to an increase in gathering and compression throughput volumes in 2017. Water handling and treatment operating income increased from \$87 million for the year ended December 31, 2016 to \$118 million for the year ended December 31, 2017. This increase was due to an increase in fresh water delivery volumes in 2017.

Interest expense. Interest expense increased by 72%, from \$22 million, net of \$4 million in capitalized interest, for the year ended December 31, 2016 to \$38 million, net of \$12 million in capitalized interest, for the year ended December 31, 2017. The increase was due to a full year of interest incurred on our \$650 million of 2024 Notes in 2017, and an increase in interest expense incurred on increased borrowings outstanding under the revolving credit facility.

Equity in earnings of unconsolidated affiliates. Equity in earnings in unconsolidated affiliates increased from less than \$1 million for the year ended December 31, 2016 to \$20 million for the year ended December 31, 2017. Equity in earnings of unconsolidated affiliates represents the portion of the net income from our investments in Stonewall and the Joint Venture, which is allocated to us based on our equity interests. The increase is primarily attributable to the formation of the Joint Venture in 2017.

Adjusted EBITDA. Adjusted EBITDA increased by 31%, from \$404 million for the year ended December 31, 2016 to \$529 million for the year ended December 31, 2017. The increase was primarily due to an increase in revenue resulting from an increase in gathering, compression, and water volumes. For a discussion of the non-GAAP financial measure Adjusted EBITDA, including a reconciliation of Adjusted EBITDA to its most directly comparable financial measures calculated and presented in accordance with GAAP, please read “Item 6. Selected Financial Data—Non-GAAP Financial Measures.”

Capital Resources and Liquidity

Sources and Uses of Cash

Capital and liquidity is provided by operating cash flow, cash on our balance sheet, borrowings under our revolving credit facility and capital market transactions. We expect that the combination of these capital resources will be adequate to meet our working capital requirements, capital expenditures program and expected quarterly cash distributions for at least the next 12 months.

The board of directors of our general partner has adopted a cash distribution policy pursuant to which we intend to distribute at least the minimum quarterly distribution of \$0.17 per unit (\$0.68 per unit on an annualized basis) on all of our units to the extent we have sufficient cash after the establishment of cash reserves and the payment of our expenses, including payments to our general partner and its affiliates. For the year ended December 31, 2018, we made distributions of \$1.61 per unit, or a total of \$303 million, to our common unitholders. Additionally, we made distributions to the holder of the IDRs of \$123 million. The board of directors of our general partner declared a cash distribution of \$0.47 per common unit for the quarter ended December 31, 2018. The distribution was paid on February 13, 2019 to unitholders of record as of February 1, 2019.

The following table and discussion presents a summary of our net cash provided by (used in) operating activities, investing activities and financing activities for the periods indicated:

(in thousands)	Year Ended December 31,		
	2016	2017	2018
Net cash provided by operating activities	\$ 378,607	475,796	657,560
Net cash used in investing activities	(478,163)	(779,818)	(666,587)
Net cash provided by financing activities	106,715	298,343	664
Net increase (decrease) in cash and cash equivalents	\$ 7,159	(5,679)	(8,363)

Cash Flows Provided by Operating Activities

Net cash provided by operating activities was \$379 million, \$476 million, and \$658 million for the years ended December 31, 2016, 2017 and 2018, respectively. The increase in cash flows from operations in 2018 from 2017 of \$182 million and in 2017 from 2016 of \$97 million were primarily the result of increased throughput volumes and revenues as a result of new gathering, compression, and water systems placed in service in 2018 and 2017, respectively, and increasing distributions from unconsolidated affiliates.

Cash Flows Used in Investing Activities

During the years ended December 31, 2016, 2017, and 2018, we used cash flows in investing activities of \$478 million, \$780 million, and \$667 million, respectively. The decrease of \$113 million from 2017 to 2018 was primarily a result of less investment in unconsolidated affiliates as well as reductions in capital expenditures on the treatment facility, which were offset by increases in capital expenditures on the gathering systems and facilities. The increase of \$302 million from 2016 to 2017 was primarily driven by investments made in the Joint Venture that we entered into in early 2017, increased capital expenditures on the gathering systems and facilities and construction of the wastewater treatment facility.

The board of directors of our general partner has approved a capital budget of \$750 million to \$800 million for 2019, which includes \$710 million of expansion capital and \$65 million of maintenance capital at the midpoint of the range. Our capital budgets may be adjusted as business conditions warrant. If natural gas, NGLs, and oil prices decline to levels below acceptable levels or costs increase to levels above acceptable levels, Antero Resources could choose to defer a significant portion of its budgeted capital expenditures until later periods. As a result, we may also defer a significant portion of our budgeted capital expenditures to achieve the desired balance between sources and uses of liquidity and prioritize capital projects that we believe have the highest expected returns and potential to generate near-term cash flows. We routinely monitor and adjust our capital expenditures in response to changes in Antero Resources' development plans, changes in prices, availability of financing, acquisition costs, industry conditions, the timing of regulatory approvals, success or lack of success in Antero Resources' drilling activities, contractual obligations, internally generated cash flows and other factors both within and outside our control.

Cash Flows Provided by Financing Activities

Net cash provided by financing activities for the year ended December 31, 2018 of \$664 thousand is primarily the result of \$435 million in net borrowings under the Credit Facility, offset by \$426 million in partnership distributions. The decrease in cash provided by financing activities from 2017 was primarily due to an increase in distributions and borrowings offset by a decrease in proceeds from common unit issuances.

Net cash provided by financing activities for the year ended December 31, 2017 of \$298 million is primarily the result of \$345 million in net borrowings under the Credit Facility, \$223 million in net proceeds from the issuance of 6,900,000 common units in February 2017 and \$284 million in partnership distributions. The increase in cash provided by financing activities from 2016 was primarily due to increases in borrowings and common unit issuances, offset by an increase in distributions paid.

Net cash provided by financing activities for the year ended December 31, 2016 of \$107 million is primarily the result of \$650 million in proceeds from the issuance of the 2024 Notes and \$65 million in proceeds from common unit issuances, offset by the repayment of \$410 million on the revolving credit facility and \$182 million in partnership distributions.

Debt Agreements

Revolving Credit Facility

On October 31, 2018, the Partnership entered into the First Amendment and Joinder Agreement to the senior revolving credit facility to (i) increase lender commitments from \$1.5 billion to \$2.0 billion, (ii) permit us and our guarantors under the facility to consummate the Transactions and (iii) modify the pricing grid to decrease pricing. The maturity date of the facility is October 26, 2022. At December 31, 2018, we had \$990 million of borrowings and no letters of credit outstanding under the Credit Facility.

Under the Credit Facility, “Investment Grade Period” is a period that, as long as no event of default has occurred and the Partnership is in pro forma compliance with the financial covenants under the Credit Facility, commences when the Partnership elects to give notice to the Administrative Agent that the Partnership has received at least one of either (i) a BBB- or better rating from Standard and Poor’s or (ii) a Baa3 or better from Moody’s (provided that the non-investment grade rating from the other rating agency is at least either Ba1 if Moody’s or BB+ if Standard and Poor’s (an “Investment Grade Rating”). An Investment Grade Period can end at the Partnership’s election.

We have a choice of borrowing in Eurodollars or at the base rate. Principal amounts borrowed are payable on the maturity date with such borrowings bearing interest that is payable (i) with respect to base rate loans, quarterly and (ii) with respect to Eurodollar loans, the last day of each Interest Period (as defined below); provided that if any Interest Period for a Eurodollar loan exceeds three months, interest will be payable on the respective dates that fall every three months after the beginning of such Interest Period. Eurodollar loans bear interest at a rate per annum equal to the LIBOR Rate administered by the ICE Benchmark Administration for one, two, three, six or, if available to the lenders, twelve months (the “Interest Period”) plus an applicable margin ranging from (i) 125 to 225 basis points during any period that is not an Investment Grade Period, depending on the leverage ratio then in effect and (ii) 112.5 to 200 basis points during an Investment Grade Period, depending on the Partnership’s credit rating then in effect. Base rate loans bear interest at a rate per annum equal to the greatest of (i) the agent bank’s reference rate, (ii) the federal funds effective rate plus 50 basis points and (iii) the rate for one month Eurodollar loans plus 100 basis points, plus an applicable margin ranging from (i) 25 to 125 basis points during any period that is not an Investment Grade Period, depending on the leverage ratio then in effect and (ii) 12.5 to 100 basis points during an Investment Grade Period, depending on the Partnership’s credit rating then in effect.

During any period that is not an Investment Grade Period, the revolving credit facility is guaranteed by our subsidiaries and is secured by mortgages on substantially all of our and our subsidiaries’ properties; provided that the liens securing the revolving credit facility shall be automatically released during an Investment Grade Period. The revolving credit facility contains restrictive covenants that may limit our ability to, among other things:

- ⌚ incur additional indebtedness;
- ⌚ sell assets;
- ⌚ make loans to others;
- ⌚ make investments;
- ⌚ enter into mergers;
- ⌚ make certain restricted payments;
- ⌚ incur liens; and
- ⌚ engage in certain other transactions without the prior consent of the lenders.

The revolving credit facility also requires us to maintain the following financial ratios:

- ⌚ a consolidated interest coverage ratio, which is the ratio of our consolidated EBITDA to its consolidated current interest charges of at least 2.5 to 1.0 at the end of each fiscal quarter; provided that during an Investment Grade Period, the Partnership will not be subject to such ratio;

- ⌚ a consolidated total leverage ratio, which is the ratio of consolidated debt to consolidated EBITDA, of not more than 5.00 to 1.00 at the end of each fiscal quarter; provided that during an Investment Grade Period or at our election (the “Financial Covenant Election”), the consolidated total leverage ratio shall be no more than 5.25 to 1.0; and
- ⌚ after a Financial Covenant Election (and up to the commencement of an Investment Grade Period), a consolidated senior secured leverage ratio covenant rather than the consolidated total leverage ratio covenant, which is the ratio of consolidated senior secured debt to consolidated EBITDA, of not more than 3.75 to 1.0.

We were in compliance with the applicable covenants and ratios as of December 31, 2017 and 2018. The actual borrowing capacity available to us may be limited by the interest coverage ratio, consolidated total leverage ratio, and consolidated senior secured leverage ratio covenants.

5.375% Senior Notes Due 2024

On September 13, 2016, the Partnership and its wholly-owned subsidiary, Finance Corp, as co-issuers, issued \$650 million in aggregate principal amount of 5.375% senior notes due September 15, 2024 (the “2024 Notes”) at par. The 2024 Notes are unsecured and effectively subordinated to the revolving credit facility to the extent of the value of the collateral securing the revolving credit facility. The 2024 Notes are fully and unconditionally guaranteed on a joint and several senior unsecured basis by the Partnership’s wholly-owned subsidiaries (other than Finance Corp) and certain of its future restricted subsidiaries. Interest on the 2024 Notes is payable on March 15 and September 15 of each year. The Partnership may redeem all or part of the 2024 Notes at any time on or after September 15, 2019 at redemption prices ranging from 104.031% on or after September 15, 2019 or 100.00% on or after September 15, 2022. In addition, prior to September 15, 2019, the Partnership may redeem up to 35% of the aggregate principal amount of the 2024 Notes with an amount of cash not greater than the net cash proceeds of certain equity offerings, if certain conditions are met, at a redemption price of 105.375% of the principal amount of the 2024 Notes, plus accrued and unpaid interest. At any time prior to September 15, 2019, the Partnership may also redeem the 2024 Notes, in whole or in part, at a price equal to 100% of the principal amount of the 2024 Notes plus “make-whole” premium and accrued and unpaid interest. If the Partnership undergoes a change of control, the holders of the 2024 Notes will have the right to require the Partnership to repurchase all or a portion of the notes at a price equal to 101% of the principal amount of the 2024 Notes, plus accrued and unpaid interest.

Contractual Obligations

At December 31, 2018, we had \$990 million of borrowings and no letters of credit outstanding under the revolving credit facility. Commitment fees on the unused portion of the revolving credit facility are due quarterly at rates ranging from 0.25% to 0.375% based on the leverage ratio, during a period that is not an Investment Grade Period, and 0.175% to 0.375% based on the Partnership’s rating, during an Investment Grade Period, of the unused facility.

Future capital contributions to unconsolidated affiliates are excluded from the table as neither the amounts nor the timing of the obligations can be determined in advance. A summary of our contractual obligations by maturity date as of December 31, 2018 is provided in the following table.

(in millions)	Year Ended December 31,						Total
	2019	2020	2021	2022	2023	Thereafter	
Credit Facility ⁽¹⁾	\$ —	—	—	990	—	—	990
5.375% senior notes due 2024— principal	—	—	—	—	—	650	650
5.375% senior notes due 2024— interest	35	35	35	35	35	35	210
Water treatment ⁽²⁾	27	—	—	—	—	—	27
Contingent acquisition consideration	125	—	—	—	—	—	125
Asset retirement obligations	2	1	2	—	1	2	8
Total	\$ 189	36	37	1,025	36	687	2,010

⁽¹⁾ Includes outstanding principal amounts on the Credit Facility at December 31, 2018. This table does not include future commitment fees, interest expense or other fees on our revolving credit facility because they are floating rate instruments and we cannot determine with accuracy the timing of future loan advances, repayments, or future interest rates to be charged.

⁽²⁾ Includes obligations related to the construction of our wastewater treatment facility.

Critical Accounting Policies and Estimates

The following discussion relates to the critical accounting policies and estimates for both the Partnership and our Predecessor. The discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with GAAP. The preparation of our consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. Certain accounting policies involve judgments and uncertainties to such an extent that there is reasonable likelihood that materially different amounts could have been reported under different conditions, or if different assumptions had been used. We evaluate our estimates and assumptions on a regular basis. We base our estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and assumptions used in preparation of our financial statements. We provide expanded discussion of our more significant accounting policies, estimates and judgments below. We believe these accounting policies reflect our more significant estimates and assumptions used in preparation of our financial statements. See Note 2—Summary of Significant Accounting Policies to the financial statements for a discussion of additional accounting policies and estimates made by management.

General and Administrative and Equity-Based Compensation Costs

General and administrative costs are charged or allocated to us based on the nature of the expenses and are allocated based on our proportionate share of Antero Resources' gross property and equipment, capital expenditures and labor costs, as applicable. These allocations are based on estimates and assumptions that management believes are reasonable.

Equity-based compensation grants are measured at their grant date fair value and related compensation cost is recognized over the vesting period of the grant. Compensation cost for awards with graded vesting provisions is recognized on a straight-line basis over the requisite service period of each separately vesting portion of the award. Estimating the fair value of each award requires management to apply judgment.

Equity-based compensation expenses are allocated to us based on our proportionate share of Antero Resources' labor costs. These allocations are based on estimates and assumptions that management believes are reasonable.

Fair Value Measurement

The Financial Accounting Standards Board (the "FASB") Accounting Standards Codification Topic 820, *Fair Value Measurements and Disclosures*, clarifies the definition of fair value, establishes a framework for measuring fair value, and sets forth disclosure requirements about fair value measurements. This guidance also relates to all nonfinancial assets and liabilities that are not recognized or disclosed on a recurring basis (e.g., the initial recognition of asset retirement obligations and impairments of long-lived assets). The fair value is the price that we estimate would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy is used to prioritize inputs to valuation

techniques used to estimate fair value. An asset or liability subject to the fair value requirements is categorized within the hierarchy based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. The highest priority (Level 1) is given to unadjusted quoted market prices in active markets for identical assets or liabilities, and the lowest priority (Level 3) is given to unobservable inputs. Level 2 inputs are data, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

In connection with the Water Acquisition, we have agreed to pay Antero Resources (a) \$125 million in cash if we deliver 176,295,000 barrels or more of fresh water during the period between January 1, 2017 and December 31, 2019 and (b) an additional \$125 million in cash if we deliver 219,200,000 barrels or more of fresh water during the period between January 1, 2018 and December 31, 2020. This contingent consideration liability is valued based on Level 3 inputs related to the expected average volumes and weighted average cost of capital and was recorded at the time of the Water Acquisition in accordance with accounting guidance for business combinations. We update our assumptions each reporting period based on new developments and adjust such amounts to fair value based on revised assumptions, if applicable, until such consideration is satisfied through payment upon achievement of the specified objectives or it is eliminated upon failure to achieve the specified objectives.

As of December 31, 2018, the Partnership expects to pay the entire amount of the contingent consideration for the 176,295,000 barrels or more fresh water delivered during the period between January 1, 2017 and December 31, 2019, but not for the 219,200,000 barrels or more of fresh water during the period between January 1, 2018 and December 31, 2020 based on Antero Resources' 2019 budget and long-term outlook. Accordingly, the fair value of the liability for contingent acquisition consideration was reduced by \$106 million in 2018. The fair value measurement is based on significant inputs not observable in the market and thus represents a Level 3 measurement within the fair value hierarchy. The fair value of the contingent consideration liability associated with future milestone payments was based on the risk adjusted present value of the contingent consideration payout.

New Accounting Pronouncements

On February 25, 2016, the FASB issued ASU No. 2016-02, *Leases*, which replaced most existing lease guidance under GAAP when it became effective on January 1, 2019. The standard requires lessees to record lease liabilities and right-of-use assets as of the date of adoption and we have elected to adopt the new standard prospectively. The Partnership is not a party to any material contracts as a lessee. The new lease standard does not substantially change accounting by lessors. The Partnership determined that its contractual arrangement with Antero Resources to provide midstream services is an operating lease of the Partnership's assets that will be accounted for under the new ASU in the same manner as the Partnership's current accounting for the arrangement. No significant additional disclosures will be required. As a result, there will not be a material impact of the new leasing standard on the Partnership's financial statements. The Partnership believes that adoption of the standard will not impact its operational strategies, growth prospects, net income, or cash flow. The Partnership has updated internal controls impacted by the new standard and acquired software to collect and account for lease data under the standard.

Off-Balance Sheet Arrangements

As of December 31, 2018, we did not have any off-balance sheet arrangements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The primary objective of the following information is to provide forward-looking quantitative and qualitative information about our potential exposure to market risk. The term “market risk” refers to the risk of loss arising from adverse changes in commodity prices and interest rates. The disclosures are not meant to be precise indicators of expected future losses, but rather indicators of reasonably possible losses. This forward-looking information provides indicators of how we view and manage our ongoing market risk exposures.

Commodity Price Risk

Our gathering and compression and water services agreements with Antero Resources provide for fixed-fee structures, and we intend to continue to pursue additional fixed-fee opportunities with Antero Resources and third parties in order to avoid direct commodity price exposure. However, to the extent that our future contractual arrangements with Antero Resources or third parties do not provide for fixed-fee structures, we may become subject to commodity price risk. We are subject to commodity price risks to the extent that they impact Antero Resources’ development program and production and therefore our gathering, compression, and water handling and treatment volumes. We cannot predict to what extent our business would be impacted by lower commodity prices and any resulting impact on Antero Resources’ operations.

Interest Rate Risk

Our primary exposure to interest rate risk results from outstanding borrowings under our Credit Facility, which has a floating interest rate. We do not currently, but may in the future, hedge the interest on portions of our borrowings under our revolving credit facility from time-to-time in order to manage risks associated with floating interest rates. At December 31, 2018, we had \$990 million of borrowings and no letters of credit outstanding under the Credit Facility. A 1.0% increase in our Credit Facility interest rate would have resulted in an estimated \$7.9 million increase in interest expense, for the year ended December 31, 2018.

Credit Risk

We are dependent on Antero Resources as our primary customer, and we expect to derive a substantial majority of our revenues from Antero Resources for the foreseeable future. As a result, any event, whether in our area of operations or otherwise, that adversely affects Antero Resources’ production, drilling schedule, financial condition, leverage, market reputation, liquidity, results of operations or cash flows may adversely affect our revenues and cash available for distribution.

Further, we are subject to the risk of non-payment or non-performance by Antero Resources, including with respect to our gathering and compression and water handling and treatment services agreements. We cannot predict the extent to which Antero Resources’ business would be impacted if conditions in the energy industry were to deteriorate, nor can we estimate the impact such conditions would have on Antero Resources’ ability to execute its drilling and development program or to perform under our agreement. Any material non-payment or non-performance by Antero Resources could reduce our ability to make distributions to our unitholders.

Item 8. Financial Statements and Supplementary Data

The Report of Independent Registered Public Accounting Firm, Consolidated Financial Statements and supplementary financial data required for this Item are set forth beginning on page F-2 of this report and are incorporated herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Exchange Act we have evaluated, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this annual report. Our disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported,

within the time periods specified in the SEC’s rules and forms. Based upon that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of December 31, 2018 at a reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended December 31, 2018 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. In connection with the anticipated adoption of ASU No. 2016-02, *Leases*, we implemented additional controls and accounting processes related to the adoption of the lease standard. These changes have not materially affected the Partnership’s internal control over financial reporting.

Management’s Annual Report on Internal Control Over Financial Reporting

The management of our general partner is responsible for establishing and maintaining adequate internal control over financial reporting for us as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. This system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Our internal control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of the assets;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect all misstatements. Further, because of changes in conditions, effectiveness of internal controls over financial reporting may vary over time.

Under the supervision of, and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework and criteria established in *Internal Control—Integrated Framework* in 2013, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management of our general partner concluded that our internal control over financial reporting was effective as of December 31, 2018.

The effectiveness of our internal control over financial reporting as of December 31, 2018 has been audited by KPMG LLP, an independent registered public accounting firm which also audited our consolidated financial statements as of and for the year ended December 31, 2018, as stated in their report which appears on page F-2 in this report.

Item 9B. Other Information

Disclosure pursuant to Section 13(r) of the Securities Exchange Act of 1934

Pursuant to Section 13(r) of the Exchange Act, we may be required to disclose in our annual and quarterly reports to the SEC whether we or any of our “affiliates” knowingly engaged in certain activities, transactions or dealings relating to Iran or with certain individuals or entities targeted by US economic sanctions. Disclosure is generally required even where the activities, transactions or dealings were conducted in compliance with applicable law. Because the SEC defines the term “affiliate” broadly, it includes any entity under common “control” with us (and the term “control” is also construed broadly by the SEC).

The description of the activities below has been provided to us by Warburg Pincus LLC (“WP”), affiliates of which: (i) are members of the board of directors of our general partner, and (ii) beneficially own more than 10% of the outstanding common stock and are members of the board of directors of Endurance International Group Holdings, Inc. (together with its subsidiaries, “EIGI”).

EIGI may therefore be deemed to be under common “control” with us; however, this statement is not meant to be an admission that common control exists.

The disclosure below relates solely to activities conducted by EIGI. The disclosure does not relate to any activities conducted by us or by WP and does not involve our or WP’s management. Neither we nor WP has had any involvement in or control over the disclosed activities, and neither we nor WP has independently verified or participated in the preparation of the disclosure. Neither we nor WP is representing as to the accuracy or completeness of the disclosure nor do we or WP undertake any obligation to correct or update it.

We understand that EIGI intends to disclose the following in its next annual or quarterly SEC report:

On July 25, 2018, the Office of Foreign Assets Control (“OFAC”) designated Electronics Katrangi Trading (“Katrangi”) as a Specially Designated National (“SDN”) pursuant to the Weapons of Mass Destruction Proliferators Sanctions Regulations, 31 C.F.R. Part 544. On July 30, 2018, during a regular compliance scan of EIGI’s user base, EIGI identified the domain SGP-FRANCE.COM (the “Domain Name”) which was listed as a website associated with Katrangi, on one of EIGI’s platforms. The Domain Name was managed using one of EIGI’s platforms by one of its reseller customers. Accordingly, there was no direct financial transaction between EIGI and the registered owner of the Domain Name and EIGI did not generate any revenue in connection with the Domain Name since Katrangi was added to the SDN list on July 25, 2018. Upon discovering the Domain Name on its platform, EIGI promptly suspended the Domain Name and removed it from its platform. EIGI reported the Domain Name to OFAC on August 7, 2018.

On November 6, 2018, EIGI terminated an end customer account (the “End Customer Account”) that EIGI believed to be associated with Arian Bank, which was identified by OFAC as an SDN on November 5, 2018, pursuant to 31 C.F.R. Part 594. EIGI initially acquired the End Customer Account on January 23, 2014 as part of EIGI’s acquisition of P.D.R Solutions FZC. EIGI reported the End Customer Account to OFAC as potentially the property of an SDN subject to blocking pursuant to Executive Order 13224. As of February 1, 2019, EIGI had not received any correspondence from OFAC regarding this matter.

PART III

Item 10. Directors, Executive Officers, and Corporate Governance

Management of Antero Midstream Partners LP

We are managed and operated by the board of directors (the “Board”) and executive officers of our general partner, Antero Midstream Partners GP LLC (“AMP GP”). Our general partner is controlled by Antero Midstream GP LP (“AMGP”). All of the officers and certain of the directors of our general partner are also officers and directors of Antero Resources and AMGP GP LLC, the general partner of AMGP (“AMGP GP”). Neither our general partner nor its board of directors is elected by our unitholders. AMGP is the sole member of our general partner and has the right to appoint our general partner’s entire board of directors, including at least three independent directors meeting the independence standards established by the NYSE. Our unitholders are not entitled to directly participate in our management or operations. Our general partner owes certain contractual duties to our unitholders as well as a fiduciary duty to its owners.

Our general partner has seven directors. The NYSE does not require a listed publicly traded partnership, such as ours, to have a majority of independent directors on the board of directors of our general partner or to establish a compensation committee or a nominating committee. However, our general partner is required to have an audit committee of at least three members, and all its members are required to meet the independence and experience standards established by the NYSE and the Exchange Act. As previously announced, on January 24, 2019, Richard W. Connor notified us of his intent to resign from the Board effective immediately for personal reasons. The resignation was not the result of any disagreement with the Partnership or any of its affiliates on any matter relating to the Partnership’s operations, policies or practices. On January 29, 2019, Paul J. Korus was appointed to the Board to fill the vacancy resulting from Mr. Connor’s departure. Mr. Korus was also appointed to serve as chairman of the Board’s audit committee. The Board determined that Mr. Korus meets the independence requirements under the rules of the NYSE and the Partnership’s independence standards.

All of the executive officers of our general partner listed below allocate their time between managing our business and affairs and the business and affairs of Antero Resources and AMGP. The amount of time that our general partner’s executive officers devote to our business and the businesses of Antero Resources and AMGP will vary in any given year based on a variety of factors. Our general partner’s executive officers intend, however, to devote as much time to the management of our business and affairs as is necessary for the proper conduct of our business and affairs.

Antero Resources provides customary management and general administrative services to us pursuant to a services agreement. Our general partner reimburses Antero Resources at cost for its direct expenses incurred on behalf of us and a proportionate amount of its indirect expenses incurred on behalf of us, including, but not limited to, compensation expenses. Under a services agreement, Antero Resources charges us a general and administrative fee for services it provides us. Our partnership agreement does not set a limit on the amount of expenses for which our general partner and its affiliates may be reimbursed. These expenses include salary, bonus, incentive compensation and other amounts paid to persons who perform services for us or on our behalf and expenses allocated to our general partner by its affiliates. Please read “Item 13. Certain Relationships and Related Transactions and Director Independence.” Neither our general partner nor Antero Resources receives any management fee or other compensation.

Board Leadership Structure

The Board does not have a formal policy addressing whether or not the roles of Chairman and Chief Executive Officer should be separate or combined. The directors serving on the Board possess considerable professional and industry experience, significant experience as directors of both public and private companies and a unique knowledge of the challenges and opportunities that we face. As such, the Board believes that it is in the best position to evaluate our needs and to determine how best to organize AMP GP’s leadership structure to meet those needs.

At present, AMP GP’s Board has chosen to combine the positions of Chairman and Chief Executive Officer. While the Board believes it is important to retain the flexibility to determine whether the roles of Chairman and Chief Executive Officer should be separated or combined in one individual, the Board believes that the current Chief Executive Officer is an individual with the necessary experience, commitment and support of the other members of the Board to effectively carry out the role of Chairman.

The Board believes this structure promotes better alignment of strategic development and execution, more effective implementation of strategic initiatives and clearer accountability for our success or failure. Moreover, the Board believes that

combining the Chairman and Chief Executive Officer positions does not impede independent oversight of the Partnership. Five of the seven members of the Board are independent under NYSE rules.

Board's Role in Risk Oversight

In the normal course of our business, we are exposed to a variety of risks, including market risks relating to changes in commodity prices, interest rates, technical risks affecting our facilities, political risks and credit and investment risk. The Board oversees our strategic direction, and in doing so considers the potential rewards and risks of our business opportunities and challenges, and monitors the development and management of risks that impact our strategic goals.

Executive Sessions

To facilitate candid discussion among our directors, the non-management directors meet in regularly scheduled executive sessions. The director who presides at these meetings is chosen by the Board prior to such meetings.

Interested Party Communications

Unitholders and other interested parties may communicate by writing to: Antero Midstream Partners LP, 1615 Wynkoop Street, Denver, Colorado 80202. Unitholders may submit their communications to the Board, any committee of the Board or individual directors on a confidential or anonymous basis by sending the communication in a sealed envelope marked "Unitholder Communication with Directors" and clearly identify the intended recipient(s) of the communication.

Our Chief Administrative Officer will review each communication and other interested parties and will forward the communication, as expeditiously as reasonably practicable, to the addressees if: (1) the communication complies with the requirements of any applicable policy adopted by the Board relating to the subject matter of the communication; and (2) the communication falls within the scope of matters generally considered by the Board. To the extent the subject matter of a communication relates to matters that have been delegated by the Board to a committee or to an executive officer of the general partner, then the general partner's Chief Administrative Officer may forward the communication to the executive officer or chairman of the committee to which the matter has been delegated. The acceptance and forwarding of communications to the members of the Board or an executive officer does not imply or create any fiduciary duty of the Board members or executive officer to the person submitting the communications.

Information may be submitted confidentially and anonymously, although we may be obligated by law to disclose the information or identity of the person providing the information in connection with government or private legal actions and in other circumstances. Our policy is not to take any adverse action, and not to tolerate any retaliation, against any person for asking questions or making good faith reports of possible violations of law, our policies or our Corporate Code of Business Conduct and Ethics.

Available Governance Materials

The Board has adopted the following materials, which are available on our website at www.anteromidstream.com:

- ① Charter of the Audit Committee of the Board;
- ① Corporate Code of Business Conduct and Ethics;
- ① Financial Code of Ethics; and
- ① Corporate Governance Guidelines.

Unitholders may obtain a copy, free of charge, of each of these documents by sending a written request to Antero Midstream Partners LP, 1615 Wynkoop Street, Denver, Colorado, 80202. We intend to disclose any amendments to, or waivers from, our Code of Business Conduct and Ethics on our website.

Directors and Executive Officers

The following table shows information for our general partner's executive officers and directors. Directors hold office until their successors have been elected or qualified or until the earlier of their death, resignation, removal or disqualification. Executive

officers serve at the discretion of the board. There are no family relationships among any of the directors or executive officers. Some of the directors and all of the executive officers also serve as directors or executive officers, as applicable, of Antero Resources.

Name	Age	Position With Our General Partner
Paul M. Rady	65	Chairman and Chief Executive Officer
Glen C. Warren, Jr.	63	Director, President and Secretary
Michael N. Kennedy	44	Chief Financial Officer and Senior Vice President
Kevin J. Kilstrom	64	Senior Vice President—Production
Alvyn A. Schopp	60	Chief Administrative Officer, Senior Regional Vice President and Treasurer
Peter R. Kagan	50	Director
W. Howard Keenan, Jr.	68	Director
Paul J. Korus	62	Director
John C. Mollenkopf	57	Director
David A. Peters	60	Director

Paul M. Rady has served as Chief Executive Officer and Chairman of the Board of Directors of our general partner since February 2014. Mr. Rady has also served as Chief Executive Officer and Chairman of the Board of Directors of Antero Resources since May 2004 and of its predecessor company, Antero Resources Corporation, from its founding in 2002 until its sale to XTO Energy, Inc. in April 2005, as well as Chief Executive Officer and Chairman of the Board of Directors of the general partner of AMGP since April 2017. Prior to Antero, Mr. Rady served as President, CEO and Chairman of Pennaco Energy from 1998 until its sale to Marathon in early 2001. Prior to Pennaco, Mr. Rady was with Barrett Resources from 1990 until 1998 where he initially was recruited as Chief Geologist in 1990, then served as Exploration Manager, EVP Exploration, President, COO and Director and ultimately CEO. Mr. Rady began his career with Amoco where he served 10 years as a geologist focused on the Rockies and Mid-Continent. Mr. Rady is the managing member of Salisbury Investment Holdings, LLC. Mr. Rady holds a B.A. in Geology from Western Colorado University and M.Sc. in Geology from Western Washington University.

Mr. Rady’s significant experience as a chief executive of oil and gas companies, together with his training as a geologist and broad industry knowledge, enable Mr. Rady to provide the board with executive counsel on a full range of business, strategic and professional matters.

Glen C. Warren, Jr. has served as President and Secretary and as a director of our general partner since January 2016, prior to which he served as President, Chief Financial Officer and Secretary and as a director of our general partner beginning in February 2014. Mr. Warren has also served as President, Chief Financial Officer and Secretary and as a director of Antero Resources since May 2004 and of its predecessor company, Antero Resources Corporation, from its founding in 2002 until its sale to XTO Energy, Inc. in April 2005, as well as President and Secretary and as a director of the Board of Directors of the general partner of AMGP since April 2017. Prior to Antero Resources, Mr. Warren served as EVP, CFO and Director of Pennaco Energy from 1998 until its sale to Marathon in early 2001. Mr. Warren spent 10 years as a natural resources investment banker focused on equity and debt financing and M&A advisory with Lehman Brothers, Dillon Read and Kidder Peabody. Mr. Warren began his career as a landman in the Gulf Coast region with Amoco, where he spent six years. Mr. Warren is the managing member of Canton Investment Holdings, LLC. Mr. Warren holds a B.A. from the University of Mississippi, a J.D. from the University of Mississippi School of Law and an M.B.A. from the Anderson School of Management at U.C.L.A.

Mr. Warren’s significant experience as a chief financial officer of oil and gas companies, together with his experience as an investment banker and broad industry knowledge, enable Mr. Warren to provide the board with executive counsel on a full range of business, strategic, financial and professional matters.

Michael N. Kennedy has served as Chief Financial Officer of our general partner and Senior Vice President of Finance since January 2016, prior to which he served as Vice President of Finance of our general partner beginning in February 2014. Mr. Kennedy has also served as Senior Vice President of Finance of Antero Resources since January 2016, prior to which he served as Vice President of Finance of Antero Resources from August 2013 to December 2015. Mr. Kennedy was Executive Vice President and Chief Financial Officer of Forest Oil Corporation from 2009 to 2013. From 2001 until 2009, Mr. Kennedy held various financial positions of increasing responsibility within Forest. From 1996 to 2001, Mr. Kennedy was an auditor with Arthur Andersen focusing on the Natural Resources industry. Mr. Kennedy holds a B.S. in Accounting from the University of Colorado at Boulder.

Kevin J. Kilstrom has served as Senior Vice President of Production of our general partner since January 2016, prior to which he served as Vice President of Production of our general partner beginning in February 2014. Mr. Kilstrom has also served as Senior

Vice President of Production of the general partner of AMGP since April 2017. Mr. Kilstrom was a Manager of Petroleum Engineering with AGL Energy of Sydney, Australia from 2006 to 2007. Prior to AGL, Mr. Kilstrom was with Marathon Oil as an Engineering Consultant and Asset Manager from 2003 to 2006 and as a Business Unit Manager for Marathon's Powder River coal bed methane assets from 2001 to 2003. Mr. Kilstrom also served as a member of the board of directors of three Marathon subsidiaries from October 2003 through May 2005. Mr. Kilstrom was an Operations Manager and reserve engineer at Pennaco Energy from 1999 to 2001. Mr. Kilstrom was at Amoco for more than 22 years prior to 1999. Mr. Kilstrom holds a B.S. in Engineering from Iowa State University and an M.B.A. from DePaul University.

Alvyn A. Schopp has served as Chief Administrative Officer, Senior Regional Vice President, and Treasurer of our general partner since January 2016, prior to which he served as Chief Administrative Officer, Regional Vice President and Treasurer of our general partner beginning in February 2014. Mr. Schopp has also served as Chief Administrative Officer, Senior Regional Vice President, and Treasurer of Antero Resources since January 2016, as Chief Administrative Officer, Regional Vice President and Treasurer from October 2013 to January 2016, as Vice President of Accounting and Administration and Treasurer from January 2005 to September 2013, as Controller and Treasurer from 2003 to 2005 and as Vice President of Accounting and Administration and Treasurer of Antero Resources' predecessor company, Antero Resources Corporation, from January 2005 until its sale to XTO Energy, Inc. in April 2005. Mr. Schopp has also served as Chief Administrative Officer, Senior Regional Vice President, and Treasurer of the general partner of AMGP since April 2017. From 1993 to 2000, Mr. Schopp was CFO, Director and ultimately CEO of T-Netix. From 1980 to 1993 Mr. Schopp was with KPMG LLP. As a Senior Manager with KPMG, he maintained an extensive energy and mining practice. Mr. Schopp holds a B.B.A. from Drake University.

Peter R. Kagan has served as a director of our general partner since February 2014. Mr. Kagan also has served as a director of Antero Resources since 2004 and as a director of AMGP GP since April 2017. Mr. Kagan has been with Warburg Pincus since 1997 where he leads the firm's investment activities in energy and natural resources. He is a Partner of Warburg Pincus & Co. and a Managing Director of Warburg Pincus LLC. He is also a member of Warburg Pincus LLC's Executive Management Group. Mr. Kagan received a B.A. degree cum laude from Harvard College and J.D. and M.B.A. degrees with honors from the University of Chicago. Prior to joining Warburg Pincus, he worked in investment banking at Salomon Brothers in both New York and Hong Kong. Mr. Kagan currently also serves on the boards of directors of the following public companies: Laredo Petroleum Holdings, Inc., MEG Energy Corp. and Targa Resources Corp., as well as the boards of several private companies. In addition, he is a director of Resources for the Future and a trustee of Milton Academy.

Mr. Kagan has significant experience with energy companies and investments and broad knowledge of the oil and gas industry. We believe his background and skill set make Mr. Kagan well-suited to serve as a member of our board of directors.

W. Howard Keenan, Jr. has served as a director of our general partner since February 2014. Mr. Keenan also has served as a director of Antero Resources since 2004 and as a director of AMGP GP since April 2017. Mr. Keenan has over 40 years of experience in the financial and energy businesses. Since 1997, he has been a Member of Yorktown Partners LLC, a private investment manager focused on the energy industry. From 1975 to 1997, he was in the Corporate Finance Department of Dillon, Read & Co. Inc. and active in the private equity and energy areas, including the founding of the first Yorktown Partners fund in 1991. He is serving or has served as a director of multiple Yorktown Portfolio companies and currently serves as a director of the following public companies: Ramaco Resources, Inc. and Solaris Oilfield Infrastructure, Inc. Mr. Keenan holds an B.A. degree cum laude from Harvard College and an M.B.A. degree from Harvard University.

Mr. Keenan has significant experience with energy companies and investments and broad knowledge of the oil and gas industry. We believe his background and skill set make Mr. Keenan well-suited to serve as a member of our board of directors.

Paul J. Korus has served as a director and the Chairman of the Audit Committee since January 2019, and he has also served as a director and member of the Audit Committee of Antero Resources since December 2018. Mr. Korus was also appointed to the Board of Directors of SRC Energy Inc. in 2016, where he currently serves as Chairman of the Audit Committee and is a member of the Corporate Governance and Nominating Committee. In September 2015, Mr. Korus retired as senior vice president and Chief Financial Officer of Cimarex Energy Co., a position he had held since 1999. His responsibilities there included oversight of all financial areas including corporate planning, capital markets, accounting, tax, treasury, investor relations, internal audit and information technology. Between 1995 and 1999 he was an equity research analyst with Petrie Parkman & Co., a boutique energy investment banking firm that subsequently merged into Merrill Lynch. From 1982 to 1995 Mr. Korus was with Apache Corporation, where he held positions of increasing responsibility in management information systems, corporate planning and investor relations. Mr. Korus began his business career in 1980 with a large public accounting firm (Arthur Andersen) as a management information systems consultant. Mr. Korus is currently Chairman of the University of North Dakota (UND) Business School Advisory Council.

Paul graduated from UND with a Bachelor's of Science degree in Economics in 1978 and a Master's of Science degree in Accounting in 1980. He is currently a member of the National Association of Corporate Directors.

Mr. Korus has extensive knowledge of the energy industry as a former executive officer and current director of a public energy company, and he also has experience in technical accounting and auditing matters. We believe his background and skill set make Mr. Korus well-suited to serve as a member of our board of directors and of the audit committee.

John C. Mollenkopf has served as a director of our general partner since April 2017, and serves as a member of the audit committee. Mr. Mollenkopf retired from MPLX, L.P. (NYSE:MPLX) in October 2016. He previously served MPLX as Executive Vice President and Chief Operating Officer, MarkWest operations, from December 2015 through September 2016 following the merger of MPLX and MarkWest. From 2011 through 2015, he served as Executive Vice President and Chief Operating Officer of MarkWest. Mr. Mollenkopf began his employment with MarkWest Hydrocarbon, Inc. in 1996 as Manager New Projects and progressed to General Manager and later to Vice President of the Michigan Business unit. In 2002, Mr. Mollenkopf was one of the founders of MarkWest Energy GP, LLC, the general partner of MarkWest. Between 2002 and 2011, Mr. Mollenkopf served MarkWest as Vice President — Business Development, Senior Vice President — Southwest Business Unit, Senior Vice President and Chief Operations Officer, Senior Vice President and Chief Operating Officer. Between 1982 and 1996, Mr. Mollenkopf worked for ARCO Oil and Gas Company in California and Texas, holding positions of increasing responsibility in facilities, project, process and plant engineering as well as operations supervision. Mr. Mollenkopf holds a Bachelor of Science degree in mechanical engineering from the University of Colorado at Boulder 1983. He serves on the Engineering Advisory Council for the college of engineering at the University of Colorado at Boulder.

Mr. Mollenkopf has significant experience with energy companies and investments and broad knowledge of the oil and gas industry. We believe his background and skill set make Mr. Mollenkopf well-suited to serve as a member of our board of directors.

David A. Peters joined the board of our general partner in connection with our listing on the NYSE, and serves as a member of the audit committee. Mr. Peters served as a director of TransMontaigne GP L.L.C., the general partner of TransMontaigne Partners L.P. (NYSE: TLP), from May 2005 to August 2014, and served as a member of the audit and compensation committees and as the chair of the conflicts committee. Since 1999, Mr. Peters has been a business consultant with a primary client focus in the energy sector. In addition, Mr. Peters also served as a member of the board of directors of QDOBA Restaurant Corporation from 1998 to 2003. From 1997 to 1999, Mr. Peters was a managing director of a private investment fund, and from 1995 to 1997 he served as an executive vice president at Duke Energy Field Services/PanEnergy Field Services Inc., responsible for natural gas gathering, compression and storage operations. Prior to joining Duke Energy Field Services/PanEnergy Field Services Inc., Mr. Peters held various positions with Associated Natural Gas Corporation, and from 1980 to 1984, he worked in the audit department of Peat Marwick Mitchell & Co. Mr. Peters holds a B.B.A. from the University of Michigan.

Mr. Peters has extensive knowledge of the energy industry as a business consultant and a former director of the general partner of a master limited partnership and significant financial and accounting knowledge. We believe his background and skill set make Mr. Peters well-suited to serve as a member of our board of directors and of the audit committee.

Committees of the Board of Directors

The board of directors of our general partner has an audit committee. We do not have a compensation committee, but rather the board of directors of our general partner approves equity grants to directors and Antero Resources employees. The board of directors of our general partner may establish a conflicts committee to review specific matters that the board believes may involve conflicts of interest.

Audit Committee

Rules implemented by the NYSE and SEC require us to have an audit committee comprised of at least three directors who meet the independence and experience standards established by the NYSE and the Exchange Act. Messrs. Korus, Mollenkopf, and Peters serve on our audit committee, and Mr. Korus serves as the Chairman of the committee. As required by the rules of the SEC and listing standards of the NYSE, the audit committee consists solely of independent directors. SEC rules also require that a public company disclose whether or not its audit committee has an "audit committee financial expert" as a member. An "audit committee financial expert" is defined as a person who, based on his or her experience, possesses the attributes outlined in such rules. Our board of directors believes that Mr. Korus possesses substantial financial experience based on his extensive experience as a former chief financial officer of a public company for over 15 years. As a result of these qualifications, we believe Mr. Korus satisfies the definition of "audit committee financial expert."

This committee oversees, reviews, acts on and reports on various auditing and accounting matters to our board of directors, including: the selection of our independent accountants, the scope of our annual audits, fees to be paid to the independent accountants, the performance of our independent accountants and our accounting practices. In addition, the audit committee oversees our compliance programs relating to legal and regulatory requirements. We adopted an audit committee charter defining the committee's primary duties in a manner consistent with the rules of the SEC and NYSE.

Conflicts Committee

Our general partner may, from time to time, have a conflicts committee to which the board will appoint at least two independent directors and which may be asked to review specific matters that the board believes may involve conflicts of interest and determines to submit to the conflicts committee for review. The conflicts committee will determine if the resolution of the conflict of interest is adverse to the interest of the partnership. The members of the conflicts committee may not be officers or employees of our general partner or directors, officers or employees of its affiliates, including AMGP and Antero Resources, and must meet the independence standards established by the NYSE and the Exchange Act to serve on an audit committee of a board of directors, along with other requirements in our partnership agreement. Any matters approved by the conflicts committee will be conclusively deemed to be approved by us and all of our partners and not a breach by our general partner of any duties it may owe us or our unitholders.

On February 26, 2018, we announced that the board of directors of our general partner formed a conflicts committee composed solely of directors who satisfy the requirements for serving on the Partnership's conflicts committee in conjunction with the formation of the special committee at Antero Resources, and a conflicts committee at AMGP, the sole member of our general partner. In connection with the conflicts committee's efforts to explore, review and evaluate potential transactions involving the Partnership, on October 9, 2018, we announced that we had entered into the Simplification Agreement, pursuant to which, among other things, (1) AMGP will be converted from a limited partnership to a corporation under the laws of the State of Delaware, to be named Antero Midstream Corporation; (2) an indirect, wholly owned subsidiary of New AM will be merged with and into the Partnership, with the Partnership surviving the merger as an indirect, wholly owned subsidiary of New AM and (3) all the issued and outstanding Series B Units representing limited liability company interests of IDR Holdings will be exchanged for an aggregate of approximately 17.35 million shares of New AM's common stock. As a result of the Transactions, the Partnership will be a wholly owned subsidiary of New AM and former shareholders of AMGP, unitholders of the Partnership and holders of Series B Units will each own New AM's common stock.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires executive officers and board members of our general partner and persons who beneficially own more than 10% of a registered class of our equity securities to file reports of ownership and changes in ownership with the SEC and to furnish us with copies of all such reports.

Based solely upon our review of reports received by us, or representations from certain reporting persons that no filings were required, we believe that all of the officers and board members of our general partner and persons who beneficially owned more than 10% of our common units complied with all applicable filing requirements during fiscal year 2018.

Item 11. Executive Compensation

COMPENSATION DISCUSSION AND ANALYSIS

Overview

Neither we nor our general partner have any employees. All of the executive officers of our general partner and other personnel who provide services to our business are employed by Antero Resources. This Item 11 provides information relating to the compensation of the following named executive officers of our general partner, whom we refer to herein collectively as our “Named Executive Officers”:

2018 Named Executive Officers

Name	Principal Position
Paul M. Rady	Chairman of the Board and Chief Executive Officer
Glen C. Warren, Jr.	Director, President and Secretary
Michael N. Kennedy	Chief Financial Officer and Senior Vice President—Finance
Alvyn A. Schopp	Chief Administrative Officer, Regional Senior Vice President and Treasurer
Kevin J. Kilstrom	Senior Vice President—Production

Our Named Executive Officers currently receive all of their compensation and benefits for services provided to our business from Antero Resources, Antero Midstream and IDR LLC. All decisions regarding the compensation of our Named Executive Officers, other than with respect to long-term equity incentive awards under the Antero Midstream Partners LP Long-Term Incentive Plan (the “Midstream LTIP”) and Series B Units issued by IDR LLC, are made by the compensation committee of Antero Resources’ board of directors (the “Compensation Committee”). Pursuant to the services agreement that we have entered into with Antero Resources and our general partner, we are required to reimburse Antero Resources for a proportionate amount of compensation expenses incurred on our behalf. Although we bear an allocated portion of Antero Resources’ costs of providing such compensation and benefits to our Named Executive Officers, we have no control over such costs and do not establish or direct the compensation policies or practices of Antero Resources or IDR LLC.

The following Compensation Discussion and Analysis provides an overview of compensation policies and programs applicable to our Named Executive Officers and describes the compensation objectives, policies and practices with respect to our Named Executive Officers. The elements of compensation provided by Antero Resources and the Compensation Committee’s decisions with respect to our Named Executive Officers’ compensation are not subject to approval by the Board. Certain members of the Board are members of the board of directors of Antero Resources. Messrs. Kagan, Keenan and Connor served on our Board and the board of directors of Antero Resources in 2018. As used in this Item 11 (other than in this “Overview” and the “Compensation of Directors” section below), references to “our,” “we,” “us,” the “Company,” and similar terms refer to Antero Resources, references to the “Board” or “Board of Directors” refer to the board of directors of Antero Resources, and references to the Partnership refer to us, Antero Midstream Partners LP.

The following discussion provides information about our compensation decisions and policies with regard to our Named Executive Officers for the 2018 fiscal year, and is intended to provide investors with the information necessary to understand our compensation policies and decisions. It also provides context for the disclosure included in the executive compensation tables below.

2018 Say-on-Pay Advisory Vote

At the Company’s 2018 annual meeting, the stockholders of the Company were asked to approve, on an advisory basis, the compensation of the Named Executive Officers. Advisory votes in favor of our executive compensation program were cast by over 98% of the shares of common stock of the Company counted as present and entitled to vote at the Company’s 2018 annual meeting. The Compensation Committee took the results of the “Say on Pay” vote in account when evaluating the compensation of the Named Executive Officers in 2018. We have continued, and plan to continue, engaging in ongoing shareholder outreach regarding corporate governance generally, including executive compensation programs.

Compensation Philosophy and Objectives of Our Compensation Program

Since our inception, our compensation philosophy has been predominantly focused on recruiting individuals who are motivated to help us achieve superior performance and growth. Our company was founded by entrepreneurs whose strategy was to

employ high-impact executives who are extremely effective at sparking superior performance with low overhead. These highly qualified and experienced individuals have contributed to the continued success of our Company, driving an 20% compound annual growth rate in debt-adjusted net production per share and a 21% compound annual growth rate in oil and gas net proved reserves since the Company’s 2013 IPO.

Historically, to achieve our objectives, we sought to implement a compensation program that reflected the unique strategy and entrepreneurial culture of our organization. Specifically, we sought to reward our Named Executive Officers by emphasizing long-term equity-based incentive compensation, which allowed our senior leaders to build significant ownership in the Company. We believe this approach served to motivate our Named Executive Officers and align their interests with those of the Company and our shareholders. Our Named Executive Officers currently hold approximately 9% of our outstanding shares, which ensures they identify with the best interests of our shareholders.

As the Company continues to mature, we are continuing to transition from an entrepreneurial-based management incentive structure to a more traditional compensation program. This transition called for us to make certain modifications to our compensation philosophy and attendant adjustments in our compensation program. More specifically, our goal is to focus on returns and value creation per share that will reward more disciplined capital investment, efficient operations, and free cash flow generation. In addition, for calendar year 2018, we adopted a simplified annual incentive program that focuses on four key performance metrics. Further, our compensation program targets the market median for all elements of our Named Executive Officers’ compensation. We believe these changes to our compensation philosophy and practices promoted a stronger alignment between Named Executive Officer pay and Company performance, and deliver greater value to our shareholders as our Company continues to grow and mature.

Compensation Best Practices

The following table highlights the compensation best practices we follow:

<u>What We Do</u>	<u>What We Don’t Do</u>
✓ Use a representative and relevant peer group	✗ No tax gross ups for executive officers
✓ Target the market median for all elements of Named Executive Officers’ compensation	✗ No “single-trigger” change-in-control cash payments
✓ Apply robust minimum stock ownership guidelines	✗ No excessive perquisites
✓ Link annual incentive compensation to the achievement of objective pre-established performance goals tied to operational and strategic priorities	✗ No severance arrangements for Named Executive Officers
✓ Evaluate the risk of our compensation programs	✗ No guaranteed bonuses for Named Executive Officers
✓ Use and review compensation tally sheets	✗ No management contracts
✓ Provide 100% long-term incentive awards in the form of performance-based equity	✗ No re-pricing, backdating or underwater cash buy-outs of options or stock appreciation rights
✓ Use an independent compensation consultant	✗ No hedging or pledging of Company stock
✓ Maintain a clawback policy	✗ No separate benefit plans for Named Executive Officers
	✗ No granting of stock options with an exercise price less than the fair market value of the Company’s common stock on the date of grant

Implementing Our Compensation Program Objectives

Role of the Compensation Committee

The Compensation Committee oversees all matters of our executive compensation program and has the final decision-making authority on all executive compensation matters. Each year, the Compensation Committee reviews, modifies (if necessary), and approves our peer group, corporate goals and objectives relevant to the compensation of the Company’s Chief Executive Officer (“CEO”) and other executive officers, and the executive compensation program. In addition, the Compensation Committee is responsible for reviewing the performance of the CEO and the Company’s President, Chief Financial Officer and Secretary

(“President/CFO”) within the framework of our executive compensation goals and objectives. Based on this evaluation, the Compensation Committee sets the compensation of the CEO and the President/CFO.

The CEO and the President/CFO typically provide recommendations to the Compensation Committee regarding the compensation levels for the other executive officers and for our executive compensation program as a whole. In making their recommendations, the CEO and the President/CFO consider each executive officer’s performance during the year, the Company’s performance during the year, and comparable company compensation levels and independent oil and gas company compensation surveys. The Compensation Committee considers these recommendations when reviewing the performance of, and setting compensation for, the other executive officers.

Actual compensation decisions for individual officers are the result of a subjective analysis of a number of factors, including the individual officer’s role within our organization, performance, experience, skills or tenure with us, changes to the individual’s position, and relevant trends in compensation practices. The Compensation Committee also considers a Named Executive Officer’s current and prior compensation when setting future compensation. Specifically, current compensation is considered a base, and the Compensation Committee determines whether adjustments to that base are necessary to retain the executive in light of competition and to provide continuing performance incentives. Thus, the Compensation Committee’s decisions regarding compensation are the result of the exercise of judgment based on all reasonably available information and, to that extent, compensation is discretionary.

Role of External Advisors

The Compensation Committee has the authority to retain an independent executive compensation consultant. For 2018, the Compensation Committee retained Frederic W. Cook & Co., Inc. (“F.W. Cook”). In compliance with the SEC and NYSE disclosure requirements, the Compensation Committee reviewed the independence of F.W. Cook under six independence factors. After its review, the Compensation Committee determined that F.W. Cook was independent.

In 2018, F.W. Cook:

- Collected and reviewed all relevant company information, including our historical compensation data and our organizational structure;
- With input from management, established a peer group of companies to use for executive compensation comparisons;
- Assessed our compensation program’s position relative to market for our Named Executive Officers and stated compensation philosophy;
- Prepared a report of its analysis, findings and recommendations for our executive compensation program; and
- Completed other ad hoc assignments, such as helping with the design of incentive arrangements.

F.W. Cook’s reports were provided to the Compensation Committee in 2018 and also used by Messrs. Rady and Warren in making their recommendations to the Compensation Committee.

Competitive Benchmarking

When assessing the soundness of our compensation programs, the Compensation Committee compares the pay practices for our Named Executive Officers against the pay practices of other companies. This process recognizes our philosophy that our compensation practices should be competitive, though marketplace information is only one of the many factors we consider.

Messrs. Rady and Warren used market compensation data provided by F.W. Cook to assess the total compensation levels of our top five executives relative to market, and to make recommendations to the Compensation Committee. Market data is developed by comparing each executive officer’s compensation with that of officers in similar positions with companies in our Peer Group (described below) and with those in the E&P industry in general. To the extent possible, we consider the specific responsibilities assumed by our executives and those assumed by executives at other organizations (based on peer SEC filings) to determine whether the positions are comparable. We give greater weight to Peer Group data if a position appears comparable to the position of one of our Named Executive Officers. Otherwise, we supplement Peer Group data with industry data from the 2018 Oil and Gas E&P Industry Compensation Survey prepared by Effective Compensation, Incorporated.

Peer Group

In 2018, F.W. Cook identified a peer group of onshore publicly traded oil and gas companies that are reasonably similar to us in terms of size and operations. We refer to the following 17 companies as the “Peer Group”:

- | | |
|-------------------------------------|-------------------------------------|
| ⌚ Cabot Oil & Gas Corporation | ⌚ Parsley Energy, Inc. |
| ⌚ Cimarex Energy Co. | ⌚ Pioneer Natural Resources Company |
| ⌚ CNX Resources Corporation | ⌚ QEP Resources, Inc. |
| ⌚ Concho Resources Inc. | ⌚ Range Resources Corporation |
| ⌚ Continental Resources Corporation | ⌚ SM Energy Company |
| ⌚ Devon Energy Corporation | ⌚ Southwestern Energy Company |
| ⌚ Diamondback Energy, Inc. | ⌚ Whiting Petroleum Corporation |
| ⌚ EQT Corporation | ⌚ WPX Energy, Inc. |
| ⌚ Noble Energy, Inc. | |

Two members of our 2017 peer group, Energen Corporation and Newfield Exploration Company, were removed from our Peer Group for 2018 due to pending acquisitions at the time of the review, and three companies, CNX Resources Corporation, Diamondback Energy, Inc. and Parsley Energy, Inc., were added to the Peer Group based on similar size and operational scale.

Positioning Versus Market

Beginning in 2018, we determined that it was appropriate to target the median of the Peer Group for base salaries, annual cash incentive awards, and long-term equity-based incentive awards. This is a reduction from 2017, when compensation was targeted at the 75th percentile. This reduction was adopted in response to our 2017 say-on-pay vote and feedback received from our shareholder outreach program. As noted throughout this Compensation Discussion and Analysis, target compensation is only one of many factors considered by the Compensation Committee when setting compensation levels for our Named Executive Officers.

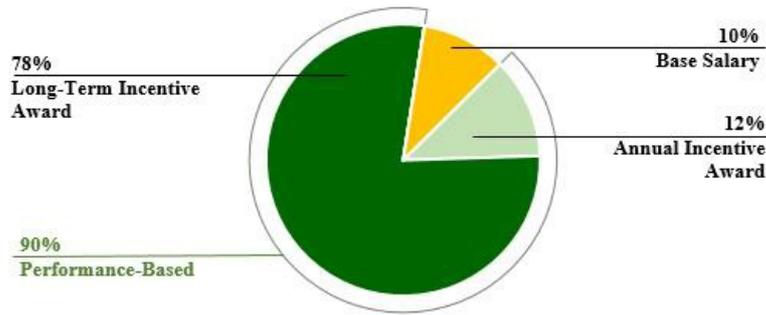
Elements of Direct Compensation

Our Named Executive Officers’ compensation includes the key components described below.

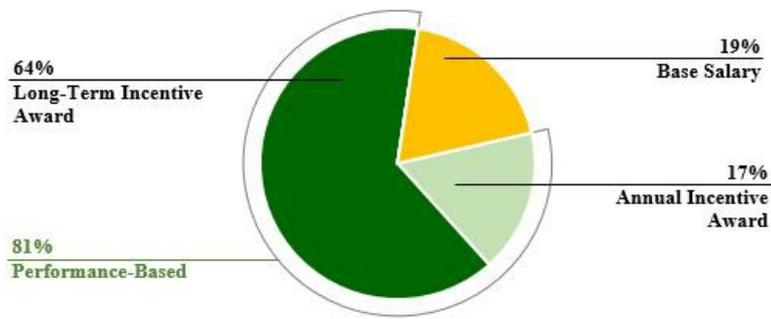
<u>Pay Component</u>	<u>Form of Pay</u>	<u>How Amount is Determined</u>	<u>Objective</u>
Base salary	Cash	Market-competitive amount that reflects the executive’s relative skills, responsibilities, experience and contributions	Provide a minimum, fixed level of cash compensation
Annual incentive awards	Cash	Performance against four metrics	Encourage performance that is aligned with our business strategy and that should lead to long-term shareholder value
Long-term incentive awards	100% performance share units	Three-year return on capital employed; and three-year absolute total shareholder return, as adjusted by relative total shareholder return compared to the Peer Group	Encourage performance that delivers value to shareholders through stock price appreciation

For 2018, these components, at target, were distributed as shown below for our CEO and our other Named Executive Officers:

CEO Target Compensation



Other NEO's Target Compensation (average)



Base Salaries

Base salaries are designed to provide a minimum, fixed level of cash compensation for services rendered during the year. In addition to providing a base salary that is competitive with salaries paid by other independent oil and gas exploration and production companies, the Compensation Committee also considers whether our pay levels appropriately align each Named Executive Officer's base salary level relative to the base salary levels of our other officers. Our objective is to have base salaries that accurately reflect each officer's relative skills, experience and contributions to the Company. To that end, annual base salary adjustments are based on a subjective analysis of many individual factors, including:

- the responsibilities of the officer;
- the period over which the officer has performed these responsibilities;
- the scope, level of expertise, and experience required for the officer's position;
- the strategic impact of the officer's position; and
- the potential future contribution and demonstrated individual performance of the officer.

In addition to the individual factors listed above, the Compensation Committee considers our overall business performance and implementation of Company objectives when determining annual base salaries. While these metrics generally provide context for

making salary decisions, base salary decisions do not depend on attainment of specific goals or performance levels and no specific weighting is given to one factor over another.

Base salaries are reviewed annually, but are not necessarily increased if the Compensation Committee believes that (1) our executives are currently compensated at proper levels in light of Company performance or external market factors, or (2) an increase or addition to other elements of compensation would be more appropriate in light of our stated objectives.

In February 2018, after comparing base salary levels to those of similarly situated executives in the Peer Group and considering the individual and business factors described above, Messrs. Rady and Warren recommended to the Compensation Committee that the Named Executive Officers other than themselves receive a 3% base salary increase to reflect increases in cost of living, as reflected in the table below. The Compensation Committee approved this recommendation.

Executive Officer	Base Salary as of March 2017	Base Salary as of March 2018	Percentage Increase
Paul M. Rady	\$ 858,000	\$ 858,000	0 %
Glen C. Warren, Jr.	\$ 645,000	\$ 645,000	0 %
Alvyn A. Schopp	\$ 432,000	\$ 444,960	3 %
Kevin J. Kilstrom	\$ 432,000	\$ 444,960	3 %
Michael N. Kennedy	\$ 375,000	\$ 386,250	3 %

Annual Cash Incentive Awards

Purpose and Operation

Annual cash incentive payments, which we also refer to as cash bonuses, are a key component of each Named Executive Officer's annual compensation package. Historically, the Compensation Committee used an annual discretionary cash bonus. However, based on recommendations from F.W. Cook, the Compensation Committee implemented a formal annual incentive plan design beginning in fiscal 2014. This annual incentive plan is based on a balanced scorecard that is used to measure our performance.

As part of a more structured annual incentive program, we adopted bonus targets for each of the Named Executive Officers, expressed as a percentage of base salary. These targets, which were determined based on our compensation strategy of providing incentive compensation opportunities that are competitive with the market median, are listed below.

Executive Officer	2018 Target Bonus (as a % of base salary)
Paul M. Rady	120 %
Glen C. Warren, Jr.	100 %
Alvyn A. Schopp	85 %
Kevin J. Kilstrom	85 %
Michael N. Kennedy	85 %

Performance Metrics

For 2018, based on the feedback received from our shareholders in connection with the Company’s outreach program, the Compensation Committee decided to alter the structure of our annual incentive program. We believe the new, simplified design of the annual incentive program implemented for 2018 provides a more transparent bonus structure with more objectively determinable payouts. We also believe the new structure is more consistent with our shareholders’ investment experience. The Compensation Committee selected the four metrics described below for the 2018 fiscal year under our annual incentive plan. These metrics, which were specifically chosen for their importance in supporting the strategic initiatives we have established for 2018, are weighted equally in calculating annual bonuses. The following tables shows the results of the 2018 annual incentive program:

Weighting Factor	Selected Metrics	Threshold Performance	Target Performance	Maximum Performance	Actual Performance	Performance (% of Target)	Weighted Score
25%	Debt-Adjusted Net Production Growth per Share ⁽¹⁾	9%	13%	18%	13%	100%	25%
25%	Net Debt/EBITDAX ⁽²⁾	2.5x	2.1x	1.8x	2.2x	88%	21.88%
25%	Free Cash Flow ⁽³⁾	\$(170 million)	\$20 million	\$215 million	\$(303 million)	0%	0%
25%	Safety and Environmental ⁽⁴⁾	0.800 TRIR	0.580 TRIR	.300 TRIR	0.554 TRIR	106%	8.83%
		0.100 LTIR	0.080 LTIR	.030 LTIR	0.077 LTIR	109%	9.11%
		—	0 Notices	—	0 Notices	100%	8.33%
100%						TOTAL	73.15%

(1) **Debt-Adjusted Net Production Growth per Share**

Definition. Annual production volumes divided by debt-adjusted shares. Debt-adjusted shares represent current shares outstanding plus the quotient of total debt at year end 2018, divided by the weighted average share price during 2018.

Rationale. Production volumes are critical to our profitability. Measuring those volumes on a debt-adjusted per-share basis motivates management to produce those volumes in a capital-efficient manner.

(2) **Net Debt/EBITDAX**

Definition. Year-end 2018 net debt divided by 2018 full-year adjusted EBITDAX.

Rationale. Managing the balance sheet leverage is essential for growing the business efficiently. Net Debt/EBITDAX is a key debt coverage ratio that motivates management to minimize debt relative to cash flow.

(3) **Free Cash Flow**

Definition. Stand-alone E&P adjusted operating cash flow, less stand-alone E&P drilling and completion capital, less land maintenance capital.

Rationale. Measuring and rewarding Free Cash Flow directly supports our go-forward strategy of sustainable free cash flow growth by motivating management to optimize operating cash flow relative to upstream capital budgets.

(4) **Safety and Environmental**

Definition. The Company measured performance in the Safety and Environmental performance category through several lagging indicators:

- *Lost Time Incident Rate (“LTIR”).* This metric refers to the number of lost time injuries (i.e., work-related injuries that result in an employee being unable to perform normal work duties the work day following the injury event). LTIR is calculated first by *multiplying* the total number of lost time injuries by 200,000, and then dividing that product by the number of labor hours for the recording period.

- *Total Recordable Incident Rate (“TRIR”).* This metric refers to the number of OSHA recordable injuries/illnesses (i.e., work-related injuries/illnesses that result in medical intervention beyond first aid). TRIR is calculated first by multiplying the total number of recordable injuries/illnesses by 200,000, and then dividing that product by the number of labor hours for the recording period.
- *Environmental.* Performance with respect to this metric is attained if there are no major environmental related Notices of Violation (fines not exceeding \$100,000) occurring during the measurement period.

In addition, the Company monitored several leading indicators in determining performance for the Safety and Environmental performance category. Leading indicators are proactive, preventative and predictive measures that provide current information regarding the effective performance, activities and processes of a Safety and Environmental system that may help identify, eliminate or control risks in the workplace. Management reviewed the progress of each leading indicator throughout 2018 and assessed if performance was adequate in light of the Company’s operation. These leading indicators include: HSSE training, Operational Safety Steering Team activities, Corrective Action/Preventative Action closeout, Environmental Compliance Audit Score, Operational Risk Register Reviews, and Field Safety Committee meeting compliance.

Rationale. Maintaining a safe work environment and sustainable environmental record is critical to the success of the business and execution of our strategy. Measuring safety and environmental metrics motivates all participants to maintain focus on these metrics.

2018 Annual Incentive Program Payouts

The Compensation Committee evaluated the 2018 annual incentive scorecard and considered the factors noted above. Our performance for 2018 resulted in a payout calculation of 73.15%. The Compensation Committee elected to pay 2018 annual incentive bonuses in March 2019 in the amounts shown below for the Named Executive Officers. There were no adjustments for individual performance.

Executive Officer	2018 Target Bonus (\$)	Performance Achievement Level (Percentage of Target)	Actual 2018 Bonus (\$)
Paul M. Rady	1,029,600	73.15%	753,140
Glen C. Warren, Jr.	645,000	73.15%	471,810
Alvyn A. Schopp	378,216	73.15%	276,661
Kevin J. Kilstrom	378,216	73.15%	276,661
Michael N. Kennedy	328,313	73.15%	240,157

We are aware that equity prices for E&P companies remain depressed. However, we believe that the results of our annual incentive program are appropriate and aligned with the interests of our shareholders. We consider the results of this program to have a direct correlation to the actions of our management team. Payments under the annual incentive plan will help us to retain and reward the executive team that is responsible for our success.

Long-Term Equity-Based Incentive Awards

Long-Term Incentive Awards Granted in 2018

Based on feedback received from our shareholders in connection with our outreach program, the Compensation Committee adjusted our compensation philosophy with respect to long-term equity-based awards to better reflect our shareholders’ investment experience in the Company. Specifically, equity awards granted in 2018 targeted the market 50th percentile of the Peer Group, resulting in a reduced grant value for each Named Executive Officer (in the aggregate, grant values for 2018 were reduced 23% compared to grant values for 2017). In 2018, all long-term incentive awards for our Named Executive Officers were in the form of performance share units granted under the Antero Resources Corporation Long-Term Incentive Plan (the “AR LTIP”). The number of performance share units granted to our Named Executive Officers in 2018 are described more fully under “Grants of Plan-Based Awards for Fiscal Year 2018” below.

Of the performance share units granted in 2018, 70% were based on absolute total shareholder return, or “TSR”, with a relative TSR modifier (the “TSR PSUs”), and 30% were based on return on capital employed, or “ROCE” (the “ROCE PSUs”). The Compensation Committee selected these metrics as they provide for a rigorous framework that rewards the Named Executive Officers

for improving absolute stock price, while measuring the Company’s performance against industry peers as well. ROCE was added as a performance metric because it motivates the Named Executive Officers to make decisions that result in efficient deployment of capital in the business. Additionally, ROCE is a metric that many investors consider when assessing the performance of companies in the oil and gas sector.

In order to achieve payout under the TSR PSUs, the Company’s absolute TSR must be at least 50% of the target price of \$24.97 (the “Target Price”) at the end of the three-year performance period on April 15, 2021, with the payout, subject to adjustment as described below, determined as follows:

Performance Level	Absolute TSR	Performance Payout % (Pre-Adjustment)
Below Threshold	< 50% of Target Price	0%
Threshold	50% of Target Price	50%
Target	Target Price	100%
Maximum	≥ 150% of Target Price	150%

Following determination of the absolute TSR, the payout of the TSR PSUs may be adjusted to reflect our TSR performance relative to our peer group over the performance period. A relative TSR ranking of less than the 25th percentile results in a negative 50% adjustment to the payout of the TSR PSUs, and a relative TSR ranking of greater than the 75th percentile results in a positive 50% adjustment to the payout of the TSR PSUs. A relative TSR ranking of between the 25th percentile and the 75th percentile would not result in an adjustment to the payout of the TSR PSUs.

In order to achieve payout under the ROCE PSUs, the Company’s ROCE must be at least 85% of 8.7% (the “Target ROCE”) at the end of the three-year performance period on December 31, 2020, with the payout determined as follows:

Performance Level	ROCE	Performance Payout %
Below Threshold	< 85% of Target ROCE	0%
Threshold	85% of Target ROCE	50%
Target	Target ROCE	100%
Maximum	≥ 115% of Target ROCE	200%

Other Benefits

Health and Welfare Benefits

Our Named Executive Officers are eligible to participate in all of our employee health and welfare benefit arrangements on the same basis as other employees (subject to applicable law). These arrangements include medical, dental and disability insurance, as well as health savings accounts. We provide these benefits in order to ensure that we can competitively attract and retain officers and other employees. This is a fixed component of compensation, and these benefits are provided on a non-discriminatory basis to all employees.

Retirement Benefits

We maintain an employee retirement savings plan through which employees may save for retirement or future events on a tax-advantaged basis. Participation in the 401(k) plan is at the discretion of each individual employee, and our Named Executive Officers participate in the plan on the same basis as all other employees. The plan permits us to make discretionary matching and non-elective contributions. Since January 1, 2014, the Company has matched 100% of the first 4% of eligible compensation that employees contribute to the plan, but on January 1, 2019, the Company increased its match to the first 6% of eligible compensation that employees contribute to the plan. These matching contributions are immediately fully vested.

Perquisites and Other Personal Benefits

We believe the total mix of compensation and benefits provided to our Named Executive Officers are currently competitive. Therefore, perquisites do not play a significant role in our Named Executive Officers’ total compensation.

Impact of Simplification Transaction

As described in “Item 13. Certain Relationships and Related Transactions and Director Independence—Agreements Related to the Transactions,” we, AMGP and certain of their affiliates entered into a Simplification Agreement. In connection with the Transactions contemplated by the Simplification Agreement, outstanding phantom units under the Midstream LTIP and Series B Units in IDR LLC held by certain of our Named Executive Officers will be converted or exchanged as described below. The Transactions will not constitute a “change in control” transaction under the applicable compensation arrangements, thus there are no change in control payments due to the executive officers in connection with the Transactions.

Antero Midstream Phantom Units

Our Named Executive Officers spend a portion of their time providing services to the Partnership, and thus are entitled to receive grants of equity-based awards under the Partnership’s Long Term Incentive Plan (the “Midstream LTIP”). In November 2014, each of our Named Executive Officers was granted phantom units under the Midstream LTIP in connection with the initial public offering of the Partnership. In April 2016 and 2017, each of our Named Executive Officers was granted additional phantom units under the Midstream LTIP as compensation for their additional services provided to the Partnership. No phantom units under the Midstream LTIP were granted during 2018. Phantom units granted under the Midstream LTIP generally represent the right to receive common units of the Partnership upon vesting.

At the effective time of the Transactions, each outstanding phantom unit under the Midstream LTIP, including those held by our Named Executive Officers, will be converted into a restricted stock unit or similar award of New AM with substantially the same terms and conditions (including with respect to vesting) applicable to such phantom unit award immediately prior to the effective time of the Transactions, representing the right to receive a number of shares of common stock of New AM equal to (i) the number of common units of the Partnership subject to such phantom unit award immediately prior to the effective time of the Transactions, multiplied by (ii) (A) 1.6350, plus (B) \$3.415 divided by the average of the 20-day volume weighted average trading price per common share representing limited partner interests in AMGP prior to the election deadline. Additionally, all distribution equivalent rights granted in tandem with a corresponding phantom unit award will be converted into a distribution equivalent right or similar award of New AM with substantially the same terms and conditions (including with respect to vesting) applicable to such distribution equivalent right immediately prior to the effective time of the Transactions, representing the right to receive (i) any balance accrued on such distribution equivalent right as of the effective time of the Transactions and (ii) any dividends paid or distributions made by New AM from and after the effective time of the Transactions with respect to the number of shares of common stock of New AM subject to the converted phantom unit award to which such converted distribution equivalent right relates.

Series B Units in IDR LLC

IDR LLC was formed to hold 100% of the Partnership’s IDRs. As of December 31, 2018, Messrs. Rady, Warren and Kennedy held 48,000, 32,000 and 4,000, respectively, of the 98,600 outstanding Series B Units in IDR LLC. To the extent vested, the Series B Units in IDR LLC entitle the holders thereof to receive, subject to the terms and provisions of the IDR LLC Agreement and the incentive unit award agreements pursuant to which the awards were granted, a proportionate amount of up to 6% of any future profits of IDR LLC that result from any distributions on the Partnership’s IDRs that are held by IDR LLC in excess of \$7.5 million per quarter. Unvested Series B Units in IDR LLC are not entitled to receive any distributions; however, in connection with any subsequent distribution on the Partnership’s IDRs following the date an unvested Series B Unit in IDR LLC becomes vested, the holder of such vested Series B Unit in IDR LLC is entitled to receive an additional distribution equal to the aggregate amount of distributions that would have been made with respect to such Series B Unit in IDR LLC during the period in which such Series B Unit was unvested if such Series B Unit had been vested.

With respect to vested Series B Units in IDR LLC, Messrs. Rady, Warren and Kennedy have the right, upon delivery of notice to IDR LLC, to require IDR LLC to redeem all or a portion of their vested Series B Units for a number of newly issued AMGP common shares, equal to the quotient determined by dividing (a) the product of (i) the Per Vested B Unit Entitlement (as defined below) and (ii) the number of vested Series B Units being redeemed, by (b) the volume-weighted average price of an AMGP common share for the 20 trading days ending on and including the trading day prior to the date of such notice (the “AMGP VWAP Price”). However, in no event will the aggregate number of AMGP common shares issued by AMGP pursuant to all such redemptions by owners of Series B Units exceed 6% of the aggregate number of issued and outstanding AMGP common shares.

For purposes of the redemption right described above, the “Per Vested B Unit Entitlement” is calculated in accordance with the IDR LLC Agreement, and will equal, as of the date of determination, the quotient obtained by dividing (a) the product of (i) the fair market value of IDR LLC (which for this purpose is based on the equity value of AMGP calculated on the applicable date of

determination by multiplying the AMGP VWAP Price and the number of then-outstanding AMGP common shares) as of such date minus \$2.0 billion and (ii) the product of (A) 6%, (B) the percentage of authorized Series B Units that are outstanding at such time and (C) the percentage of outstanding Series B Units that have vested, by (b) the total number of vested Series B Units outstanding at such time. In addition, upon the earliest to occur of (x) December 31, 2026, (y) a change of control transaction of AMGP or of IDR LLC, or (z) a liquidation of IDR LLC, AMGP may redeem each outstanding Series B Unit in exchange for AMGP common shares in accordance with the ratio described above, subject to certain limitations.

The remaining unvested Series B Units in IDR LLC issued to Messrs. Rady and Warren on December 31, 2016, will become vested on December 31, 2019, so long as the applicable executive remains continuously employed by us or one of our affiliates through such date. The remaining unvested Series B Units in IDR LLC issued to Mr. Kennedy on January 10, 2017 will become vested on December 31, 2019, so long as Mr. Kennedy remains continuously employed by us or one of our affiliates through such date. The potential acceleration and forfeiture events relating to these units are described in greater detail under the heading “Potential Payments Upon Termination or Change of Control” below.

Pursuant to the Simplification Agreement, AMGP, as the managing member of IDR Holdings, and Messrs. Rady and Warren, as the holders of a majority of the Series B Units, entered into an amendment to the IDR Holdings LLC Agreement to facilitate the Series B Exchange. At the effective time of the Transactions, each holder of Series B Units in IDR LLC, including our Named Executive Officers, will transfer each Series B Unit in IDR LLC it owns (vested and unvested) in exchange for (i) 176.0041 shares of common stock of New AM, which will be subject to the terms set forth in the limited liability company agreement of IDR LLC (the “IDR LLC Agreement”) and will vest in accordance with the applicable equity grant agreement pursuant to which the Series B Unit in IDR LLC was originally issued, (ii) an amount in cash equal to the unpaid distributions (other than tax distributions) declared with respect to vested Series B Units in IDR LLC, if any, pursuant to the distribution provisions of the IDR LLC Agreement, and (iii) an amount in cash to be deposited into an escrow account equal to the distributions declared with respect to unvested Series B Units in IDR LLC, excluding any amounts attributable to any distributions made with respect to unvested Series B Units in IDR LLC after December 31, 2018 but prior to the effective time of the Transactions. Holders of Series B Units in IDR LLC, including our Named Executive Officers who hold Series B Units, will not be entitled to receive any distributions paid by IDR LLC or dividends paid by New AM during the 12 months ending December 31, 2019 that are payable on any Series B Units in IDR LLC or shares received in exchange for such Series B Units, as applicable, that are scheduled to vest on December 31, 2019.

Other Matters

Employment, Severance or Change-in-Control Agreements

We do not maintain any employment, severance or change-in-control agreements with any of our Named Executive Officers.

As discussed below under “Potential Payments Upon a Termination or a Change in Control,” any of Messrs. Rady, Warren, Schopp, Kilstrom or Kennedy could be entitled to receive accelerated vesting of his restricted stock units in the Company, Series B Units in IDR LLC or phantom units in the Partnership, as applicable (including shares of common stock of New AM received in exchange for such Series B Units in IDR LLC or phantom units in the Partnership), that remain unvested upon his termination of employment with us under certain circumstances or upon the occurrence of certain corporate events. The Transactions will not result in accelerated vesting of such awards or the Series B Units.

Unit Ownership Guidelines

Under the Partnership’s unit ownership guidelines adopted in 2014, our executive officers are required to own a minimum number of common units in the Partnership within five years of the adoption of the guidelines or within five years of becoming an executive officer, whichever is later. Specifically, each of our executive officers is required to own common units in the Partnership having an aggregate fair market value equal to at least a designated multiple of the executive officer’s base salary, as shown below.

Officer Level	Ownership Guideline
Chief Executive Officer, President, and Chief Financial Officer	5x annual base salary
Vice President	3x annual base salary
Other Officers (if applicable)	1x annual base salary

These unit ownership guidelines are designed to align our executive officers’ interests more closely with those of the Partnership’s unitholders.

Tax and Accounting Treatment of Executive Compensation Decisions

Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”), generally imposes a \$1 million limit on the amount of compensation paid to “covered employees” (as defined in Section 162(m)) that a public corporation may deduct for federal income tax purposes in any year. The “Tax Cuts and Jobs Act,” enacted in 2017, repealed the performance-based compensation exception to the Section 162(m) deduction limitation for tax years beginning after December 31, 2017. In addition, the Tax Cuts and Jobs Act generally expanded the scope of who is considered a “covered employee.” With these changes, compensation paid to certain of our executives will be subject to the \$1 million per year deduction limitation imposed by Section 162(m) unless such compensation qualifies for the transition relief applicable to certain compensation arrangements in place as of November 2, 2017. While we will continue to monitor our compensation programs in light of the deduction limitation imposed by Section 162(m), our Compensation Committee considers it important to retain the flexibility to design compensation programs that are in the best long-term interests of the Company and our shareholders. As a result, we have not adopted a policy requiring that all compensation be fully deductible. The Compensation Committee may conclude that paying compensation at levels in excess of the limits under Section 162(m) is nevertheless in the best interests of the Company and our shareholders. Given changes made to Section 162(m), it is likely that the Company will not be able to deduct for federal income tax purposes a portion of the compensation paid to our Named Executive Officers in 2018.

Many other Code provisions and accounting rules affect the payment of executive compensation and are generally taken into consideration as our compensation arrangements are developed. Our goal is to create and maintain compensation arrangements that are efficient, effective and in full compliance with these requirements.

Risk Assessment

We have reviewed our compensation policies and practices to determine if they create risks that are reasonably likely to have a material adverse effect on our Company. In connection with this risk assessment, we reviewed the design of our compensation and benefits program and related policies and determined that certain features of our programs and corporate governance generally help mitigate risk. Among the factors considered were the mix of cash and equity compensation, the balance between short- and long-term objectives of our incentive compensation, the degree to which programs provide for discretion to determine payout amounts, and our general governance structure.

Our Compensation Committee believes that our approach of evaluating overall business performance and implementation of company objectives assists in mitigating excessive risk-taking that could harm our value or reward poor judgment by our executives. Several features of our programs reflect sound risk-management practices.

- The Compensation Committee believes our overall compensation program provides a reasonable balance between short- and long-term objectives, which helps mitigate the risk of excessive risk-taking in the short term.
- The metrics that determine ultimate value awarded under our incentive compensation programs are associated with total company value. We do not believe these metrics create pressure to meet specific financial or individual performance goals.
- The performance criteria reviewed by the Compensation Committee in determining cash bonuses are based on overall performance relative to continually evolving objectives, and the Compensation Committee uses its subjective judgment in setting bonus levels for our officers. This is consistent with the Compensation Committee’s belief that applying company-wide objectives encourages decision-making that is in the best long-term interests of our Company and our stakeholders as a whole.
- The multi-year vesting of our equity awards discourages excessive risk-taking and undue focus on short-term gains that may not be sustainable.

Due to the foregoing program features, the Compensation Committee concluded that our compensation policies and practices for all employees, including our Named Executive Officers, are not reasonably likely to have a material adverse effect on the Company.

Tally Sheets

The Compensation Committee uses tally sheets as a reference point in reviewing and establishing our Named Executive Officers' compensation. The tally sheets provide a holistic view of all material elements of our Named Executive Officers' compensation, including base salary, annual cash incentive awards, long-term equity incentive awards and indirect compensation such as perquisites and retirement benefits. Tally sheets also demonstrate the amounts each executive could potentially receive under various termination and change in control scenarios, as well as a summary of all shares beneficially owned.

Hedging and Pledging Prohibitions

We have adopted an Insider Trading Policy at each of the Company, the Partnership, and AMGP that prohibits our Named Executive Officers from engaging in speculative transactions involving our common stock, common units of the Partnership, and common shares of AMGP, including buying or selling puts or calls, short sales, purchases of securities on margin, or otherwise hedging the risk of ownership of such securities. The Insider Trading Policies also strictly prohibit our Named Executive Officers from pledging shares of such securities as collateral.

Clawback Policy

We have adopted a general clawback policy at each of the Company and the Partnership covering long-term incentive award plans and arrangements. The clawback policy applies to our current Named Executive Officers as well as certain of our former Named Executive Officers. Generally, recoupment of compensation would be triggered under the policy in the event of a financial restatement caused by fraud or intentional misconduct. In the event of such misconduct, we may recoup performance-based equity compensation that was granted, earned or vested based wholly or in part upon the attainment of any financial reporting measure during the period in which such misconduct took place. The clawback policy gives the policy administrator discretion to determine whether a clawback of compensation should be initiated in any given case, as well as the discretion to make other determinations, including whether a covered individual's conduct meets a specified standard, the amount of compensation to be clawed back, and the form of reimbursement to the Company.

In order to comply with applicable law, the clawback policy may be updated or modified once the SEC adopts final clawback rules pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. In addition, the AR LTIP, the Midstream LTIP and the Antero Midstream Partners GP LP Long-Term Incentive Plan (the "AMGP LTIP") generally provide that, to the extent required by applicable law or any applicable securities exchange listing standards, or as otherwise determined by the Compensation Committee, all awards under the AR LTIP, Midstream LTIP and AMGP LTIP, as applicable, are subject to the provisions of any clawback policy the Company or the Partnership, as applicable, implements.

Board Report

The material in this report is not "soliciting material," is not deemed "filed" with the SEC, and is not to be incorporated by reference into any filing under the Securities Act or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in such filing.

The Board of Directors of our general partner has reviewed and discussed the foregoing Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussion, the Board of Directors of our general partner has determined that the Compensation Discussion and Analysis shall be included in this Annual Report on Form 10-K.

Antero Midstream Partners GP LLC Board Members:

Peter R. Kagan
W. Howard Keenan, Jr.
Paul J. Korus
David A. Peters
John C. Mollenkopf
Paul M. Rady
Glen C. Warren, Jr.

Summary Compensation Table

The following table summarizes, with respect to our Named Executive Officers, information relating to the compensation earned for services rendered in all capacities during the fiscal years ended December 31, 2018, 2017 and 2016.

Summary Compensation Table for the Years Ended December 31, 2018, 2017 and 2016

Name and Principal Position	Year	Salary (\$) ⁽¹⁾	Bonus (\$) ⁽²⁾	Stock Awards (\$) ⁽³⁾	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$) ⁽⁴⁾	All Other Compensation (\$) ⁽⁵⁾	Total (\$)
Paul M. Rady (Chairman of the Board of Directors and Chief Executive Officer)	2018	858,000	—	7,520,882	—	753,140	11,000	9,143,022
	2017	853,833	823,680	8,240,720	—	—	10,800	9,929,033
	2016	831,667	1,249,500	8,185,133	— ⁽⁶⁾	—	10,600	10,276,900
Glen C. Warren, Jr. (Director, President and Chief Financial Officer of the Company and Secretary)	2018	645,000	—	3,076,725	—	471,810	11,000	4,204,534
	2017	641,833	516,000	5,493,827	—	—	10,800	6,662,460
	2016	625,000	782,500	5,456,802	— ⁽⁶⁾	—	10,600	6,874,902
Alvyn A. Schopp (Chief Administrative Officer and Sr. Regional Vice President)	2018	442,800	—	1,538,352	—	276,661	11,000	2,268,813
	2017	429,833	367,200	2,032,733	—	—	10,800	2,840,566
	2016	418,333	445,188	12,805,262	—	—	10,600	13,679,383
Kevin J. Kilstrom (Sr. Vice President—Production)	2018	442,800	—	1,538,352	—	276,661	11,000	2,268,813
	2017	429,833	367,200	2,032,733	—	—	10,800	2,840,566
	2016	418,333	445,188	6,739,263	—	—	10,600	7,613,384
Michael N. Kennedy (Sr. Vice President—Finance, and Chief Financial Officer of the Partnership)	2018	384,375	—	1,538,352	—	240,157	11,000	2,173,884
	2017	373,167	300,000	2,032,733	— ⁽⁶⁾	—	10,800	2,716,700
	2016	363,333	364,000	2,021,264	—	—	9,680	2,758,277

- (1) The amounts in this column may differ from those reported above under “Compensation Discussion and Analysis—Elements of Direct Compensation—Base Salaries” due to the fact that adjustments to the base salaries of our Named Executive Officers for the 2016, 2017 and 2018 fiscal years took effect on March 1, 2016, March 1, 2017 and March 1, 2018, respectively.
- (2) Represents the aggregate amount of the annual discretionary cash bonuses paid to each Named Executive Officer for 2016 and 2017. The new annual incentive program implemented in 2018 is intended to incentivize our Named Executive Officers to achieve specific performance goals throughout the year, and, as a result, such amounts earned under the new annual incentive program for 2018 are reported in the “Non-Equity Incentive Plan Compensation” column, rather than the “Bonus” column.
- (3) The amounts in this column represent the grant date fair value of (i) restricted stock unit awards and performance share unit awards granted to the Named Executive Officers pursuant to the AR LTIP and (ii) phantom units (which include Midstream DERs, as discussed in “Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table—Phantom Unit Awards” below) granted to the Named Executive Officers pursuant to the Midstream LTIP, each as computed in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standard Codification (“ASC”) Topic 718. In 2018, the only awards that were granted were performance share unit awards under the AR LTIP. See Note 9 to our consolidated financial statements for additional detail regarding assumptions underlying the value of these equity awards.
- (4) The amounts in this column represent the cash bonus paid to each Named Executive Officer under our 2018 annual incentive program.
- (5) The amounts in this column represent the amount of the Company’s 401(k) match for fiscal 2016, 2017 and 2018 for each participating Named Executive Officer. For fiscal 2016 and 2017, amounts in this column may include additional matching contributions with respect to the applicable fiscal year after the filings of the Annual Report

relating to such fiscal year.

- (6) In December 2016, Messrs. Rady and Warren were each issued Series B Units in IDR LLC, one-third of which were unvested as of December 31, 2018. Mr. Kennedy was granted Series B Units in IDR LLC on January 10, 2017, one-third of which were unvested as of December 31, 2018. As discussed below under the heading “Payments Upon Termination or Change in Control—

Series B Units in IDR LLC,” the Series B Units in IDR LLC are intended to constitute “profits interests” for federal tax purposes. Accordingly, if IDR LLC had been liquidated as of the date these Series B Units were granted, Messrs. Rady, Warren and Kennedy would not have been entitled to receive any distributions with respect to such Series B Units. Please see “Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table—Series B Units in IDR LLC” for more information regarding the Series B Units in IDR LLC.

Grants of Plan-Based Awards for Fiscal Year 2018

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Incentive Plan Awards ⁽²⁾			Grant Date Fair Value of Stock and Option Awards ⁽³⁾
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)	
Paul M. Rady		514,800	1,029,600	2,059,200				
TSR PSUs ⁽⁴⁾	4/15/18				111,487	222,973	445,946	5,540,879
ROCE PSUs ⁽⁵⁾	4/15/18				47,780	95,560	191,120	1,980,003
Glen C. Warren, Jr.		322,500	645,000	1,290,000				
TSR PSUs ⁽⁴⁾	4/15/18				45,608	91,216	182,432	2,266,718
ROCE PSUs ⁽⁵⁾	4/15/18				19,547	39,093	78,186	810,007
Alvyn A. Schopp		189,108	378,216	756,432				
TSR PSUs ⁽⁴⁾	4/15/18				22,804	45,608	91,216	1,133,359
ROCE PSUs ⁽⁵⁾	4/15/18				9,773	19,546	39,092	404,993
Kevin J. Kilstrom		189,108	378,216	756,432				
TSR PSUs ⁽⁴⁾	4/15/18				22,804	45,608	91,216	1,133,359
ROCE PSUs ⁽⁵⁾	4/15/18				9,773	19,546	39,092	404,993
Michael N. Kennedy		164,156	328,313	656,625				
TSR PSUs ⁽⁴⁾	4/15/18				22,804	45,608	91,216	1,133,359
ROCE PSUs ⁽⁵⁾	4/15/18				9,773	19,546	39,092	404,993

- (1) These columns reflect the threshold, target and maximum amount that may be earned under our 2018 annual incentive plan.
- (2) These columns reflect the threshold, target and maximum number of shares of the Company that may be earned under performance share unit awards granted on April 15, 2018.
- (3) The amounts in this column represent the grant date fair value of performance share unit awards granted to the Named Executive Officers pursuant to the AR LTIP, as computed in accordance with FASB ASC Topic 718. See Note 9 to our consolidated financial statements for additional detail regarding assumptions underlying the value of these equity awards.
- (4) These TSR PSUs granted on April 15, 2018 under the AR LTIP are earned (or not) based upon our three-year absolute TSR performance, as adjusted for relative TSR performance against a peer group of comparable E&P companies. Pursuant to the TSR PSUs, our Named Executive Officers are eligible to receive threshold, target and maximum payouts of 50%, 100% and 150%, respectively, of the target amount of TSR PSUs awarded. In order to achieve threshold, target and maximum payouts under the TSR PSUs, the Company’s absolute TSR performance must be at or over 50% of the target price, 100% of the target price or 150% of the target price, respectively. Additionally, the payout under the TSR PSUs may be further adjusted depending on the Company’s relative TSR performance, where a relative TSR ranking of less than the 25th percentile results in a negative adjustment of -50% and a relative TSR ranking of more than the 75th percentile results in a positive adjustment of 50%, which may result in payout at 0% of target, even if the threshold for actual TSR is achieved. If actual TSR is achieved at maximum (150% of target), the payout after the adjustment for relative TSR may be 200% of target, as reflected in the “Maximum” column.
- (5) These ROCE PSUs granted on April 15, 2018 under the AR LTIP are earned (or not) based upon the Company’s return on capital employed over the three-year performance period beginning January 1, 2018 and ending December 31, 2020. Pursuant to the ROCE PSUs, our Named Executive Officers are eligible to receive threshold, target and maximum payouts of 50%, 100% and 200%, respectively, of the target amount of ROCE PSUs. In order to achieve threshold, target and maximum payouts under the ROCE PSUs, the ROCE must be at or above 85% of the target ROCE, 100% of the target ROCE, or 115% of the target ROCE, respectively.

Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table

The following is a discussion of material factors necessary to an understanding of the information disclosed in the Summary Compensation Table and the Grants of Plan-Based Awards for Fiscal Year 2018 table.

Performance Share Units

The Compensation Committee granted performance share unit awards under the AR LTIP to each of our Named Executive Officers in April 2018. The performance share unit awards will be earned based partially upon our three-year absolute TSR, as adjusted by the relative TSR of the Peer Group, and partially upon our three-year ROCE. In each case, the applicable Named Executive Officer must remain continuously employed by us from the grant date through the applicable vesting date. All of the performance share unit awards will also vest in full upon a termination of a Named Executive Officer's employment due to his death or disability. The potential acceleration and forfeiture events related to these performance share units are described in greater detail under the heading "Potential Payments Upon Termination or Change in Control" below.

Outstanding Equity Awards at 2018 Fiscal Year-End

The following table provides information concerning equity awards that have not vested for our Named Executive Officers as of December 31, 2018.

Name	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options (#) ⁽¹⁾	Number of Securities Underlying Unexercised Options Exercisable (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Units That Have Not Vested (#)	Market Value of Units That Have Not Vested (\$) ⁽²⁾	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) ⁽³⁾
Paul M. Rady								
Restricted Stock Units ⁽⁴⁾					136,785	1,284,411		
Performance Share Units ⁽⁵⁾							447,739	4,204,269
Phantom Units ⁽⁶⁾					87,346	1,868,320		
Stock Options ⁽⁷⁾	25,000	75,000	50.00	4/15/25				
Series B Units in IDR LLC ⁽⁸⁾	16,000	32,000	N/A	N/A				
Glen C. Warren, Jr.								
Restricted Stock Units ⁽⁴⁾					91,191	856,279		
Performance Share Units ⁽⁵⁾							220,549	2,070,955
Phantom Units ⁽⁶⁾					58,230	1,245,545		
Stock Options ⁽⁷⁾	16,667	50,000	50.00	4/15/25				
Series B Units in IDR LLC ⁽⁸⁾	10,667	21,333	N/A	N/A				
Alvyn A. Schopp								
Restricted Stock Units ⁽⁴⁾					100,714	945,706		
Performance Share Units ⁽⁵⁾					22,222	208,665	231,216	2,171,118
Phantom Units ⁽⁶⁾					21,075	450,784		
Stock Options ⁽⁷⁾	6,250	18,750	50.00	4/15/25				
Kevin J. Kilstrom								
Restricted Stock Units ⁽⁴⁾					63,214	593,581		
Performance Share Units ⁽⁵⁾					9,722	91,290	156,216	1,466,868
Phantom Units ⁽⁶⁾					21,075	450,784		
Stock Options ⁽⁷⁾	6,250	18,750	50.00	4/15/25				
Michael N. Kennedy								
Restricted Stock Units ⁽⁴⁾					34,048	319,706		
Performance Share Units ⁽⁵⁾							97,882	919,112
Phantom Units ⁽⁶⁾					21,075	450,784		
Stock Options ⁽⁷⁾	6,250	18,750	50.00	4/15/25				
Stock Options	—	60,000	54.15	10/16/23				
Series B Units in IDR LLC ⁽⁸⁾	1,333	2,667	N/A	N/A				

(1) Awards reflected as “Unexercisable” are Series B Units in IDR LLC and stock option awards granted under the AR LTIP that have not yet vested.



- (2) The amounts reflected in this column represent the market value of (i) common stock underlying the unvested restricted stock unit awards and earned but unvested performance share unit awards granted under the AR LTIP held by the Named Executive Officers (where the applicable performance hurdle has been achieved but a period of continued service remains), computed based on the closing price of our common stock on December 31, 2018, which was \$9.39 per share and (ii) common units of the Partnership underlying the phantom unit awards granted under the Midstream LTIP to the Named Executive Officers, computed based on the closing price of the Partnership's common units on December 31, 2018, which was \$21.39 per unit.
- (3) The amounts reflected in this column represent the market value common stock underlying the performance share units granted under the AR LTIP reported in the preceding column, computed based on the closing price of our common stock on December 31, 2018, which was \$9.39 per share.
- (4) Except as otherwise provided in the applicable award agreement, (i) the restricted stock unit awards granted under the AR LTIP in 2016 will vest on April 15 of each of 2019 and 2020 and (ii) the restricted stock unit awards granted under the AR LTIP in 2015 will vest on April 15, 2019, in each case, so long as the applicable Named Executive Officer remains continuously employed by us from the grant date through the applicable vesting date.
- (5) This row includes performance share units granted under the AR LTIP, outstanding as set forth below. The amounts included in the parentheses reflect (i) the threshold number of performance share units for the performance share units that vest based on our relative TSR, the TSR PSU, as performance as of December 31, 2018 was below the threshold for payout of these awards; (ii) the maximum number of the ROCE PSUs, as performance as of December 31, 2018 was at maximum, and (iii) the number of unearned performance share units granted in 2016 as special retention awards for which the applicable stock price hurdle has not been achieved. The actual number of shares earned pursuant to performance share units may vary substantially from the amounts set forth below based on actual performance through the end of the applicable performance period.
 - In 2016 as a special retention award to Mr. Schopp (133,334) and Mr. Kilstrom (58,334), which vest based upon achievement of certain stock price hurdles. An additional number of performance share units granted to Mr. Schopp (22,222) and Mr. Kilstrom (9,722) have previously become earned upon achievement of the applicable stock price hurdle and will vest in February 2019, so long as the applicable Named Executive Officer remains continuously employed by us from the grant date through such date.
 - In 2016 to Mr. Rady (55,887), Mr. Warren (37,258), Mr. Schopp (13,972), Mr. Kilstrom (13,972) and Mr. Kennedy (13,972), that will vest following the Committee's determination of our relative three-year TSR achievement for the performance period ending April 15, 2019, so long as the applicable Named Executive Officer remains continuously employed by us from the grant date through such date.
 - In 2017 to Mr. Rady (89,245), Mr. Warren (59,497), Mr. Schopp (22,014), Mr. Kilstrom (22,014) and Mr. Kennedy (22,014), that will vest following the Committee's determination of our relative three-year TSR achievement for the performance period ending April 15, 2020, so long as the applicable Named Executive Officer remains continuously employed by us from the grant date through such date.
 - In 2018 to Mr. Rady (111,487), Mr. Warren (45,608), Mr. Schopp (22,804), Mr. Kilstrom (22,804) and Mr. Kennedy (22,804), that will vest following the Committee's determination of our absolute three-year TSR achievement for the performance period ending April 15, 2021, subject to adjustment based on our relative three-year TSR achievement for such performance period and so long as the applicable Named Executive Officer remains continuously employed by us from the grant date through such date.
 - In 2018 to Mr. Rady (191,120), Mr. Warren (78,186), Mr. Schopp (39,092), Mr. Kilstrom (39,092) and Mr. Kennedy (39,092), that will vest following the Committee's determination in April 2019 of our three-year ROCE achievement for the performance period ending December 31, 2020, so long as the applicable Named Executive Officer remains continuously employed by us from the grant date through the Committee's determination.
- (6) Except as otherwise provided in the applicable award agreement, the phantom units granted in 2016 under the Midstream LTIP will vest on April 15 of each of 2019 and 2020, so long as the applicable Named Executive Officer remains continuously employed by us from the grant date through the applicable vesting date.
- (7) The unvested stock option awards reflected in this row were granted under the AR LTIP and will become vested and exercisable on April 15, 2019, so long as the applicable Named Executive Officer remains continuously employed by us or one of our affiliates through such date.
- (8) The Series B Units in IDR LLC reflected in this row are intended to constitute profits interests for federal tax purposes, rather than traditional option awards, and therefore, there is no exercise price or expiration date associated with them. The unvested Series B Units in IDR LLC reflected in this row will become vested and exercisable on December 31, 2019, so long as the applicable Named Executive Officer remains continuously employed by us or one of our affiliates through each such date.

Option Exercises and Stock Vested in Fiscal Year 2018

The following table provides information concerning equity awards that vested or were exercised by our Named Executive Officers during the 2018 fiscal year.

Name	Option Awards(1)		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#) ⁽²⁾	Value Realized on Vesting (\$) ⁽³⁾
Paul M. Rady				
Restricted Stock Units	—	—	79,093	1,638,807
Phantom Units	—	—	83,000	2,231,400
Glen C. Warren, Jr.				
Restricted Stock Units	—	—	52,729	1,092,545
Phantom Units	—	—	55,333	1,487,592
Alvyn A. Schopp				
Restricted Stock Units	—	—	139,345	2,531,602
Phantom Units	—	—	20,398	549,022
Kevin J. Kilstrom				
Restricted Stock Units	—	—	89,345	1,680,602
Phantom Units	—	—	20,398	549,022
Michael N. Kennedy				
Restricted Stock Units	—	—	70,984	1,152,468
Phantom Units	—	—	18,898	506,722

- (1) There were no stock option exercises during the 2018 fiscal year.
- (2) The equity awards that vested during the 2018 fiscal year disclosed in this column consist of (i) restricted stock units granted under the AR LTIP, (ii) the vested portion of the performance share unit awards granted under the AR LTIP as special retention awards in February 2016 to Messrs. Schopp and Kilstrom, and (iii) phantom units granted under the Midstream LTIP.
- (3) The amounts reflected in this column represent the aggregate market value realized by each Named Executive Officer upon vesting of (i) the restricted stock unit awards held by such Named Executive Officer, computed based on the closing price of our common stock on the applicable vesting date, and (ii) the phantom unit awards held by such Named Executive Officer, computed based on the closing price of the Partnership’s common units on the applicable vesting date.

Pension Benefits

We do not provide pension benefits to our employees.

Nonqualified Deferred Compensation

We do not provide nonqualified deferred compensation benefits to our employees.

Payments Upon Termination or Change in Control

Restricted Stock Units, Performance Share Units, Phantom Units and Stock Options

Any unvested restricted stock units, unvested phantom units or unvested stock options subject to time-based vesting criteria granted to our Named Executive Officers under the AR LTIP or the Midstream LTIP, as applicable, will become immediately fully vested (and, in the case of stock options, fully exercisable) if the applicable Named Executive Officer’s employment with us terminates due to his death or “disability” or in the event of a “change in control” (as such terms are defined in the AR LTIP or the Midstream LTIP, as applicable). For performance share unit awards, any continued employment conditions will be deemed satisfied on the date of the applicable Named Executive Officer’s termination due to his death or “disability” or upon the occurrence of a “change in control,” the performance period will end on the date of such termination or “change in control,” and such performance share unit awards will be settled based on the actual level of performance achieved as of such date.

For purposes of these awards, a Named Executive Officer will be considered to have incurred a “disability” if the executive is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of at least 12 months.

For purposes of the AR LTIP awards, “change in control” generally means the occurrence of any of the following events:

- A person or group of persons acquires beneficial ownership of 50% or more of either (a) the outstanding shares of our common stock or (b) the combined voting power of our voting securities entitled to vote in the election of directors, in each case with the exception of (i) any acquisition directly from us, (ii) any acquisition by us or any of our affiliates, or (iii) any acquisition by any employee benefit plan sponsored or maintained by us;
- The incumbent members of the Board cease for any reason to constitute at least a majority of the Board;
- The consummation of a reorganization, merger or consolidation, or sale or other disposition of all or substantially all of our assets, or an acquisition of assets of another entity (a “Business Combination”), in each case, unless, following such Business Combination, (A) our outstanding common stock immediately prior to such Business Combination represents more than 50% of the outstanding common equity interests and the outstanding voting securities entitled to vote in the election of directors of the surviving entity, (B) no person or group of persons beneficially owns 20% or more of the common equity interests of the surviving entity or the combined voting power of the voting securities entitled to vote generally in the election of directors of such surviving entity, and (C) at least a majority of the members of the board of directors of the surviving entity were members of the incumbent board at the time of the execution of the initial agreement or corporate action providing for such Business Combination; or
- Approval by our shareholders of a complete liquidation or dissolution of the Company.

For purposes of the Midstream LTIP awards, “change in control” means the occurrence of any of the following events:

- A person or group of persons, other than certain affiliates of the Partnership, becomes the beneficial owner, by way of merger, acquisition, consolidation, recapitalization, reorganization, or otherwise, of 50% or more of the voting power of the equity interests in the general partner of the Partnership;
- The sale or disposition by either the Partnership or the general partner of the Partnership of all or substantially all of its assets;
- The general partner of the Partnership’s approval of a complete liquidation or dissolution of the Partnership;
- A transaction resulting in a person or group of persons other than the general partner of the Partnership, the Partnership, the Company or one of their respective affiliates becoming the general partner of the Partnership; or
- A “Change in Control” as defined in the AR LTIP.

The Transactions will not result in a “change in control” under the outstanding awards described above.

Series B Units in IDR LLC

The Series B Units in IDR LLC held by Messrs. Rady, Warren and Kennedy will vest upon the consummation of a change of control transaction (as defined in the IDR LLC Agreement) or upon an involuntary termination without cause or due to death or disability. As discussed above, the Series B Units in IDR LLC issued to Messrs. Rady and Warren on December 31, 2016 and to Mr. Kennedy on January 10, 2017 are intended to constitute “profits interests” for federal tax purposes and are not traditional options.

As used in the IDR LLC Agreement and the award agreements pursuant to which the Series B Units in IDR LLC were granted, “change of control transaction” means the occurrence of any of the following events:

- Any consolidation, conversion, merger or other business combination involving IDR Holdings or AMGP, in which a majority of the outstanding Series A Units of IDR LLC or a majority of the outstanding common shares of AMGP (the “AMGP common shares”) are exchanged for or converted into cash, securities of a corporation or other business organization, or other property;
- A sale or other disposition of all or a material portion of the assets of IDR LLC;

- A sale or other disposition of all or substantially all of the assets of AMGP followed by a liquidation of AMGP or a distribution to the partners of AMGP of all or substantially all of the net proceeds of such disposition after payment of liabilities and other obligations of AMGP;
- The sale by all the members of IDR LLC of all or substantially all of the outstanding IDR LLC membership interests in a single transaction or series of related transactions; or
- The sale of all of the outstanding AMGP common shares in a single transaction or series of related transactions.

The Transactions will not result in a “change in control” under the IDR LLC agreement.

As discussed above, each of Messrs. Rady, Warren and Kennedy have the right, upon delivery of written notice to IDR LLC, to require IDR LLC to redeem all or a portion of their vested Series B Units for a number of newly issued AMGP common shares, as determined in accordance with the formula described in “Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table— Series B Units in IDR LLC” above.

The above mechanisms are subject to customary conversion rate adjustments for equity splits, equity dividends and reclassifications.

Potential Payments Upon Termination or Change in Control Table for Fiscal 2018

If the employment of any of our Named Executive Officers would have terminated due to any Named Executive Officer’s death or disability, the unvested portion of his restricted stock units, phantom units and stock options, as applicable, would have become vested. The restricted stock units (and, if exercised, the stock options) granted under the AR LTIP represent a direct interest in shares of our common stock, which had a closing price on December 31, 2018, of \$9.39 per share. The phantom units granted under the Midstream LTIP represent a direct interest in the Partnership’s common units, which had a closing price on December 31, 2018, of \$21.39 per unit.

The amounts that each of our Named Executive Officers would receive in connection with the accelerated vesting of their equity awards (other than stock options) upon a termination due to their death or disability (assuming such termination occurred on December 31, 2018) are reflected in the last column of the Outstanding Equity Awards at 2018 Fiscal Year-End table above. Because the exercise price of stock options held by our Named Executive Officers exceeded the fair market value of the Company’s common stock on December 31, 2018, no value would have been received by our Named Executive Officers with respect to their stock options in connection with the accelerated vesting of these awards.

Quantification of Benefits

The following table summarizes the compensation and other benefits that would have become payable to each Named Executive Officer assuming a change in control of the Company and the Partnership occurred on December 31, 2018.

Potential Payments upon a Change in Control of the Company as of December 31, 2018						
Name	Restricted Stock Units (\$)	Performance Share Unit Awards (\$)⁽¹⁾	Phantom Units (\$)	Stock Options (\$)⁽²⁾	Series B Units in IDR LLC (\$)⁽³⁾	Total (\$)
Paul M. Rady	1,284,411	1,794,617	1,868,320	—	—	4,947,348
Glen C. Warren, Jr.	856,279	734,167	1,245,545	—	—	2,835,991
Alvyn A. Schopp	945,706	575,738	450,784	—	N/A	1,972,228
Kevin J. Kilstrom	593,581	458,363	450,784	—	N/A	1,502,728
Michael N. Kennedy	319,706	367,074	450,784	—	—	1,137,564

(1) Acceleration of the performance share unit awards granted under the AR LTIP in 2016 (other than the special performance share unit award in February 2016 to Messrs. Schopp and Kilstrom) and 2017, the TSR PSUs and ROCE PSUs is based upon actual performance as of the date of the change in control. As of December 31, 2018, (i) all such awards (other than the ROCE PSUs) were trending below threshold, so no value would have been received by our Named Executive Officers with respect to such awards in connection with the accelerated vesting of such awards (other than the ROCE PSUs) and (ii) the ROCE PSUs were trending at maximum, so the value reflected in this column represents settlement at each such award’s maximum value. With respect to the special performance share unit award granted in February 2016 to Messrs. Schopp and Kilstrom, the amount reflected here represents the lapse of the employment condition for the portion of such awards for which the applicable stock price hurdle has previously been achieved.

- (2) Because the exercise price of stock options held by our Named Executive Officers exceeded the fair market value of the Company's common stock on December 31, 2018, no value would have been received by our Named Executive Officers with respect to their stock options in connection with the accelerated vesting of these awards.
- (3) The Series B Units in IDR LLC held by each of Messrs. Rady, Warren and Kennedy will vest upon the consummation of a change of control transaction or upon an involuntary termination of the applicable executive's employment without cause or due to death or disability. The Series B Units in IDR LLC are not traditional options. The redemption right described above only applies upon a change of control transaction applicable to IDR LLC or the general partner of the Partnership (not a change of control of the Company or the Partnership), and, therefore, the redemption value is not disclosed in this table.

Compensation of Directors

General

Our non-employee directors are entitled to receive compensation consisting of retainers, fees and equity awards as described below. The Compensation Committee reviews and approves non-employee director compensation on a periodic basis.

Our employee directors, Messrs. Rady and Warren, do not receive additional compensation for their services as directors. All compensation that Messrs. Rady and Warren received from the Company as employees is disclosed in the Summary Compensation Table above.

Messrs. Kagan and Keenan have agreed or are otherwise obligated to transfer all or a portion of the compensation they receive for their service as directors to the sponsor with which they are affiliated.

Annual Retainers

Each non-employee director received the following compensation for the 2018 fiscal year:

- an annual retainer of \$70,000;
- an additional retainer of \$7,500 for each member of the audit committee, plus an additional \$12,500 for the chairperson; and
- an additional retainer of \$10,000 for each member of the conflicts committee, plus an additional \$5,000 for the chairperson.

All retainers are paid in cash on a quarterly basis in arrears, but directors have the option to elect, on an annual basis, to receive all or a portion of their retainers in the form of common units. Directors do not receive any meeting fees, but each director is reimbursed for (1) travel and miscellaneous expenses to attend meetings and activities of the Board or its committees, and (2) travel and miscellaneous expenses related to the director's participation in general education and orientation programs for directors.

Equity-Based Compensation

In addition to cash compensation, our non-employee directors receive quarterly grants of fully vested common units with an aggregate value equal to \$100,000 per year, subject to the terms and conditions of the Midstream LTIP and the award agreements pursuant to which such awards are granted.

Under the Partnership's unit ownership guidelines adopted in 2014, each of our non-employee directors other than Messrs. Kagan and Keenan is required to own a minimum number of common units in the Partnership within five years of the adoption of the guidelines or within five years of being appointed to the Board, whichever is later. Specifically, each of such non-employee directors is required to own common units in the Partnership having an aggregate fair market value equal to at least five times the amount of the annual cash retainer we pay to our non-employee directors. These unit ownership guidelines are designed to align our directors' interests more closely with those of the Partnership's unitholders.

Total Non-Employee Director Compensation

The following table provides information concerning the compensation of our non-employee directors for the fiscal year ended December 31, 2018.

Name	Fees Earned or Paid in Cash (\$) ⁽¹⁾	Unit Awards (\$) ⁽²⁾	Total (\$)
Peter R. Kagan	70,000	100,000	170,000
W. Howard Keenan, Jr.	70,000	100,000	170,000
Richard W. Connor ⁽³⁾	90,000	100,000	190,000
David A. Peters ⁽⁴⁾	117,500	100,000	217,500
John C. Mollenkopf ⁽⁴⁾	107,500	100,000	207,500

- (1) Includes annual cash retainer, committee fees and committee chair fees for each non-employee director during fiscal 2018, as more fully explained above.
- (2) Amounts in this column reflect the aggregate grant date fair value of fully vested common units granted under the Midstream LTIP in fiscal year 2018, computed in accordance with FASB ASC Topic 718. See Note 9 to our consolidated financial statements on Form 10-K for the year ended December 31, 2018, for additional detail regarding assumptions underlying the value of these equity awards. The grant date fair value for common unit awards is based on the closing price of our common units on the grant date.
- (3) Mr. Connor resigned as a director on January 24, 2019.
- (4) During 2018, Messrs. Peters and Mollenkopf received additional fees of \$25,000 and \$20,000, respectively, in connection with their service on the special committee created for purposes of evaluating and approving the Transactions.

Equity Compensation Plan Information

The following table sets forth information about securities that may be issued under the existing equity compensation plans of the Company, the Partnership, and AMGP as of December 31, 2018.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted – average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders			
Antero Resources Corporation Long-Term Incentive Plan ⁽¹⁾	4,059,401	\$50.55(4)	8,351,638
Antero Midstream Partners LP Long-Term Incentive Plan ⁽²⁾	583,000	N/A(5)	7,932,261
Antero Midstream Partners GP LP Long-Term Incentive Plan ⁽³⁾	N/A	N/A(6)	881,626
Equity compensation plans not approved by security holders			
Total	4,642,401	—	17,165,525

- (1) The Antero Resources Corporation Long-Term Incentive Plan (the “AR LTIP”) was approved by our sole shareholder prior to our IPO and by our shareholders at the 2014 annual meeting of shareholders.
- (2) The Antero Midstream Partners LP Long-Term Incentive Plan (the “Midstream LTIP”) was approved by the Company and the general partner of the Partnership prior to its IPO.
- (3) The Antero Midstream Partners GP LP Long-Term Incentive Plan (the “AMGP LTIP”) was approved by the general partner of the general partner of the Partnership prior to its IPO.
- (4) The calculation of the weighted-average exercise price of outstanding options, warrants and rights excludes restricted stock unit awards granted under the AR LTIP.

- (5) Only phantom unit awards and restricted unit awards have been granted under the Midstream LTIP; there is no weighted average exercise price associated with these awards.
- (6) Only common shares representing limited partner interests have been granted under the AMGP LTIP; there is no weighted average exercise price associated with these awards. Awards under the AMGP LTIP have only been issued to non-employee directors of AMGP GP LLC, AMGP's general partner. No awards have been made to our Named Executive Officers under the AMGP LTIP.

CEO Pay Ratio

Pursuant to Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 402(u) of Regulation S-K, this section provides information regarding the relationship of the annual total compensation of all of our employees to the annual total compensation of our CEO, Mr. Rady. For 2018, the median of the annual total compensation of all Company employees (other than our CEO), calculated in accordance with paragraph (c)(2)(x) of Item 402 of Regulation S-K, was \$92,772, and the annual total compensation of our CEO, as reported in the Summary Compensation Table, was \$9,143,022.

Based on this information, for 2018, the ratio of the annual total compensation of Mr. Rady to the median of the annual total compensation of all of our employees was 99 to 1.

Methodology and Assumptions

When identifying our median employee in 2018, we selected December 31, 2018, as the date on which to determine our employee population for purposes of identifying the median of the annual total compensation of all of our employees (other than the CEO), because it was efficient to collect payroll data and other necessary information as of that date. As of December 31, 2018, our employee population consisted of 622 individuals, including all individuals employed by the Company or any of its consolidated subsidiaries, whether as full-time, part-time, seasonal or temporary workers. This population does not include independent contractors engaged by the Company. All of our employees are located in the United States.

In identifying our median employee in 2018, we utilized the annual total compensation as reported in Box 1 of each employee's Form W-2 for 2018 provided to the Internal Revenue Service. We believe this methodology provides a reasonable basis for determining each employee's total annual compensation and is an economical method of evaluating our employee population's total annual compensation and identifying our median employee. For the 103 employees hired during 2018, we utilized the annual total compensation reported on each such employee's Form W-2 for 2018 without annualization adjustments. No cost-of-living adjustments were made in identifying our median employee, as all of our employees (including our CEO) are located in the United States. This calculation methodology was consistently applied to our entire employee population, determined as of December 31, 2018, in order to identify our median employee in 2018.

After we identified our median employee, we calculated each element of our median employee's annual compensation for 2018 in accordance with paragraph (c)(2)(x) of Item 402 of Regulation S-K, which resulted in annual total compensation of \$92,772. The difference between our median employee's total compensation reported on Form W-2 and our median employee's annual total compensation calculated in accordance with paragraph (c)(2)(x) of Item 402 of Regulation S-K was \$3,181. This amount reflects the Company's 401(k) match and non-cash imputed earnings offset by benefits deductible from gross income. Similarly, the 2018 annual total compensation of our CEO was calculated in accordance with paragraph (c)(2)(x) of Item 402 of Regulation S-K, as reported in the "Total" column of the Summary Compensation Table.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Unitholder Matters

The following table sets forth the beneficial ownership of common units of Antero Midstream that were issued and outstanding as of February 13, 2019 held by:

- our general partner;
- beneficial owners of 5% or more of our common units;
- each director and Named Executive Officer; and
- all of our general partner's directors and executive officers as a group.

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Except as otherwise noted, the person or entities listed below have sole voting and investment power with respect to all of our common units beneficially owned by them, except to the extent this power may be shared with a spouse. All information with respect to beneficial ownership has been furnished by the respective directors, officers or beneficial owners of 5% or more of our common units, as the case may be. Unless otherwise noted, the address for each beneficial owner listed below is 1615 Wynkoop Street, Denver, Colorado 80202.

Name of Beneficial Owner	Common Units Beneficially Owned	Percentage of Common Units Beneficially Owned
Antero Resources Corporation ⁽¹⁾	98,870,335	52.8 %
Antero Midstream Partners GP LLC ⁽²⁾	—	— %
Goldman Sachs Asset Management ⁽³⁾	9,267,930	4.9%
Tortoise Capital Advisors, L.L.C. ⁽⁴⁾	8,460,503	4.5%
Peter R. Kagan ⁽⁵⁾	15,666	* %
W. Howard Keenan, Jr. ⁽⁶⁾	15,666	* %
Paul J. Korus	—	— %
John C. Mollenkopf	6,065	* %
David A. Peters	21,666	* %
Paul M. Rady	194,152	* %
Glen C. Warren, Jr.	134,996	* %
Kevin J. Kilstrom	32,856	* %
Alvyn A. Schopp	38,856	* %
Michael N. Kennedy	20,256	* %
All directors and executive officers as a group (10 persons)	480,179	* %

* Less than 1%.

- (1) Under Antero Resources' amended and restated certificate of incorporation and bylaws, the voting and disposition of any of our common units held by Antero Resources will be controlled by the board of directors of Antero Resources. The board of directors of Antero Resources, which acts by majority approval, comprises Peter R. Kagan, W. Howard Keenan, Jr., Robert J. Clark, Benjamin A. Hardesty, James R. Levy, Joyce E. McConnell, Paul J. Korus, Paul M. Rady and Glen C. Warren, Jr. Each of the members of Antero Resources' board of directors disclaims beneficial ownership of any of our units held by Antero Resources.
- (2) Under our general partner's amended and restated limited liability company agreement, the voting and disposition of any of our common units or the Series A Units of IDR LLC will be controlled by its sole member, AMGP. The board of directors of AMGP GP, which acts by majority approval, comprises Peter R. Kagan, W. Howard Keenan, Jr., Brooks J. Klimley, James R. Levy, Rose M. Robeson, Peter A. Dea, Paul M. Rady and Glen C. Warren, Jr. Each of the members of AMGP GP's board of directors disclaims beneficial ownership of any of our securities held by our general partner.
- (3) Goldman Sachs Asset Management, L.P. and GS Investment Strategies, LLC (collectively, "Goldman Sachs Asset Management") have a mailing address of 200 West Street, New York, New York 10282 and share voting and dispositive power with respect to all of our common units reported as beneficially owned.
- (4) Tortoise Capital Advisors, L.L.C. ("TCA") has a mailing address of 11550 Ash Street, Suite 300, Leawood, Kansas 66211. TCA acts as an investment adviser to certain investment companies registered under the Investment Company Act of 1940. TCA, by virtue of investment advisory agreements with these investment companies, has all investment and voting power over securities owned of record by these investment companies. However, despite their delegation of investment and voting power to TCA, these investment companies may be deemed to be the beneficial owners, under Rule 13d-3 of the Act, of the securities they own of record because they have the right to acquire investment and voting power through termination of their investment advisory agreement with TCA. Thus, TCA has reported that it shares voting power and dispositive power over the securities owned of record by these investment companies. TCA also acts as an investment adviser to certain managed accounts. Under contractual agreements with these managed account clients, TCA, with respect to the securities held in these client accounts, has investment and voting power with respect to certain of these client accounts, and has investment power but no voting power with respect to certain other of these client accounts. TCA has reported that it shares voting and/or investment power over the securities held by these client managed accounts despite a delegation of voting and/or investment power to TCA because the clients have the right to acquire investment and voting power through termination of their agreements with TCA. TCA may be deemed the beneficial owner of the securities covered by this statement under Rule 13d-3 of the Act that are held by its clients.
- (5) Has a mailing address of c/o Warburg Pincus LLC, 450 Lexington Avenue, New York, New York 10017.
- (6) Has a mailing address of 410 Park Avenue, 19th Floor, New York, New York 10022.

The following table sets forth the number of common shares representing limited partner interests in AMGP owned by each of the Named Executive Officers and directors of our general partner and all directors and executive officers of our general partner as a group as of February 13, 2019:

Name of Beneficial Owner	Common Shares Beneficially Owned	Percentage of Common Shares Beneficially Owned
Peter R. Kagan ⁽¹⁾⁽²⁾	55,125,401	29.6 %
W. Howard Keenan, Jr. ⁽³⁾⁽⁴⁾	9,619	*
Paul J. Korus	—	—
John C. Mollenkopf	—	—
David A. Peters	—	—
Paul M. Rady ⁽⁵⁾	19,996,619	10.7 %
Glen C. Warren, Jr. ⁽⁶⁾	14,931,079	8.0 %
Kevin J. Kilstrom	917,548	*
Alvyn A. Schopp	1,394,146	*
Michael N. Kennedy	27,774	*
All directors and executive officers as a group (10 persons)	37,292,597	20.0 %

* Less than 1%.

- (1) Has a mailing address of c/o Warburg Pincus LLC, 450 Lexington Avenue, New York, New York 10017.
- (2) Includes 55,109,589 common shares held by the Warburg Pincus Entities (as defined below). Mr. Kagan is a Partner of Warburg Pincus & Co., a New York general partnership (“WP”), and a Member and Managing Director of Warburg Pincus LLC, a New York limited liability company (“WP LLC”). The Warburg Pincus funds are Warburg Pincus Private Equity VIII, L.P., a Delaware limited partnership (“WP VIII,” and together with its two affiliated partnerships, Warburg Pincus Netherlands Private Equity VIII C.V. I, a company formed under the laws of the Netherlands (“WP VIII CV I”), and WP-WPVIII Investors, L.P., a Delaware limited partnership (“WP-WPVIII Investors”), collectively, the “WP VIII Funds”), Warburg Pincus Private Equity X O&G, L.P., a Delaware limited partnership (“WP X O&G”), and Warburg Pincus X Partners, L.P., a Delaware limited partnership (“WP X Partners,” and together with WP X O&G, the “WP X O&G Funds”). WP-WPVIII Investors GP L.P., a Delaware limited partnership (“WP-WPVIII GP”), is the general partner of WP-WPVIII Investors. Warburg Pincus X, L.P., a Delaware limited partnership (“WP X GP”), is the general partner of each of the WP X O&G Funds. Warburg Pincus X GP L.P., a Delaware limited partnership (“WP X GP LP”), is the general partner of WP X GP. WPP GP LLC, a Delaware limited liability company (“WPP GP”), is the general partner of WP-WPVIII GP and WP X GP LP. Warburg Pincus Partners, L.P., a Delaware limited partnership (“WP Partners”), is (i) the managing member of WPP GP, and (ii) the general partner of WP VIII and WP VIII CV I. Warburg Pincus Partners GP LLC, a Delaware limited liability company (“WP Partners GP”), is the general partner of WP Partners. WP is the managing member of WP Partners GP. WP LLC is the manager of each of the WP VIII Funds and the WP X O&G Funds. Each of the WP VIII Funds, the WP X O&G Funds, WP-WPVIII GP, WP X GP, WP X GP LP, WPP GP, WP Partners, WP Partners GP, WP and WP LLC are collectively referred to herein as the “Warburg Pincus Entities.” Mr. Kagan disclaims beneficial ownership of all shares of common stock attributable to the Warburg Pincus Entities except to the extent of his pecuniary interest therein.
- (3) Has a mailing address of 410 Park Avenue, 19th Floor, New York, New York 10022.
- (4) Mr. Keenan is a member and manager of the direct or indirect general partner of each of Yorktown Energy Partners V, L.P., Yorktown Energy Partners VI, L.P., Yorktown Energy Partners VII, L.P. and Yorktown Energy Partners VIII, L.P., which own 1,875,802 common shares, 1,970,846 common shares, 4,596,064 common shares and 7,091,699 common shares, respectively. Mr. Keenan does not have sole or shared voting or investment power within the meaning of Rule 13d-3 under the Exchange Act with respect to the common shares held by such investment funds and disclaims beneficial ownership of such securities except to the extent of his pecuniary interest therein.
- (5) Includes 19,180,821 common shares held by Mockingbird Investments LLC (“Mockingbird”). Mr. Rady owns a 13.1874% limited liability company interest in Mockingbird, and two trusts under his control own the remaining 86.8126%. Mr. Rady disclaims beneficial ownership of all common shares held by Mockingbird except to the extent of his pecuniary interest therein.
- (6) Includes 3,891,100 common shares held by Canton Investment Holdings LLC (“Canton”). Mr. Warren is the managing member and 50% owner of Canton. Mr. Warren disclaims beneficial ownership of all common shares held by Canton except to the extent of his pecuniary interest therein.
- (7) Excludes 55,109,589 common shares held by the Warburg Pincus Entities (as defined in footnote 2), over which Mr. Kagan may be deemed to have indirect beneficial ownership.

The following table sets forth the number of shares of common stock of Antero Resources owned by each of the Named Executive Officers and directors of our general partner and all directors and executive officers of our general partner as a group as of February 13, 2019:

Name of Beneficial Owner	Shares Beneficially Owned	Percentage of Shares Beneficially Owned
Peter R. Kagan ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	33,976,002	11.0 %
W. Howard Keenan, Jr. ⁽¹⁾⁽⁵⁾⁽⁶⁾	199,707	*
Paul J. Korus	1,275	*
John C. Mollenkopf	—	—
David A. Peters	—	—
Paul M. Rady ⁽⁷⁾⁽⁸⁾	14,925,387	4.8 %
Glen C. Warren, Jr. ⁽⁹⁾⁽¹⁰⁾⁽¹¹⁾	10,873,341	3.5 %
Kevin J. Kilstrom ⁽¹²⁾	135,539	*
Alvyn A. Schopp ⁽¹³⁾	1,126,159	*
Michael N. Kennedy ⁽¹⁴⁾	239,848	*
All directors and executive officers as a group (10 persons) ⁽¹⁵⁾	27,868,197	9.0 %

* Less than 1%.

- (1) Includes options to purchase 1,477 shares of common stock that expire ten years from the date of grant, or October 10, 2023, and options to purchase 1,526 shares of common stock that expire ten years from the date of grant, or October 16, 2024.
- (2) Has a mailing address of c/o Warburg Pincus LLC, 450 Lexington Avenue, New York, New York 10017.
- (3) Includes 33,609,061 shares of common stock held by the Warburg Pincus Entities (as defined below). Mr. Kagan is a Partner of Warburg Pincus & Co., a New York general partnership (“WP”), and a Member and Managing Director of Warburg Pincus LLC, a New York limited liability company (“WP LLC”). The Warburg Pincus funds are Warburg Pincus Private Equity VIII, L.P., a Delaware limited partnership (“WP VIII,” and together with its two affiliated partnerships, Warburg Pincus Netherlands Private Equity VIII C.V. I, a company formed under the laws of the Netherlands (“WP VIII CV I”), and WP-WPVIII Investors, L.P., a Delaware limited partnership (“WP-WPVIII Investors”), collectively, the “WP VIII Funds”), Warburg Pincus Private Equity X, L.P., a Delaware limited partnership (“WP X”), Warburg Pincus X Partners, L.P., a Delaware limited partnership (“WP X Partners,” and together with WP X, the “WP X Funds”), and Warburg Pincus Private Equity X O&G, L.P., a Delaware limited partnership (“WP X O&G”). WP-WPVIII Investors GP L.P., a Delaware limited partnership (“WP-WPVIII GP”), is the general partner of WP-WPVIII Investors. Warburg Pincus X, L.P., a Delaware limited partnership (“WP X GP”), is the general partner of each of the WP X Funds and WP X O&G. Warburg Pincus X GP L.P., a Delaware limited partnership (“WP X GP LP”), is the general partner of WP X GP. WPP GP LLC, a Delaware limited liability company (“WPP GP”), is the general partner of WP-WPVIII GP and WP X GP LP. Warburg Pincus Partners, L.P., a Delaware limited partnership (“WP Partners”), is (i) the managing member of WPP GP, and (ii) the general partner of WP VIII and WP VIII CV I. Warburg Pincus Partners GP LLC, a Delaware limited liability company (“WP Partners GP”), is the general partner of WP Partners. WP is the managing member of WP Partners GP. WP LLC is the manager of each of the WP VIII Funds, the WP X Funds and WP X O&G. Each of the WP VIII Funds, the WP X Funds, WP X O&G, WP-WPVIII GP, WP X GP, WP X GP LP, WPP GP, WP Partners, WP Partners GP, WP and WP LLC are collectively referred to herein as the “Warburg Pincus Entities.” Mr. Kagan disclaims beneficial ownership of all shares of common stock attributable to the Warburg Pincus Entities except to the extent of his pecuniary interest therein.
- (4) Includes 7,500 shares of common stock held by The 2017 Kagan Family Trust (the “Kagan Trust”), over which Mr. Kagan may be deemed to have shared voting and dispositive power. Mr. Kagan disclaims beneficial ownership of all shares held by the Kagan Trust except to the extent of his pecuniary interest therein.
- (5) Has a mailing address of 410 Park Avenue, 19th Floor, New York, New York 10022.
- (6) Mr. Keenan is a member and manager of the direct or indirect general partner of each of Yorktown Energy Partners V, L.P., Yorktown Energy Partners VI, L.P., Yorktown Energy Partners VII, L.P. and Yorktown Energy Partners VIII, L.P., which own 235,380 shares of common stock, 215,319 shares of common stock, 3,104,317 shares of common stock and 10,425,078 shares of common stock, respectively. Mr. Keenan does not have sole or shared voting or investment power within the meaning of Rule 13d-3 under the Exchange Act with respect to the shares of common stock held by such investment funds and disclaims beneficial ownership of such securities except to the extent of his pecuniary interest therein.
- (7) Includes 2,821,394 shares of common stock held by Salisbury Investment Holdings LLC (“Salisbury”) and 2,461,712 shares of common stock held by Mockingbird Investments LLC (“Mockingbird”). Mr. Rady owns a 95% limited liability company interest in Salisbury and his spouse owns the remaining 5%. Mr. Rady owns a 13.1874% limited liability company interest in

Mockingbird, and two trusts under his control own the remaining 86.8126%. Mr. Rady disclaims beneficial ownership of all shares held by Salisbury and Mockingbird except to the extent of his pecuniary interest therein.

- (8) Includes 136,786 shares of common stock that remain subject to vesting and options to purchase 75,000 shares of common stock that expire ten years from the date of grant, or April 15, 2025.
- (9) Mr. Warren indirectly owns 7 shares of common stock purchased by a family member, and these shares are included because of his relation to the purchaser. Mr. Warren disclaims beneficial ownership of all shares reported except to the extent of his pecuniary interest therein.
- (10) Includes 3,847,839 shares of common stock held by Canton Investment Holdings LLC (“Canton”) and 735,000 shares of common stock held by The Titus Foundation (“Titus”). Mr. Warren is the managing member and 50% owner of Canton and the President of Titus. Mr. Warren disclaims beneficial ownership of all shares held by Canton and Titus except to the extent of his pecuniary interest therein.
- (11) Includes 91,191 shares of common stock that remain subject to vesting and options to purchase 50,000 shares of common stock that expire ten years from the date of grant, or April 15, 2025.
- (12) Includes 34,049 shares of common stock that remain subject to vesting and options to purchase 18,750 shares of common stock that expire ten years from the date of grant, or April 15, 2025.
- (13) Includes 34,049 shares of common stock that remain subject to vesting and options to purchase 18,750 shares of common stock that expire ten years from the date of grant, or April 15, 2025.
- (14) Includes 34,048 shares of common stock that remain subject to vesting, options to purchase 60,000 shares of common stock that expire ten years from the date of grant, or October 10, 2023, and options to purchase 18,750 shares of common stock that expire ten years from the date of grant, or April 15, 2025.
- (15) Excludes 33,609,061 shares of common stock held by the Warburg Pincus Entities (as defined in footnote 4), over which Mr. Kagan may be deemed to have indirect beneficial ownership.

Securities Authorized for Issuance Under Equity Compensation Plan

Please read the information under “Item 11. Executive Compensation – Compensation Discussion and Analysis – Equity Compensation Plan Information.”

Item 13. Certain Relationships and Related Transactions and Director Independence

As of February 13, 2019, Antero Resources owned 98,870,335 common units representing an approximate 52.8% limited partner interest in us. AMGP owns and controls (and appoints all the directors of) our general partner, AMP GP, which owns a non-economic general partner interest in us. AMGP also controls IDR LLC, the holder of our incentive distribution rights.

Distributions and Payments to Our General Partner and Its Affiliates

The following table summarizes the distributions and payments to be made by us to our general partner and its affiliates in connection with ongoing operations and any liquidation of us.

Operational Stage

Distributions of cash available for distribution to our general partner and its affiliates

We will generally make cash distributions 100% to our unitholders, including affiliates of our general partner. In addition, if distributions exceed the minimum quarterly distribution and other higher target distribution levels, our general partner will be entitled to increasing percentages of the distributions, up to 50% of the distributions above the highest target distribution level.

Assuming we have sufficient cash available for distribution to pay the full minimum quarterly distribution on all of our outstanding common units for four quarters, our general partner and its affiliates (including Antero Resources) would receive an annual distribution of approximately \$67.2 million on their units.

Payments to our general partner and its affiliates	Antero Resources provides customary management and general administrative services to us. Our general partner reimburses Antero Resources at cost for its direct expenses incurred on behalf of us and a proportionate amount of its indirect expenses incurred on behalf of us, including, but not limited to, compensation expenses. Our general partner does not receive a management fee or other compensation for its management of our partnership, but we reimburse our general partner and its affiliates for all direct and indirect expenses they incur and payments they make on our behalf, including payments made to Antero Resources for customary management and general administrative services. Our partnership agreement does not set a limit on the amount of expenses for which our general partner and its affiliates may be reimbursed. These expenses include salary, bonus, incentive compensation and other amounts paid to persons who perform services for us or on our behalf and expenses allocated to our general partner by its affiliates. Our partnership agreement provides that our general partner will determine the expenses that are allocable to us.
Withdrawal or removal of our general partner	If our general partner withdraws or is removed, its non-economic general partner interest and its incentive distribution rights will either be sold to the new general partner for cash or converted into common units, in each case for an amount equal to the fair market value of those interests. Please read “The Partnership Agreement—Withdrawal or Removal of Our General Partner.”

Liquidation Stage

Liquidation	Upon our liquidation, the partners, including our general partner, will be entitled to receive liquidating distributions according to their respective capital account balances.
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Agreements Related to the Transactions

Simplification Agreement

On October 9, 2018, we, AMGP and certain of our affiliates entered into the Simplification Agreement pursuant to which, among other things, (1) AMGP will be converted from a limited partnership to a corporation under the laws of the State of Delaware, to be named Antero Midstream Corporation; (2) an indirect, wholly owned subsidiary of New AM will be merged with and into the Partnership, with the Partnership surviving the merger as an indirect, wholly owned subsidiary of New AM; and (3) all the issued and outstanding Series B Units representing limited liability company interests of IDR Holdings will be exchanged for an aggregate of approximately 17.35 million shares of New AM’s common stock. As a result of the Transactions, the Partnership will be a wholly owned subsidiary of New AM and former shareholders of AMGP, unitholders of the Partnership and holders of Series B Units will each own New AM’s common stock.

If the Transactions are completed, (1) each holder of the Partnership’s common units other than Antero Resources (the “AM Public Unitholders”), will be entitled to receive, at its election, one of (i) \$3.415 in cash without interest and 1.6350 validly issued, fully paid, nonassessable shares of New AM’s common stock for each of the Partnership’s common units held (the “Public Mixed Consideration”); (ii) 1.6350 shares of New AM’s common stock plus an additional number of shares of New AM’s common stock equal to the quotient of (A) \$3.415 and (B) the average of the 20-day volume-weighted average trading price per AMGP common share prior to the final election day for AM Public Unitholders (the “AMGP VWAP”), for each of the Partnership’s common units held (the “Public Stock Consideration”); or (iii) \$3.415 in cash plus an additional amount of cash equal to the product of (A) 1.6350 and (B) the AMGP VWAP for each of the Partnership’s common units held (the “Public Cash Consideration”); and (2) in exchange for each of the Partnership’s common units held, Antero Resources will be entitled, subject to certain adjustments (as described below), to receive \$3.00 in cash without interest and 1.6023 validly issued, fully paid, nonassessable shares of New AM’s common stock for each of the Partnership’s common units held by Antero Resources (the “AR Mixed Consideration”).

The aggregate cash consideration to be paid to Antero Resources and the AM Public Unitholders will be fixed at an amount equal to the aggregate amount of cash that would have been paid and issued if all AM Public Unitholders received \$3.415 in cash per common unit (the “Available Cash”) and Antero Resources received \$3.00 in cash per common unit, which is approximately \$598 million. If the Available Cash exceeds the cash consideration elected to be received by the AM Public Unitholders, Antero Resources may elect to increase the total amount of cash consideration to be received as a part of the AR Mixed Consideration up to an amount equal to the excess and the amount of shares it will receive will be reduced accordingly based on the AMGP VWAP. In addition, the consideration to be received by each AM Public Unitholder may be prorated in the event that more cash or equity is elected to be received than what would otherwise have been paid if all AM Public Unitholders had received the Public Mixed Consideration and Antero Resources received the AR Mixed Consideration.

The Merger should be a taxable event for the Partnership’s unitholders, even if a unitholder receives no cash consideration other than cash received in lieu of fractional shares, if any, in the Merger. The amount and character of gain or loss recognized by each unitholder in the Merger will vary depending on such unitholder’s particular situation, including the value of the shares of New AM’s common stock, if any, received by such unitholder, the amount of any cash received by such unitholder, the adjusted tax basis of such unitholder’s common units (and any changes to such tax basis as a result of our allocations of income, gain, loss and deduction to such unitholder for the taxable year that includes the Merger), and the amount of any suspended passive losses that may be available to such unitholder to offset a portion of the gain recognized by such unitholder in connection with the Merger.

Special meetings of AMGP shareholders and Antero Midstream unitholders will be held on March 8, 2019 to vote on the Simplification Agreement, the Merger and the other Transactions contemplated thereby, as applicable, and all AMGP shareholders and Antero Midstream unitholders of record as of the close of business on January 11, 2019, which is the record date for the special meetings, will be entitled to vote the AMGP common shares and Antero Midstream common units, respectively, owned by them on the record date. AMGP and the Partnership expect to fund the cash portion of the merger consideration with borrowings under the Partnership’s revolving credit facility. The revolving credit facility was amended on October 31, 2018 to, among other things, increase lender commitments from \$1.5 billion to \$2.0 billion.

Voting Agreements

AMGP Voting Agreement

On October 9, 2018, concurrently with the execution of the Simplification Agreement, we and the shareholders of AMGP named in Schedule I thereto (the “AMGP Voting Agreement Shareholders”) entered into a Voting Agreement (the “AMGP Voting Agreement”), pursuant to which the AMGP Voting Agreement Shareholders agreed to vote (or cause to be voted) all of the AMGP common shares beneficially owned by them in favor of the AMGP shareholder proposals relating to the Transactions, and any other matters necessary for consummation of the Merger and the other transactions contemplated in the Simplification Agreement, including the Series B Exchange. In addition, the AMGP Voting Agreement Shareholders agreed to vote against the approval or adoption of any action, agreement, transaction or proposal that is intended to or would reasonably be expected to (1) result in a breach of any obligation of AMGP contained in the Simplification Agreement or of such shareholder contained in the AMGP Voting Agreement or (2) impede, interfere with, delay, postpone, discourage, frustrate the purposes of or adversely affect any of the Transactions or any action contemplated by the Simplification Agreement. If, without the prior consent of an AMGP Voting Agreement Shareholder, any provision of the Simplification Agreement described below is amended or waived, the obligations of the AMGP Voting Agreement Shareholders under the AMGP Voting Agreement will terminate with respect to such shareholder. In such event, such AMGP Voting Agreement Shareholder will be deemed to vote against all proposals at the AMGP Special Meeting (as defined in the AMGP Voting Agreement”). This termination provision applies only to amendments or waivers of the Simplification Agreement that (i) extend the Termination Date (as defined in the Simplification Agreement), (ii) adversely impact the merger consideration to be received by the AMGP Voting Agreement Shareholders or the number or value of the shares of New AM Common Stock held by the AMGP Voting Agreement Shareholders upon consummation of the Transactions, or (iii) otherwise have a material adverse effect on the interests of the AMGP Voting Agreement Shareholders in the Transactions. As of October 8, 2018, the AMGP Voting Agreement Shareholders collectively owned 105,571,698 AMGP Common Shares, representing approximately 57% of the AMGP common shares outstanding (as defined in the Simplification Agreement).

The AMGP Voting Agreement includes certain covenants, and generally prohibits the AMGP Voting Agreement Shareholders from transferring their AMGP common shares. The AMGP Voting Agreement terminates upon the earliest to occur of (i) the closing of the Transactions, (ii) the termination of the Simplification Agreement in accordance with its terms, (iii) the written agreement of the parties to the AMGP Voting Agreement, and (iv) the Termination Date.

AR Voting Agreement

On October 9, 2018, concurrently with the execution of the Simplification Agreement, AMGP entered into a voting agreement with Antero Resources (the “AR Voting Agreement”), pursuant to which Antero Resources agreed to vote (or cause to be voted) all of the Partnership’s common units beneficially owned by it in favor of the Antero Midstream unitholder proposal relating to the Merger, and any other matters necessary for consummation of the Merger and the other transactions contemplated in the Simplification Agreement, including the Series B Exchange. In addition, Antero Resources agreed to vote against the approval or adoption of any action, agreement, transaction or proposal that is intended to or would reasonably be expected to (1) result in a breach of any obligation of the Partnership contained in the Simplification Agreement or of Antero Resources contained in the AR Voting Agreement or (2) impede, interfere with, delay, postpone, discourage, frustrate the purposes of or adversely affect any of the Transactions or any action contemplated by the Simplification Agreement. If, without the prior consent of the special committee of the Antero Resources board of directors (the “AR Special Committee”), any provision of the Simplification Agreement described below is amended or waived, then Antero Resources’ obligations under the AR Voting Agreement will terminate. In such event, the AR Special Committee may instruct the Partnership that Antero Resources and AR Sub (as defined below) are deemed to vote against all proposals at the AM Special Meeting (as defined in the AR Voting Agreement), which instruction will override any different votes, proxies or voting instructions by or on behalf of Antero Resources or AR Sub received by the Partnership or its designees. This termination provision applies only to amendments or waivers that (i) extend the Termination Date (as defined in the Simplification Agreement), (ii) adversely impact the merger consideration to be received by Antero Resources or the number or value of the shares of New AM Common Stock held by Antero Resources upon consummation of the Transactions, or (iii) otherwise have a material adverse effect on the interests of Antero Resources in the Transactions. As of February 13, 2019, Antero Resources owned 98,870,335 of the Partnership’s common units, representing approximately 53% of the common units outstanding.

The AR Voting Agreement includes certain covenants, including a covenant by Antero Resources to enter into a registration rights agreement and a covenant to transfer certain of the Partnership’s common units to a wholly owned subsidiary of Antero Resources (“AR Sub”), prior to the effective time of the Merger, following which both Antero Resources and AR Sub will remain subject to the terms of the AR Voting Agreement. The AR Voting Agreement otherwise generally prohibits Antero Resources from transferring the Partnership’s common units. The AR Voting Agreement terminates upon the earliest to occur of (i) the closing of the Transactions, (ii) the termination of the Simplification Agreement in accordance with its terms, (iii) the Termination Date (as defined in the Simplification Agreement), and (iv) the written agreement of the parties to the AR Voting Agreement.

Stockholders’ Agreement

On October 9, 2018, concurrently with the execution of the Simplification Agreement, AMGP, AR Sub, certain affiliates of Warburg Pincus LLC and Yorktown Partners LLC (collectively, the “Sponsor Holders”) and Paul M. Rady, Glen C. Warren, Jr. and certain of their respective affiliates (collectively, the “Management Stockholders”) entered into a Stockholders’ Agreement (the “Stockholders’ Agreement”), which will become effective as of the closing of the Transactions and which will govern certain rights and obligations of the parties following the consummation of the Transactions.

Under the Stockholders’ Agreement, and subject to additional limitations in the event of a Fundamental Change (as defined in the Stockholders’ Agreement), AR Sub will be entitled to designate two directors, who shall initially be Mr. Rady and Mr. Warren, for nomination and election to the board of directors of New AM (the “New AM Board”) for so long as, together with its affiliates, AR Sub owns an amount of shares equal to at least 8% of the qualifying New AM Common Stock and one director so long as it owns an amount of shares equal to at least 5% of the qualifying New AM Common Stock. To the extent that either Mr. Rady and/or Mr. Warren are not designated for election to the New AM Board by AR Sub pursuant to the Stockholders’ Agreement, the Management Stockholders will be entitled to collectively designate two directors (or one director for so long as either Mr. Rady or Mr. Warren is designated by AR Sub) for election for so long as the Management Stockholders and their affiliates (other than Antero Resources and its subsidiaries) collectively own an amount of shares equal to at least 8% of the qualifying New AM Common Stock and one director for election for so long as they collectively own an amount of shares equal to at least 5% of the qualifying New AM Common Stock. The Sponsor Holders will be entitled to collectively designate two directors for election to the New AM Board for so long as the Sponsor Holders and their affiliates (other than Antero Resources and its subsidiaries) collectively own an amount of shares equal to at least 8% of the qualifying New AM Common Stock and one director for election for so long as they collectively own an amount of shares equal to at least 5% of the qualifying New AM Common Stock. Notwithstanding the foregoing, upon the occurrence of a Fundamental Change, AR Sub, the Management Stockholders and the Sponsor Holders will each be entitled to designate one director so long as they own an amount of shares equal to at least 5% of the qualifying New AM Common Stock, except to the extent that AR Sub designates either Mr. Rady or Mr. Warren, in which case the Management Stockholders will not be entitled to designate a director.

Each of the parties to the Stockholders' Agreement has agreed to vote all of their shares of New AM Common Stock in favor of the directors designated by the other parties in accordance with the Stockholders' Agreement and, at such party's election (i) in favor of any other nominees nominated by the Nominating and Governance Committee of the New AM Board or (ii) in proportion to the votes cast by the public stockholders of New AM in favor of such nominees. In calculating the 8% and 5% ownership thresholds for purposes of the Stockholders' Agreement, qualifying New AM Common Stock is determined by dividing the New AM Common Stock ownership for each stockholder or group of stockholders as of the applicable measurement date by (i) the total number of outstanding shares of New AM Common Stock at the closing of the Transactions or (ii) the total number of outstanding shares on the applicable measurement date, whichever is less. Pursuant to the terms of the Stockholders' Agreement no more than 45% of the shares of New AM Common Stock outstanding as of closing of the Merger will be subject to the obligations of the Stockholders' Agreement.

Under the Stockholders' Agreement, a majority of the New AM Board shall at all times consist of directors who are both (i) independent under the listing rules of the NYSE and the Exchange Act, and (ii) unaffiliated with the parties to the Stockholders' Agreement. Such independent and unaffiliated directors will be nominated for election to the New AM Board by the Nominating and Governance Committee of the New AM Board, which will itself consist solely of independent and unaffiliated directors. In addition, under the Stockholders' Agreement, the parties have agreed that for so long as AR Sub has the right to designate at least one director, (i) if Mr. Rady is an executive officer of Antero Resources, he shall serve as Chief Executive Officer at New AM and (ii) if Mr. Warren is an executive officer of Antero Resources, he shall serve as President at New AM, and both Mr. Rady and Mr. Warren shall be subject to removal from such officer positions at New AM only for cause. For so long as Mr. Rady is a member of the New AM Board and is an executive officer of Antero Resources and/or New AM, the parties have agreed that he shall serve as Chairman of the New AM Board, subject to his removal as Chief Executive Officer of New AM for cause. The Stockholders' Agreement will terminate as to each stockholder upon the time at which such stockholder no longer has the right to designate an individual for nomination to the New AM Board pursuant to the Stockholders' Agreement.

Agreements with Antero Resources

We have entered into certain agreements with Antero Resources, as described in more detail below.

Registration Rights Agreement

Pursuant to the registration rights agreement, we may be required to register the sale of Antero Resources' (i) common units issued (or issuable) to it pursuant to the contribution agreement and (ii) common units issued upon conversion of subordinated units pursuant to the terms of the partnership agreement (together, the "Registrable Securities") in certain circumstances.

Demand Registration Rights

Antero Resources has the right to require us by written notice to register the sale of a number of their Registrable Securities in an underwritten offering. We are required to provide notice of the request within 10 days following the receipt of such demand request to all additional holders of Registrable Securities, if any, who may, in certain circumstances, participate in the registration. We are not obligated to effect any demand registration in which the anticipated aggregate offering price included in such offering is less than \$50,000,000. While we are eligible to effect a registration on Form S-3, any such demand registration may be for a shelf registration statement.

Piggy-back Registration Rights

If, at any time, we propose to register an offering of our securities (subject to certain exceptions) for our own account, then we must give to Antero Resources securities to allow it to include a specified number of Registrable Securities in that registration statement.

Redemptive Offerings

We may be required pursuant to the registration rights agreement to undertake a future public or private offering and use the proceeds (net of underwriting or placement agency discounts, fees and commissions, as applicable) to redeem an equal number of common units from Antero Resources.

Conditions and Limitations; Expenses

The registration rights are subject to certain conditions and limitations, including the right of the underwriters to limit the number of Registrable Securities to be included in a registration and our right to delay or withdraw a registration statement under

certain circumstances. We will generally pay all registration expenses in connection with our obligations under the registration rights agreement, regardless of whether a registration statement is filed or becomes effective. The obligations to register Registrable Securities under the registration rights agreement will terminate when no Registrable Securities remain outstanding. Registrable Securities shall cease to be covered by the registration rights agreement when they have (i) been sold pursuant to an effective registration statement under the Securities Act, (ii) been sold in a transaction exempt from registration under the Securities Act (including transactions pursuant to Rule 144), (iii) ceased to be outstanding, (iv) been sold in a private transaction in which Antero Resources' rights under the registration rights agreement are not assigned to the transferee or (v) become eligible for resale pursuant to Rule 144(b) (or any similar rule then in effect under the Securities Act).

Services Agreement

Pursuant to the services agreement, Antero Resources has agreed to provide customary operational and management services for us in exchange for reimbursement of its direct expenses and an allocation of its indirect expenses attributable to the provision of such services to us. On September 23, 2015, Antero Resources, the Partnership and Midstream Management amended and restated the services agreement to remove provisions relating to operational services in support of our gathering and compression business which is now covered by a secondment agreement and to provide that Antero Resources will perform certain administrative services for us and our subsidiaries, and we will reimburse Antero Resources for expenditures incurred by Antero Resources in the performance of those administrative services. The initial term of the amended and restated services agreement is twenty years from November 10, 2014, and from year to year thereafter.

Secondment Agreement

In connection with the Water Acquisition, on September 23, 2015, we entered into a secondment agreement with Antero Resources, Midstream Management, Midstream Operating, Antero Water and Antero Treatment, whereby Antero Resources has agreed to provide seconded employees to perform certain operational services with respect to our gathering and compression facilities and the Contributed Assets, and we have agreed to reimburse Antero Resources for expenditures incurred by Antero Resources in the performance of those operational services. The initial term of the secondment agreement is twenty years from November 10, 2014, and from year to year thereafter. For the year ended December 31, 2018, we reimbursed Antero Resources for approximately \$35.5 million of its direct and allocated indirect expenses under the services and secondment agreement.

Gathering and Compression Agreement

Pursuant to our 20-year gas gathering and compression agreement with Antero Resources which was entered into on November 10, 2014, Antero Resources has agreed to dedicate all of its current and future acreage in West Virginia, Ohio and Pennsylvania to us (other than the existing third-party commitments), so long as such production is not otherwise subject to a pre-existing dedication for third-party services. Antero Resources' production subject to a pre-existing dedication is also dedicated to us at the expiration of such pre-existing dedication. In addition, if Antero Resources acquires any gathering facilities, it is required to offer such gathering facilities to us at its cost.

Under the gathering and compression agreement, we receive a low pressure gathering fee per Mcf, a high pressure gathering fee per Mcf, and a compression fee per Mcf, in each case subject to CPI-based adjustments. On February 13, 2018, we amended and restated the gathering and compression agreement to, among other things, make certain clarifying changes with respect to CPI and the associated adjustments to the fees we will receive from Antero Resources under the agreement. For the year ended December 31, 2018, we generated revenues of approximately \$521 million under the gathering and compression agreement with Antero Resources.

If and to the extent Antero Resources requests that we construct new high pressure lines and compressor stations requested by Antero Resources, the gathering and compression agreement contains minimum volume commitments that require Antero Resources to utilize or pay for 75% and 70%, respectively, of the capacity of such new construction. Additional high pressure lines and compressor stations installed on our own initiative are not subject to such volume commitments. These minimum volume commitments on new infrastructure, as well as price adjustment mechanisms, are intended to support the stability of our cash flows.

We also have an option to gather and compress natural gas produced by Antero Resources on any acreage it acquires in the future outside of West Virginia, Ohio and Pennsylvania on the same terms and conditions. In the event that we do not exercise this option, Antero Resources will be entitled to obtain gathering and compression services and dedicate production from limited areas to such third-party agreements from third parties.

In return for Antero Resources' acreage dedication, we have agreed to gather, compress, dehydrate and redeliver all of Antero Resources' dedicated natural gas on a firm commitment, first-priority basis. We may perform all services under the gathering and compression agreement or we may perform such services through third parties. In the event that we do not perform our obligations under the gathering and compression agreement, Antero Resources will be entitled to certain rights and procedural remedies thereunder.

Pursuant to the gathering and compression agreement, we have also agreed to build to and connect all of Antero Resources' wells producing dedicated natural gas, subject to certain exceptions, upon 180 days notice by Antero Resources. In the event of late connections, Antero Resources' natural gas will temporarily not be subject to the dedication. We are entitled to compensation under the gathering and compression agreement for capital costs incurred if a well does not commence production within 30 days following the target completion date for the well set forth in the notice from Antero Resources, provided that our gathering system is connected to such well and available to commence providing gathering and compression services with respect to all dedicated production from such well prior to the date such well has reached its projected depth and is ready for completion.

We have agreed to install compressor stations at Antero Resources' direction, but will not be responsible for inlet pressures or for pressuring natural gas to enter downstream facilities if Antero Resources has not directed us to install sufficient compression. Additionally, we will provide high pressure gathering pursuant to the gathering and compression agreement.

Under the gathering and compression agreement, Antero Resources may sell, transfer, convey, assign, grant, or otherwise dispose of dedicated properties free of the dedication, provided that the number of net acres of dedicated properties so disposed of, when added to the number of net acres of dedicated properties previously disposed of free of the dedication since the effective date of the agreement, does not exceed the aggregate number of net acres of dedicated properties acquired by Antero Resources since such effective date. Accordingly, under certain circumstances, Antero Resources may dispose of a significant number of net acres of dedicated properties free from dedication without our consent, and we have no control over the timing or extent of such dispositions.

Upon completion of the initial 20-year term, the gathering and compression agreement will continue in effect from year to year until such time as the agreement is terminated, effective upon an anniversary of the effective date of the agreement, by either us or Antero Resources on or before the 180th day prior to the anniversary of such effective date.

Water Services Agreement

In connection with the Water Acquisition, on September 23, 2015, we entered in a 20-year Water Services Agreement with Antero Resources whereby we have agreed to provide certain water handling and treatment services to Antero Resources within an area of dedication in defined service areas in Ohio and West Virginia and Antero Resources agrees to pay monthly fees to us for all water handling and treatment services provided by us in accordance with the terms of the Water Services Agreement. The initial term of the Water Services Agreement is twenty years from the date thereof and from year to year thereafter. Under the agreement, Antero Resources will pay a fixed fee per barrel in West Virginia and Ohio and all other locations for fresh water deliveries by pipeline directly to the well site, subject to annual CPI adjustments. On February 12, 2019, we amended and restated the Water Services Agreement to, among other things, make certain clarifying changes with respect to CPI and the associated adjustments to the fees we will receive from Antero Resources under the agreement. Antero Resources has committed to pay a fee on a minimum volume of fresh water deliveries in calendar years 2016 through 2019. Minimum volume commitments were 90,000 barrels per day in 2016, 100,000 barrels per day in 2017 and 120,000 barrels per day in 2018 and are 120,000 barrels per day in 2019. Antero Resources also agreed to pay us a fixed fee per barrel for wastewater treatment at the Antero Clearwater Facility and a fee per barrel for wastewater collected in trucks owned by us, in each case subject to annual CPI-based adjustments. In addition, we contract with third party service providers to provide Antero Resources other fluid handling services including flow back and produced water services and Antero Resources will reimburse us third party out-of-pocket costs plus 3%. For the year ended December 31, 2018, we generated revenues of approximately \$506 million under the Water Services Agreement with Antero Resources.

Under the Water Services Agreement, Antero Resources may sell, transfer, convey, assign, grant, or otherwise dispose of dedicated properties free of the dedication, provided that the number of net acres of dedicated properties so disposed of, when added to the number of net acres of dedicated properties previously disposed of free of the dedication since the effective date of the agreement, does not exceed the aggregate number of net acres of dedicated properties acquired by Antero Resources since such effective date. Accordingly, under certain circumstances, Antero Resources may dispose of a significant number of net acres of dedicated properties free from dedication without our consent, and we have no control over the timing or extent of such dispositions.

Upon completion of the initial 20-year term, the fresh water distribution agreement will continue in effect from year to year until such time as the agreement is terminated, effective upon an anniversary of the effective date of the agreement, by either us or Antero Resources on or before the 180th day prior to the anniversary of such effective date.

Processing

Joint Venture

On February 6, 2017, we formed the Joint Venture to develop processing and fractionation assets in Appalachia with MarkWest. We and MarkWest each own a 50% interest in the Joint Venture and MarkWest operates the Joint Venture assets. The Joint Venture assets consist of processing plants in West Virginia, and a one-third interest in a MarkWest fractionator in Ohio.

Pursuant to a certain gas processing agreement between Antero Resources and MarkWest, MarkWest has agreed to process gas from acreage dedicated by Antero Resources for a fee. MarkWest has entered into a separate agreement with the Joint Venture whereby the Joint Venture has agreed to perform gas processing services with respect to certain volumes on behalf of MarkWest in exchange for the gas processing fees that MarkWest receives from Antero Resources in connection with such volumes (the “MW-JV Arrangement”). In addition, on February 6, 2018, Antero Resources and MarkWest entered into an agreement pursuant to which MarkWest agreed to address certain regulatory matters related to expansions at one of MarkWest’s processing sites, and if certain conditions were not met, Antero Resources agreed to make reimbursement payments for such work directly to the Joint Venture. During the year ended December 31, 2018, the Joint Venture derived approximately \$98 million of revenues under the MW-JV Arrangement, and approximately \$30 million of our equity in earnings of unconsolidated affiliates for the year ended December 31, 2018 was attributable to our investment in the Joint Venture. During the year ended December 31, 2017, the Joint Venture derived approximately \$32 million of revenues under the MW-JV Arrangement, and approximately \$10 million of our equity in earnings of unconsolidated affiliates for the year ended December 31, 2017 was attributable to our investment in the Joint Venture.

Right-of-First-Offer Agreement

Prior to the Joint Venture, we did not have any processing or NGLs fractionation infrastructure; however, we have a right-of-first-offer agreement with Antero Resources for gas processing services, pursuant to which Antero Resources has agreed, subject to certain exceptions, not to procure any gas processing or NGLs fractionation services with respect to its production (other than production subject to a pre-existing dedication) without first offering us the right to provide such services.

If Antero Resources requires any gas processing or NGLs fractionation services that we are not already providing, including any services to be provided through a facility that Antero Resources has acquired or proposes to be acquired, Antero Resources’ request for offer will, among other things, describe the production that will be dedicated under the resulting agreement and the capacities of the facilities it desires and, if applicable, details of the facility Antero Resources has acquired or proposes to acquire. Antero Resources is permitted concurrently to seek offers from third parties for the same services on the same terms and conditions, but we have a right to match the fees offered by any third-party. Antero Resources will only be permitted to obtain these services from third parties if we either do not make an offer or do not match a competing third-party offer. The process could result in Antero Resources obtaining certain of the required services from us (for example, gas processing) and certain of such services (for example, NGLs fractionation and related services) from a third-party. Our right of first offer does not apply to production that is subject to a pre-existing dedication. The right of first offer agreement has an initial 20-year term from the date of our IPO, and is subject to automatic annual renewal after the initial term.

Pursuant to the procedures provided for in the right of first offer agreement, if our offer prevails, Antero Resources will enter into a gas processing agreement or other appropriate services agreement with us and, if such services are to be provided through a facility that Antero Resources has acquired or proposes to acquire, transfer such acquired facility to us for the price for which Antero Resources acquired it. Relevant production will be dedicated under such agreement. We will provide the relevant services for the offered fees, subject to price adjustments based on the consumer price index, or CPI, and Antero Resources will be obligated to deliver minimum daily volumes or pay fees for any deficiencies in deliveries. We may perform all services under the gas processing or other services agreement or may perform such services through third parties. In the event that we do not perform our obligations under the agreement, Antero Resources will be entitled to certain rights and procedural remedies thereunder.

If pursuant to the foregoing procedures Antero Resources enters into a gas processing agreement with us, we will agree to construct or cause to be constructed a processing plant to process the dedicated natural gas, except to the extent rendered unnecessary if Antero Resources is transferring an acquired facility to us. If Antero Resources requires additional capacity in the future at the plant at which we are providing the services, we will have the option to provide such additional capacity on the same terms and conditions.

In the event that we do not exercise this option, Antero Resources will be entitled to obtain proposals from third parties to process such production.

Under the right of first offer agreement, Antero Resources may sell, transfer, convey, assign, grant, or otherwise dispose of dedicated properties free of the dedication, provided that the number of net acres of dedicated properties so disposed of, when added to the number of net acres of dedicated properties previously disposed of free of the dedication since the effective date of the agreement, does not exceed the aggregate number of net acres of dedicated properties acquired by Antero Resources since such effective date. Accordingly, under certain circumstances, Antero Resources may dispose of a significant number of net acres of dedicated properties free from dedication without our consent, and we have no control over the timing or extent of such dispositions.

On February 6, 2017, in connection with the formation of the Joint Venture, we and Antero Resources amended and restated the right of first offer agreement in order to, among other things, amend the list of conflicting dedications set forth in such agreement to include the gas processing and NGL fractionation arrangement between Antero Resources and MarkWest. In connection with the entry into to such gas processing and NGL fractionation agreements, we released to the Joint Venture our right to provide certain processing and fractionation services on 195,000 gross acres held by Antero Resources, and MarkWest has separately agreed to use the Joint Venture for a portion of processing and fractionation services under the agreements. On February 13, 2018, we further amended and restated the right of first offer agreement to make certain clarifying changes to reflect the original intent of the agreement.

License

Pursuant to a license agreement with Antero Resources, we have the right to use certain Antero Resources related names and trademarks in connection with our operation of the midstream business.

Other Agreements

From time to time, in the ordinary course of business, we participate in transactions with Antero Resources and other third parties in which Antero Resources may be deemed to have a direct or indirect material interest. These transactions include, among other things, agreements that address the provision of midstream services and receipt of contract operating services, the purchase of fuel for use in our operations, the release of midstream service dedications in connection with acquisitions, dispositions or exchanges of acreage, and the acquisition of assets and the assumption of liabilities by us, our subsidiaries and our unconsolidated affiliates. While certain of these transactions are not the result of arm's-length negotiations, we believe that the terms of each of the transactions are, and specifically intend the terms to be, generally no less favorable to either party than those that could have been negotiated with unaffiliated parties with respect to similar transactions. During the year ended December 31, 2018, we incurred approximately \$3 million of costs in connection with such transactions.

Employment

Each of (i) Timothy Rady, the son of Paul M. Rady, the Chairman and Chief Executive Officer of our general partner, (ii) Cole Kilstrom, the son of Kevin J. Kilstrom, Senior Vice President—Production of our general partner, and (iii) Alan Peters, the son of David A. Peters, a member of the board of directors of our general partner, is a non-executive employee of Antero Resources and provides services to us pursuant to our agreements with Antero Resources. Total compensation paid to Timothy Rady in 2018 consisted of base salary, bonus and other benefits totaling \$307,948 and award grants under the AR LTIP and Midstream LTIP having an aggregate grant date fair value of \$413,946 and subject to certain time-based and performance-based vesting conditions. Total compensation paid to Cole Kilstrom in 2018 consisted of base salary, bonus and other benefits totaling \$100,110 and award grants under the AR LTIP having an aggregate grant date fair value of \$20,000 and subject to certain time-based vesting conditions. Total compensation paid to Alan Peters in 2018 consisted of base salary, bonus and other benefits totaling \$117,878 and award grants under the AR LTIP having an aggregate grant date fair value of \$30,000 and subject to certain time-based vesting conditions.

Procedures for Review, Approval and Ratification of Transactions with Related Persons

The board has determined that the audit committee will periodically review all related person transactions that the rules of the SEC require be disclosed in this Annual Report on Form 10-K, and make a determination regarding the initial authorization or ratification of any such transaction.

The audit committee is charged with reviewing the material facts of all related person transactions and either approving or disapproving of our participation in such transactions under our Related Persons Transaction Policy, as amended by the board ("RPT Policy") on October 17, 2017. Our RPT Policy also pre-approves certain related person transactions, including:

- ⌚ any employment of an executive officer if his or her compensation is required to be reported in our Annual Reports on Form 10-K under Item 402;
- ⌚ director compensation which is required to be reported in our Annual Reports on Form 10-K under Item 402;
- ⌚ any transaction with an entity at which the related person's only relationship is as an employee (other than an executive officer), director or beneficial owner of less than 10% of the entity's equity, if the aggregate amount involved does not exceed \$1 million;
- ⌚ any charitable contribution, grant or endowment by us to a charitable organization, foundation or university at which a related person's only relationship is as an employee (other than an executive officer) or a director is pre-approved or ratified (as applicable) if the aggregate amount involved does not exceed \$200,000;
- ⌚ any transaction where the related person's interest arises solely from the ownership of our common units and all holders of our common units received the same benefit on a pro rata basis (e.g., distributions) is pre-approved or ratified (as applicable);
- ⌚ any transaction involving a related person where the rates or charges involved are determined by competitive bids is pre-approved or ratified (as applicable);
- ⌚ any transaction with a related person involving the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority is pre-approved or ratified (as applicable); and
- ⌚ any transaction with a related person involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture or similar services is pre-approved or ratified (as applicable).

The audit committee chairman may approve any related person transaction in which the aggregate amount involved is expected to be less than \$120,000. A summary of such approved transactions and each new related person transaction deemed pre-approved under the RPT Policy is provided to the audit committee for its review. The audit committee has the authority to modify the RPT Policy regarding pre-approved transactions or to impose conditions upon our ability to participate in any related person transaction.

There were no related person transactions during 2018 which were required to be reported in "Related Persons Transactions" where the procedures described above did not require review, approval or ratification or where these procedures were not followed.

Conflicts of Interest

The board has adopted a written code of business conduct and ethics, under which a director would be expected to bring to the attention of our chief executive officer or the board any conflict or potential conflict of interest that may arise between the director or any affiliate of the director, on the one hand, and us or our general partner on the other. The resolution of any such conflict or potential conflict should, at the discretion of the board in light of the circumstances, be determined by a majority of the disinterested directors.

If a conflict or potential conflict of interest arises between our general partner or its affiliates, on the one hand, and us or our unitholders, on the other hand, the resolution of any such conflict or potential conflict should be addressed by the board of directors of our general partner in accordance with the provisions of our partnership agreement. At the discretion of the board in light of the circumstances, the resolution may be determined by the board in its entirety or by the conflicts committee.

Pursuant to our code of business conduct, our general partner's executive officers are required to avoid conflicts.

Conflicts of interest exist and may arise in the future as a result of the relationships between our general partner and its directors, officers, affiliates (including Antero Resources) and owners, on the one hand, and us and our limited partners, on the other hand. Conflicts may arise as a result of the duties of our general partner and its directors and officers to act for the benefit of its owners, which may conflict with our interests and the interests of our public unitholders. We are managed and operated by the board of directors and officers of our general partner, AMP GP, which is owned by AMGP. Certain of our officers and directors are also officers or directors of AMGP GP, AMGP's general partner, and Antero Resources. Similarly, all of the officers and a majority of the directors of our general partner are also officers or directors of Antero Resources. Affiliates of Warburg Pincus LLC ("Warburg"), Yorktown Partners LLC ("Yorktown"), Paul M. Rady and Glen C. Warren, Jr. serve as members of the board of directors of our general partner, the board of directors of AMGP GP and the board of directors of Antero Resources. Mr. Rady, Mr. Warren and certain investment funds affiliated with Warburg and Yorktown (collectively, the "Sponsors") also own the membership interests in AMGP GP, a majority of the common units and other interests in AMGP and a significant portion of the shares of common stock of Antero Resources. As a result of their investments in AMGP, AMGP GP, and its general partner and Antero Resources, the Sponsors may have conflicting interests with other holders of our common units, including with respect to the Transactions.

Although our general partner has a contractual duty to manage us in a manner that it believes is not adverse to our interests, the directors and officers of our general partner have a fiduciary duty to manage our general partner in a manner that is beneficial to AMGP. Our general partner's directors and officers who are also directors and officers of Antero Resources have a fiduciary duty to manage Antero Resources in a manner that is beneficial to Antero Resources and its shareholders, and our directors and officers who are also directors and officers of AMGP GP have a fiduciary duty to manage AMGP GP in a manner that is beneficial to AMGP GP and its owners. Our partnership agreement specifically defines the remedies available to unitholders for actions taken that, without these defined liability standards, might constitute breaches of fiduciary duty under applicable Delaware law. The Delaware Act provides that Delaware limited partnerships may, in their partnership agreements, expand, restrict or eliminate the fiduciary duties otherwise owed by the general partner to the limited partners and the partnership.

Whenever a conflict arises between our general partner or its owners and affiliates (including Antero Resources and AMGP), on the one hand, and us or our limited partners, on the other hand, the resolution or course of action in respect of such conflict of interest shall be permitted and deemed approved by us and all our limited partners and shall not constitute a breach of our partnership agreement, of any agreement contemplated thereby or of any duty, if the resolution or course of action in respect of such conflict of interest is:

- ① approved by the conflicts committee of our general partner, although our general partner is not obligated to seek such approval; or
- ② approved by the holders of a majority of the outstanding common units, excluding any such units owned by our general partner or any of its affiliates.

Our general partner may, but is not required to, seek the approval of such resolutions or courses of action from the conflicts committee of its board of directors or from the holders of a majority of the outstanding common units as described above. If our general partner does not seek approval from the conflicts committee or from holders of common units as described above and the board of directors of our general partner approves the resolution or course of action taken with respect to the conflict of interest, then it will be presumed that, in making its decision, the board of directors of our general partner acted in good faith, and in any proceeding brought by or on behalf of us or any of our unitholders, the person bringing or prosecuting such proceeding will have the burden of overcoming such presumption and proving that such decision was not in good faith. Unless the resolution of a conflict is specifically provided for in our partnership agreement, the board of directors of our general partner or the conflicts committee of the board of directors of our general partner may consider any factors they determine in good faith to consider when resolving a conflict. An independent third party is not required to evaluate the resolution. Under our partnership agreement, a determination, other action or failure to act by our general partner, the board of directors of our general partner or any committee thereof (including the conflicts committee) will be deemed to be "in good faith" unless our general partner, the board of directors of our general partner or any committee thereof (including the conflicts committee) believed such determination, other action or failure to act was adverse to the interest of the partnership. Please read "Management—Committees of the Board of Directors—Conflicts Committee" for information about the conflicts committee of our general partner's board of directors.

Director Independence

Rather than adopting categorical standards, the Board assesses director independence on a case-by-case basis, in each case consistent with applicable legal requirements and the listing standards of the NYSE. After reviewing all relationships each director has with us, including the nature and extent of any business relationships between us and each director, as well as any significant

charitable contributions we make to organizations where our directors serve as board members or executive officers, the Board has affirmatively determined that the following directors have no material relationships with us and are independent as defined by the current listing standards of the NYSE: Messrs. Kagan, Keenan, Mollenkopf, Korus and Peters. Neither Mr. Rady, the Chairman and Chief Executive Officer of our general partner, nor Mr. Warren, the President and Secretary of our general partner, is considered by the Board to be an independent director because of his employment with Antero Resources.

Item 14. Principal Accountant Fees and Services

The table below sets forth the aggregate fees and expenses billed by KPMG LLP, our independent registered public accounting firm, for the Partnership for the following periods:

(in thousands)	For the Years Ended December 31,	
	2017	2018
Audit Fees:		
Audit and Quarterly Reviews	\$ 540	630
Audit Related Fees	433	153
Total	\$ 973	783

The charter of the Audit Committee and its pre-approval policy require that the Audit Committee review and pre-approve our independent registered public accounting firm's fees for audit, audit-related, tax and other services. The Chairman of the Audit Committee has the authority to grant pre-approvals, provided such approvals are within the pre-approval policy and are presented to the Audit Committee at a subsequent meeting. For the year ended December 31, 2018, the audit committee approved 100% of the services described above under the captions "Audit Fees."

PART IV**Item 15. Exhibits and Financial Statement Schedules****(a)(1) and (a)(2) Financial Statements and Financial Statement Schedules**

The consolidated financial statements are listed on the Index to Financial Statements to this report beginning on page F-1.

(a)(3) Exhibits.

Exhibit Number	Description of Exhibit
2.1**	<u>Contribution, Conveyance and Assumption Agreement, dated as of September 17, 2015, by and among Antero Resources Corporation, Antero Midstream Partners LP and Antero Treatment LLC (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K (Commission File No. 001-36719) filed on September 18, 2015).</u>
2.2	<u>Simplification Agreement, dated as of October 9, 2018, by and among AMGP GP LLC, Antero Midstream GP LP, Antero IDR Holdings LLC, Arkrose Midstream Preferred Co LLC, Arkrose Midstream NewCo Inc., Arkrose Midstream Merger Sub LLC, Antero Midstream Partners GP LLC and Antero Midstream Partners LP (incorporated by reference to Exhibit 2.1 to Current Report on Form 8-K (Commission File No. 001-36719) filed on October 10, 2018).</u>
3.1	<u>Certificate of Conversion of Antero Resources Midstream LLC, dated November 5, 2014 (incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K (Commission File No. 001-36719) filed on November 7, 2014).</u>
3.2	<u>Amended and Restated Certificate of Limited Partnership of Antero Midstream Partners LP, dated April 11, 2017 (incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K (Commission File No. 001-36719) filed on April 11, 2017).</u>
3.3	<u>Agreement of Limited Partnership, dated as of November 10, 2014, by and between Antero Resources Midstream Management LLC, as the General Partner, and Antero Resources Corporation, as the Organizational Limited Partner (incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K (Commission File No. 001-36719) filed on November 17, 2014).</u>
3.4	<u>Amendment No. 1 to Agreement of Limited Partnership of Antero Midstream Partners LP, dated as of February 23, 2016 (incorporated by reference to Exhibit 3.4 to Annual Report on Form 10-K (Commission File No. 001-36719) filed on February 24, 2016).</u>
3.5	<u>Amendment No. 2 to Agreement of Limited Partnership of Antero Midstream Partners LP, dated as of December 20, 2017 (incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K (Commission File No. 001-36719) filed on December 26, 2017).</u>
4.1	<u>Indenture, dated as of September 13, 2016, by and among Antero Midstream Partners LP, Antero Midstream Finance Corporation, the subsidiary guarantors party thereto and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K (Commission File No. 001-36719) filed on September 13, 2016).</u>
4.2	<u>Form of 5.375% Senior Note due 2024 (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (Commission File No. 001-36719) filed on September 13, 2016).</u>
4.3	<u>Registration Rights Agreement, dated as of September 13, 2016, by and among Antero Midstream Partners LP, Antero Midstream Finance Corporation, the subsidiary guarantors named therein and J.P. Morgan Securities LLC as representative of the initial purchasers named therein (incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K (Commission File No. 001-36719) filed on September 13, 2016).</u>
10.1	<u>Senior Note Purchase Agreement, dated as of September 8, 2016, by and among Antero Midstream Partners LP, Antero Midstream Finance Corporation and the Purchasers named therein (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (Commission File No. 001-36719) filed on September 13, 2016).</u>

10.2	Secondment Agreement, dated as of September 23, 2015, by and between Antero Midstream Partners LP, Antero Resources Midstream Management LLC, Antero Midstream LLC, Antero Water LLC, Antero Treatment LLC and Antero Resources Corporation (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (Commission File No. 001-36719) filed on September 24, 2015).
10.3	Amended and Restated Services Agreement, dated as of September 23, 2015, by and among Antero Midstream Partners LP, Antero Resources Midstream Management LLC and Antero Resources Corporation (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K (Commission File No. 001-36719) filed on September 24, 2015).
10.4†*	Amended and Restated Water Services Agreement, dated as of February 12, 2019, by and between Antero Resources Corporation and Antero Water LLC.
10.5	Amended and Restated Contribution Agreement, dated as of November 10, 2014, by and between Antero Resources Corporation and Antero Midstream Partners LP (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (Commission File No. 001-36719) filed on November 17, 2014).
10.6	First Amended and Restated Gathering and Compression Agreement, dated as of February 13, 2018, by and between Antero Resources Corporation and Antero Midstream LLC (incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q (Commission File No. 001-36719) filed on April 25, 2018).
10.7	Second Amended and Restated Right of First Offer Agreement, dated as of February 13, 2018, by and between Antero Resources Corporation and Antero Midstream LLC (incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-Q (Commission File No. 001-36719) filed on April 25, 2018).
10.8	License Agreement, dated as of November 10, 2014, by and between Antero Resources Corporation and Antero Midstream Partners LP (incorporated by reference to Exhibit 10.4 to Current Report on Form 8-K (Commission File No. 001-36719) filed on November 17, 2014).
10.9	Registration Rights Agreement, dated as of November 10, 2014, by and among Antero Midstream Partners LP and Antero Resources Corporation (incorporated by reference to Exhibit 10.5 to Current Report on Form 8-K (Commission File No. 001-36719) filed on November 17, 2014).
10.10	Amended and Restated Credit Agreement, dated as of October 26, 2017, among Antero Midstream Partners LP and certain of its subsidiaries, certain lenders party thereto, Wells Fargo Bank, National Association, as administrative agent, l/c issuer and swingline lender and the other parties thereto (incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q (Commission File No. 001-36719) filed on November 1, 2017).
10.11	First Amendment and Joinder Agreement to Amended and Restated Credit Agreement, dated as of October 31, 2018 (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (Commission File No. 001-36719) filed on November 2, 2018).
10.12	Form of Antero Midstream Partners LP Long-Term Incentive Plan (incorporated by reference to Exhibit 10.11 to Amendment No. 4 to Antero Resources Midstream LLC's Registration Statement on Form S-1, filed on July 11, 2014, File No. 333-193798).
10.13	Form of Amended and Restated Indemnification Agreement (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (Commission File No. 001-36719) filed on April 17, 2018)).
10.14	Form of Phantom Unit Grant Notice and Phantom Unit Agreement under the Antero Midstream Partners LP Long-Term Incentive Plan (incorporated by reference to Exhibit 4.4 to Antero Midstream Partners' Registration Statement on Form S-8 (Commission File No. 001- 36719) filed on November 12, 2014).
10.15	Form of Restricted Unit Grant Notice and Restricted Unit Agreement under the Antero Midstream Partners LP Long-Term Incentive Plan (incorporated by reference to Exhibit 4.5 to Antero Midstream Partners' Registration Statement on Form S-8 (Commission File No. 001- 36719) filed on November 12, 2014).
10.16	Form of Bonus Unit Grant Notice and Bonus Unit Agreement (Form for Non-Employee Directors) under the Antero Midstream Partners LP Long-Term Incentive Plan (incorporated by reference to Exhibit 10.16 to Annual Report on Form 10-K (Commission File No. 001-36120) filed on February 24, 2016).

10.17	<u>Antero Resources Corporation Long-Term Incentive Plan, effective as of October 1, 2013 (incorporated by reference to Exhibit 4.3 to the Company’s Registration Statement on Form S-8 (Commission File No. 001- 36120) filed on October 11, 2013).</u>
10.18	<u>Form of Restricted Stock Unit Grant Notice and Restricted Stock Unit Agreement under the Antero Resources Corporation Long-Term Incentive Plan (incorporated by reference to Exhibit 10.28 to Annual Report on Form 10-K (Commission File No. 001-36120) filed on February 25, 2015).</u>
10.19	<u>Form of Bonus Stock Grant Notice and Bonus Stock Agreement (Form for Non-Employee Directors) under the Antero Resources Corporation Long-Term Incentive Plan (incorporated by reference to Exhibit 10.36 to Antero Resources’ Annual Report on Form 10-K (Commission File No. 001-36120) filed on February 24, 2016).</u>
10.20	<u>Form of Performance Share Unit Grant Notice and Performance Share Unit Agreement (Form for Special Retention Awards) under the Antero Resources Corporation Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to Antero Resources’ Current Report on Form 8-K (Commission File No. 001-36120) filed on February 12, 2016).</u>
10.21	<u>Global Grant Amendment to Grant Notices and Award Agreements Under the Antero Midstream Partners LP Long-Term Incentive Plan, effective as of October 24, 2016 (incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q (Commission File No. 001-36120) filed on October 26, 2016).</u>
10.22	<u>Voting Agreement, dated as of October 9, 2018, by and among Antero Midstream Partners LP and the shareholders of Antero Midstream GP LP named on Schedule I thereto (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (Commission File No. 001-36719) filed on October 10, 2018).</u>
10.23	<u>Voting Agreement, dated as of October 9, 2018, by and among Antero Midstream Partners LP and the shareholders of Antero Midstream GP LP named on Schedule I thereto (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K (Commission File No. 001-36719) filed on October 10, 2018).</u>
21.1*	<u>Subsidiaries of Antero Midstream Partners LP.</u>
23.1*	<u>Consent of KPMG LLP.</u>
31.1*	<u>Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes Oxley Act of 2002 (18 U.S.C. Section 7241).</u>
31.2*	<u>Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes Oxley Act of 2002 (18 U.S.C. Section 7241).</u>
32.1*	<u>Certification of the Chief Executive Officer Pursuant to Section 906 of the Sarbanes Oxley Act of 2002 (18 U.S.C. Section 1350).</u>
32.2*	<u>Certification of the Chief Financial Officer Pursuant to Section 906 of the Sarbanes Oxley Act of 2002 (18 U.S.C. Section 1350).</u>
101*	The following financial information from this Form 10-K of Antero Midstream Partners LP for the year ended December 31, 2018, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations and Comprehensive Income (Loss), (iii) Consolidated Statements of Equity, (iv) Consolidated Statements of Cash Flows, and (v) Notes to the Consolidated Financial Statements, tagged as blocks of text.

The exhibits marked with the asterisk symbol (*) are filed or furnished with this Annual Report on Form 10-K.

** Pursuant to Item 601(b)(2) of Regulation S-K, the Partnership agrees to furnish supplementally a copy of any omitted exhibit or schedule to the U.S. Securities and Exchange Commission upon request.

†Portions of this exhibit have been omitted pursuant to a request for confidential treatment.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ANTERO MIDSTREAM PARTNERS LP

By: **ANTERO MIDSTREAM PARTNERS GP LLC,
its general partner**

By: /s/ Michael N. Kennedy
Michael N. Kennedy
Chief Financial Officer

Date: February 13, 2019

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title (Position with Antero Midstream Partners GP LLC)</u>	<u>Date</u>
<u>/s/ Paul M. Rady</u> Paul M. Rady	Chairman of the Board, Director and Chief Executive officer (principal executive officer)	February 13, 2019
<u>/s/ MICHAEL N. KENNEDY</u> Michael N. Kennedy	Chief Financial Officer (principal financial officer)	February 13, 2019
<u>/s/ K. Phil Yoo</u> K. Phil Yoo	Vice President, Accounting and Chief Accounting Officer (principal accounting officer)	February 13, 2019
<u>/s/ GLEN C. WARREN, JR.</u> Glen C. Warren, Jr.	President, Director, and Secretary	February 13, 2019
<u>/s/ PAUL J. KORUS</u> Paul J. Korus	Director	February 13, 2019
<u>/s/ W. Howard Keenan, Jr.</u> W. Howard Keenan, Jr.	Director	February 13, 2019
<u>/s/ Peter R. Kagan</u> Peter R. Kagan	Director	February 13, 2019
<u>/s/ JOHN C. MOLLENKOPF</u> John C. Mollenkopf	Director	February 13, 2019
<u>/s/ David A. Peters</u> David A. Peters	Director	February 13, 2019

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Report of Independent Registered Public Accounting Firm

The Unitholders of Antero Midstream Partners LP and
Board of Directors of Antero Midstream Partners GP LLC:

Opinions on the Consolidated Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Antero Midstream Partners LP and its subsidiaries (the Partnership) as of December 31, 2017 and 2018, the related consolidated statements of operations and comprehensive income, partners' capital, and cash flows for each of the years in the three-year period ended December 31, 2018, and the related notes (collectively, the consolidated financial statements). We also have audited the Partnership's internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Partnership as of December 31, 2017 and 2018, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2018, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Partnership maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018 based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinion

The Partnership's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting within *Item 9A. Controls and Procedures*. Our responsibility is to express an opinion on the Partnership's consolidated financial statements and an opinion on the Partnership's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A Partnership's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Partnership's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Partnership; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Partnership are being made only in accordance with authorizations of management and directors of the Partnership; and (3) provide reasonable assurance

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regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Partnership's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

We have served as the Partnership's auditor since 2013.

Denver, Colorado
February 13, 2019

ANTERO MIDSTREAM PARTNERS LP

Consolidated Balance Sheets

December 31, 2017 and 2018

(In thousands)

	December 31,	
	2017	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 8,363	—
Accounts receivable—Antero Resources	110,182	115,378
Accounts receivable—third party	1,170	1,544
Other current assets	670	21,513
Total current assets	<u>120,385</u>	<u>138,435</u>
Property and equipment, net	2,605,602	2,958,415
Investments in unconsolidated affiliates	303,302	433,642
Other assets, net	12,920	15,925
Total assets	<u>\$ 3,042,209</u>	<u>3,546,417</u>
Liabilities and Partners' Capital		
Current liabilities:		
Accounts payable—Antero Resources	\$ 6,459	4,141
Accounts payable—third party	8,642	21,372
Accrued liabilities	106,006	72,121
Asset retirement obligations	—	1,817
Other current liabilities	209	235
Total current liabilities	<u>121,316</u>	<u>99,686</u>
Long-term liabilities:		
Long-term debt	1,196,000	1,632,147
Contingent acquisition consideration	208,014	114,995
Asset retirement obligations	—	5,791
Other	410	2,290
Total liabilities	<u>1,525,740</u>	<u>1,854,909</u>
Partners' capital:		
Common unitholders—public (88,059 and 88,452 units issued and outstanding at December 31, 2017 and 2018 respectively)	1,708,379	1,792,011
Common unitholder—Antero Resources (98,870 units issued and outstanding at December 31, 2017 and 2018)	(215,682)	(143,995)
General partner	23,772	43,492
Total partners' capital	<u>1,516,469</u>	<u>1,691,508</u>
Total liabilities and partners' capital	<u>\$ 3,042,209</u>	<u>3,546,417</u>

See accompanying notes to consolidated financial statements.

ANTERO MIDSTREAM PARTNERS LP
Consolidated Statements of Operations and Comprehensive Income
Years Ended December 31, 2016, 2017, and 2018
(In thousands, except per unit amounts)

	Year Ended December 31,		
	2016	2017	2018
Revenue:			
Gathering and compression—Antero Resources	\$ 303,250	396,202	520,566
Water handling and treatment—Antero Resources	282,267	376,031	506,449
Gathering and compression—third party	835	264	—
Water handling and treatment—third party	—	—	924
Gain on sale of assets—Antero Resources	—	—	583
Gain on sale of assets—third party	3,859	—	—
Total revenue	<u>590,211</u>	<u>772,497</u>	<u>1,028,522</u>
Operating expenses:			
Direct operating	161,587	232,538	316,423
General and administrative (including \$26,049, \$27,283 and \$21,073 of equity-based compensation in 2016, 2017 and 2018, respectively)	54,163	58,812	61,629
Impairment of property and equipment	—	23,431	5,771
Depreciation	99,861	119,562	130,013
Accretion and change in fair value of contingent acquisition consideration	16,489	13,476	(93,019)
Accretion of asset retirement obligations	—	—	135
Total operating expenses	<u>332,100</u>	<u>447,819</u>	<u>420,952</u>
Operating income	258,111	324,678	607,570
Interest expense, net	(21,893)	(37,557)	(61,906)
Equity in earnings of unconsolidated affiliates	485	20,194	40,280
Net income and comprehensive income	236,703	307,315	585,944
Net income attributable to incentive distribution rights	(16,944)	(69,720)	(142,906)
Limited partners' interest in net income	<u>\$ 219,759</u>	<u>237,595</u>	<u>443,038</u>
Net income per limited partner unit—basic	\$ 1.24	1.28	2.37
Net income per limited partner unit—diluted	\$ 1.24	1.28	2.36
Weighted average limited partner units outstanding:			
Basic	176,647	185,630	187,048
Diluted	176,801	186,083	187,398

See accompanying notes to consolidated financial statements.

ANTERO MIDSTREAM PARTNERS LP
Consolidated Statements of Partners' Capital
Years Ended December 31, 2016, 2017, and 2018

(In thousands)

	Limited Partners				Total Partners' Capital
	Common Unitholders Public	Common Unitholder Antero Resources	Subordinated Unitholder Antero Resources	Antero IDR Holdings LLC	
Balance at December 31, 2015	\$ 1,351,317	30,186	(299,727)	969	1,082,745
Net income and comprehensive income	82,424	42,817	94,518	16,944	236,703
Distributions	(64,712)	(33,701)	(73,663)	(10,370)	(182,446)
Equity-based compensation	8,012	9,128	8,909	—	26,049
Issuance of common units upon vesting of equity-based compensation awards, net of units withheld for income taxes	9,555	(15,191)	—	—	(5,636)
Issuance of common units, net of offering costs	65,395	—	—	—	65,395
Sale of units held by Antero Resources to public	6,419	(6,419)	—	—	—
Balance at December 31, 2016	1,458,410	26,820	(269,963)	7,543	1,222,810
Net income and comprehensive income	100,347	137,248	—	69,720	307,315
Distributions	(98,861)	(131,598)	—	(53,491)	(283,950)
Conversion of subordinated units to common units	—	(269,963)	269,963	—	—
Equity-based compensation	9,776	17,507	—	—	27,283
Issuance of common units upon vesting of equity-based compensation awards, net of units withheld for income taxes	9,691	(15,636)	—	—	(5,945)
Sale of units held by Antero Resources to public	(19,940)	19,940	—	—	—
Issuance of common units, net of offering costs	248,956	—	—	—	248,956
Balance at December 31, 2017	1,708,379	(215,682)	—	23,772	1,516,469
Net income and comprehensive income	208,911	234,127	—	142,906	585,944
Distributions	(144,085)	(159,181)	—	(123,186)	(426,452)
Equity-based compensation	7,796	13,277	—	—	21,073
Issuance of common units upon vesting of equity-based compensation awards, net of units withheld for income taxes	11,007	(16,536)	—	—	(5,529)
Other	3	—	—	—	3
Balance at December 31, 2018	<u>\$ 1,792,011</u>	<u>(143,995)</u>	<u>—</u>	<u>43,492</u>	<u>1,691,508</u>

See accompanying notes to consolidated financial statements.

ANTERO MIDSTREAM PARTNERS LP
Consolidated Statements of Cash Flows
Years Ended December 31, 2016, 2017, and 2018
(In thousands)

	Year Ended December 31,		
	2016	2017	2018
Cash flows provided by operating activities:			
Net income	\$ 236,703	307,315	585,944
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	99,861	119,562	130,013
Accretion and change in fair value of contingent acquisition consideration	16,489	13,476	(93,019)
Accretion of asset retirement obligations	—	—	135
Impairment of property and equipment	—	23,431	5,771
Equity-based compensation	26,049	27,283	21,073
Equity in earnings of unconsolidated affiliates	(485)	(20,194)	(40,280)
Distributions from unconsolidated affiliates	7,702	20,195	46,415
Amortization of deferred financing costs	1,814	2,888	2,879
Gain on sale of assets—Antero Resources	—	—	(583)
Gain on sale of assets—third-party	(3,859)	—	—
Changes in assets and liabilities:			
Accounts receivable—Antero Resources	1,573	(41,043)	(10,196)
Accounts receivable—third party	1,467	70	648
Prepaid expenses	(529)	(141)	(153)
Accounts payable—Antero Resources	1,055	3,266	(1,804)
Accounts payable—third party	95	3,003	7,670
Accrued liabilities	(9,328)	16,685	3,047
Net cash provided by operating activities	<u>378,607</u>	<u>475,796</u>	<u>657,560</u>
Cash flows used in investing activities:			
Additions to gathering systems and facilities	(228,100)	(346,217)	(446,270)
Additions to water handling and treatment systems	(188,220)	(195,162)	(88,674)
Investments in unconsolidated affiliates	(75,516)	(235,004)	(136,475)
Proceeds from sale of assets—Antero Resources	—	—	4,470
Proceeds from sale of assets—third party	10,000	—	1,680
Change in other assets	3,673	(3,435)	(3,591)
Change in other liabilities	—	—	2,273
Net cash used in investing activities	<u>(478,163)</u>	<u>(779,818)</u>	<u>(666,587)</u>
Cash flows provided by financing activities:			
Distributions	(182,446)	(283,950)	(426,452)
Issuance of senior notes	650,000	—	—
Borrowings (repayments) on bank credit facilities, net	(410,000)	345,000	435,000
Issuance of common units, net of offering costs	65,395	248,956	—
Payments of deferred financing costs	(10,435)	(5,520)	(2,169)
Employee tax withholding for settlement of equity compensation awards	(5,636)	(5,945)	(5,529)
Other	(163)	(198)	(186)
Net cash provided by financing activities	<u>106,715</u>	<u>298,343</u>	<u>664</u>
Net increase (decrease) in cash and cash equivalents	7,159	(5,679)	(8,363)
Cash and cash equivalents, beginning of period	6,883	14,042	8,363
Cash and cash equivalents, end of period	<u>\$ 14,042</u>	<u>8,363</u>	<u>—</u>
Supplemental disclosure of cash flow information:			
Cash paid during the period for interest	\$ 13,494	46,666	62,844
Increase (decrease) in accrued capital expenditures and accounts payable for property and equipment	\$ (8,471)	16,338	(32,563)

See accompanying notes to consolidated financial statements.

ANTERO MIDSTREAM PARTNERS LP

Notes to Consolidated Financial Statements

Years Ended December 31, 2016, 2017, and 2018

(1) Business and Organization

(a) Overview

Antero Midstream Partners LP (the “Partnership”) is a growth-oriented master limited partnership formed by Antero Resources Corporation (“Antero Resources”) to own, operate and develop midstream energy infrastructure primarily to service Antero Resources’ increasing production and completion activity in the Appalachian Basin’s Marcellus Shale and Utica Shale located in West Virginia and Ohio. The Partnership’s assets consist of gathering pipelines, compressor stations, interests in processing and fractionation plants, and water handling and treatment assets, through which the Partnership and its affiliates provide midstream services to Antero Resources under long-term, fixed-fee contracts. The Partnership’s consolidated financial statements as of December 31, 2018, include the accounts of the Partnership, Antero Midstream LLC (“Midstream Operating”), Antero Water LLC (“Antero Water”), Antero Treatment LLC (“Antero Treatment”), and Antero Midstream Finance Corporation (“Finance Corp”), all of which are entities under common control.

The Partnership’s gathering and compression assets consist of high and low pressure gathering pipelines, compressor stations, and processing and fractionation plants that collect and process natural gas and NGLs from Antero Resources’ wells in West Virginia and Ohio. The Partnership’s water handling and treatment assets include two independent systems that deliver fresh water from sources including the Ohio River, local reservoirs as well as several regional waterways, an advanced wastewater treatment facility placed into service in 2018 and a related landfill used for the disposal of waste therefrom.

The Partnership also has a 15% equity interest in the gathering system of Stonewall Gas Gathering LLC (“Stonewall”) and a 50% equity interest in a joint venture to develop processing and fractionation assets with MarkWest (the “Joint Venture”). See Note 14—Investments in Unconsolidated Affiliates.

The Partnership has been determined to be a variable interest entity and its financial statements are consolidated within the financial statements of Antero Resources (NYSE: AR), its primary beneficiary for financial reporting purposes.

On April 6, 2017, in connection with its initial public offering, Antero Resources Midstream Management LLC (“ARMM”) formed Antero Midstream Partners GP LLC (“AMP GP” or our “general partner”), a Delaware limited liability company, as a wholly owned subsidiary, and, on April 11, 2017, assigned to AMP GP the general partner interest in us. Concurrent with the assignment, AMP GP was admitted as the Partnership’s sole general partner and ARMM ceased to be our general partner.

On May 9, 2017, ARMM closed its initial public offering. In connection with the offering, ARMM was converted into a Delaware limited partnership, and changed its name to Antero Midstream GP LP (“AMGP”).

(b) Simplification Agreement

On October 9, 2018, the Partnership, Antero Midstream GP LP (“AMGP”) and certain of their affiliates entered into a Simplification Agreement (as may be amended from time to time, the “Simplification Agreement”), pursuant to which, among other things, (1) AMGP will be converted from a limited partnership to a corporation under the laws of the State of Delaware, to be named Antero Midstream Corporation (which is referred to as “New AM” and the conversion, the “Conversion”); (2) an indirect, wholly owned subsidiary of New AM will be merged with and into the Partnership, with the Partnership surviving the merger as an indirect, wholly owned subsidiary of New AM (the “Merger”) and (3) all the issued and outstanding Series B Units representing limited liability company interests of Antero IDR Holdings LLC (“IDR Holdings”), a partially owned subsidiary of AMGP and the holder of all of the Partnership’s incentive distribution rights, will be exchanged for an aggregate of approximately 17.35 million shares of New AM’s common stock (the “Series B Exchange”). The Conversion, the Merger, the Series B Exchange and the other transactions contemplated by the Simplification Agreement are collectively referred to as the “Transactions”. As a result of the Transactions, the Partnership will be a wholly owned subsidiary of New AM and former shareholders of AMGP, unitholders of the Partnership and holders of Series B Units will each own New AM’s common stock.

If the Transactions are completed, (1) each holder of the Partnership’s common units other than Antero Resources (the “AM Public Unitholders”), will be entitled to receive, at its election, one of (i) \$3.415 in cash without interest and 1.6350 validly issued, fully paid, nonassessable shares of New AM’s common stock for each of the Partnership’s common units held (the “Public Mixed

ANTERO MIDSTREAM PARTNERS LP

Notes to Consolidated Financial Statements (Continued)

Years Ended December 31, 2016, 2017, and 2018

Consideration”); (ii) 1.6350 shares of New AM’s common stock plus an additional number of shares of New AM’s common stock equal to the quotient of (A) \$3.415 and (B) the average of the 20-day volume-weighted average trading price per AMGP common share prior to the final election day for AM Public Unitholders (the “AMGP VWAP”), for each of the Partnership’s common units held (the “Public Stock Consideration”); or (iii) \$3.415 in cash plus an additional amount of cash equal to the product of (A) 1.6350 and (B) the AMGP VWAP for each of the Partnership’s common units held (the “Public Cash Consideration”); and (2) in exchange for each of the Partnership’s common units held, Antero Resources will be entitled, subject to certain adjustments (as described below), to receive \$3.00 in cash without interest and 1.6023 validly issued, fully paid, nonassessable shares of New AM’s common stock for each of the Partnership’s common units held by Antero Resources (the “AR Mixed Consideration”).

The aggregate cash consideration to be paid to Antero Resources and the AM Public Unitholders will be fixed at an amount equal to the aggregate amount of cash that would have been paid and issued if all AM Public Unitholders received \$3.415 in cash per common unit (the “Available Cash”) and Antero Resources received \$3.00 in cash per common unit, which is approximately \$598 million. If the Available Cash exceeds the cash consideration elected to be received by the AM Public Unitholders, Antero Resources may elect to increase the total amount of cash consideration to be received as a part of the AR Mixed Consideration up to an amount equal to the excess and the amount of shares it will receive will be reduced accordingly based on the AMGP VWAP. In addition, the consideration to be received each AM Public Unitholder may be prorated in the event that more cash or equity is elected to be received than what would otherwise have been paid if all AM Public Unitholders had received the Public Mixed Consideration and Antero Resources received the AR Mixed Consideration.

The Merger should be a taxable event for the Partnership’s unitholders. The amount and character of gain or loss recognized by each unitholder in the Merger will vary depending on such unitholder’s particular situation, including the value of the shares of New AM’s common stock, if any, received by such unitholder, the amount of any cash received by such unitholder, the adjusted tax basis of such unitholder’s common units (and any changes to such tax basis as a result of our allocations of income, gain, loss and deduction to such unitholder for the taxable year that includes the Merger), and the amount of any suspended passive losses that may be available to such unitholder to offset a portion of the gain recognized by such unitholder in connection with the Merger.

Special meetings of AMGP shareholders and Antero Midstream unitholders will be held on March 8, 2019 to vote on the Simplification Agreement, the Merger and the other Transactions contemplated thereby, as applicable, and all AMGP shareholders and Antero Midstream unitholders of record as of the close of business on January 11, 2019, which is the record date for the special meetings, will be entitled to vote the AMGP common shares and Antero Midstream common units, respectively, owned by them on the record date. AMGP and the Partnership expect to fund the cash portion of the merger consideration with borrowings under the Partnership’s revolving credit facility. The revolving credit facility was amended on October 31, 2018 to increase lender commitments from \$1.5 billion to \$2.0 billion.

Also on October 9, 2018, in connection with the entry into the Simplification Agreement, (1) the Partnership entered into a voting agreement with AMGP’s shareholders owning a majority of the outstanding AMGP common shares, pursuant to which, among other things, such shareholders agreed to vote in favor of the Transactions, (2) AMGP entered into a voting agreement with Antero Resources, pursuant to which, among other things, Antero Resources agreed to vote in favor of the Transactions and (3) AMGP, Antero Resources, certain funds affiliated with Warburg Pincus LLC and Yorktown Partners LLC (together, the “Sponsor Holders”), Paul M. Rady and Glen C. Warren, Jr. (Messrs. Rady and Warren together, the “Management Stockholders”) entered into a Stockholders’ Agreement, pursuant to which, among other things, Antero Resources, the Sponsor Holders and the Management Holders will have the ability to designate members of the New AM board of directors under certain circumstances, effective as the closing of the Transactions.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”). In the opinion of management, these statements include all adjustments considered necessary for a fair presentation of the Partnership’s financial position as of December 31, 2017 and 2018, and the results of the Partnership’s operations

ANTERO MIDSTREAM PARTNERS LP

Notes to Consolidated Financial Statements (Continued)

Years Ended December 31, 2016, 2017, and 2018

and its cash flows for the years ended December 31, 2016, 2017, and 2018. The Partnership has no items of other comprehensive income or loss; therefore, net income is identical to comprehensive income.

Certain costs of doing business incurred by Antero Resources on our behalf have been reflected in the accompanying consolidated financial statements. These costs include general and administrative expenses attributed to us by Antero Resources in exchange for:

- ① business services, such as payroll, accounts payable and facilities management;
- ② corporate services, such as finance and accounting, legal, human resources, investor relations and public and regulatory policy; and
- ③ employee compensation, including equity-based compensation.

Transactions between the Partnership and Antero Resources have been identified in the consolidated financial statements (see Note 3—Transactions with Affiliates).

As of the date these consolidated financial statements were filed with the SEC, the Partnership completed its evaluation of potential subsequent events for disclosure and no items requiring disclosure were identified, except the declaration of a cash distribution to unitholders, as described in Note 10—Partnership Equity and Distributions.

(b) Revenue Recognition

On May 28, 2014, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU replaced most existing revenue recognition guidance in GAAP when it became effective and was incorporated into GAAP as Accounting Standards Codification (“ASC”) Topic 606. The Partnership elected the modified retrospective transition method when new standard became effective for the Partnership on January 1, 2018. The adoption of ASU 2014-09 did not have a material impact on the Partnership’s financial results.

The Partnership provides gathering and compression and water handling and treatment services under fee-based contracts primarily based on throughput or at cost plus a margin. Certain of these contracts contain operating leases of the Partnership’s assets under GAAP. Under these arrangements, the Partnership receives fees for gathering oil and gas products, compression services, and water handling and treatment services. The revenue the Partnership earns from these arrangements is directly related to (1) in the case of natural gas gathering and compression, the volumes of metered natural gas that it gathers, compresses, and delivers to natural gas compression sites or other transmission delivery points, (2) in the case of oil gathering, the volumes of metered oil that it gathers and delivers to other transmission delivery points, (3) in the case of fresh water services, the quantities of fresh water delivered to its customers for use in their well completion operations, (4) in the case of wastewater treatment services performed by the Partnership, the quantities of wastewater treated for our customers, or (5) in the case of flowback and produced water services provided by third parties, the third party costs the Partnership incurs plus 3%. The Partnership recognizes revenue when it satisfies a performance obligation by delivering a service to a customer or the use of leased assets to a customer. See Note 4—Revenue for the Partnership’s required disclosures under ASC 606. The Partnership report includes lease revenue within service revenue.

(c) Use of Estimates

The preparation of the consolidated financial statements and notes in conformity with GAAP requires that management formulate estimates and assumptions that affect revenues, expenses, assets, liabilities and the disclosure of contingent assets and liabilities. Items subject to estimates and assumptions include the useful lives of property and equipment and valuation of accrued liabilities, among others. Although management believes these estimates are reasonable, actual results could differ from these estimates.

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(d) Cash and Cash Equivalents

The Partnership considers all liquid investments purchased with an initial maturity of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value due to the short-term nature of these instruments. From time to time, the Partnership may be in the position of a “book overdraft” in which outstanding checks exceed cash and cash equivalents. The Partnership classifies book overdrafts in accounts payable within its consolidated balance sheets, and classifies the change in accounts payable associated with book overdrafts as an operating activity within its consolidated statements of cash flows. The Partnership classified \$0.5 million of book overdrafts within accounts payable as of December 31, 2018.

(e) Property and Equipment

Property and equipment primarily consists of gathering pipelines, compressor stations, fresh water delivery pipelines and facilities, and the wastewater treatment facility and related landfill used for the disposal of waste therefrom, stated at historical cost less accumulated depreciation and amortization. The Partnership capitalizes construction-related direct labor and material costs. The Partnership also capitalized interest on capital costs during the construction phase of the wastewater treatment facility, which was placed in service in 2018. Maintenance and repair costs are expensed as incurred.

Depreciation is computed using the straight-line method over the estimated useful lives and salvage values of assets. The depreciation of fixed assets recorded under capital lease agreements is included in depreciation expense. Uncertainties that may impact these estimates of useful lives include, among others, changes in laws and regulations relating to environmental matters, including air and water quality, restoration and abandonment requirements, economic conditions, and supply and demand for the Partnership’s services in the areas in which it operates. When assets are placed into service, management makes estimates with respect to useful lives and salvage values that management believes are reasonable. However, subsequent events could cause a change in estimates, thereby impacting future depreciation amounts.

Amortization of landfill airspace consists of the amortization of landfill capital costs, including those that have been incurred and capitalized and estimated future costs for landfill development and construction, as well as the amortization of asset retirement costs arising from landfill final capping, closure, and post-closure obligations. Amortization expense is recorded on a units-of-consumption basis, applying cost as a rate per-cubic yard. The rate per-cubic yard is calculated by dividing each component of the amortizable basis of the landfill by the number of cubic yards needed to fill the corresponding asset’s airspace. Landfill capital costs and closure and post-closure asset retirement costs are generally incurred to support the operation of the landfill over its entire operating life and are, therefore, amortized on a per-cubic yard basis using a landfill’s total airspace capacity. Estimates of disposal capacity and future development costs are created using input from independent engineers and internal technical teams and are reviewed at least annually. However, future events could cause a change in estimates, thereby impacting future amortization amounts. See Note 5—Property and Equipment for discussion on the change in estimated useful lives for the Partnership’s gathering system and facilities.

(f) Impairment of Long-Lived Assets

The Partnership evaluates its long-lived assets for impairment when events or changes in circumstances indicate that the related carrying values of the assets may not be recoverable. Generally, the basis for making such assessments are undiscounted future cash flows projections for the asset group being assessed. If the carrying values of the assets are deemed not recoverable, the carrying values are reduced to the estimated fair value, which are based on discounted future cash flows using assumptions as to revenues, costs and discount rates typical of third party market participants, which is a Level 3 fair value measurement.

(g) Asset Retirement Obligations

In December 2017, the Partnership completed the construction of a landfill site to be used for the disposal of waste from its wastewater treatment facility. The landfill began accepting waste in January 2018. The Partnership’s asset retirement obligations relate to its obligation to close, maintain, and monitor landfill cells and support facilities. After the entire landfill reaches capacity and is certified closed, the Partnership must continue to maintain and monitor the landfill for a post-closure period, which generally extends for 30 years. The Partnership records the fair value of its landfill retirement obligations as a liability in the period in which

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Notes to Consolidated Financial Statements (Continued)

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the regulatory obligation to retire a specific asset is triggered. For the Partnership's individual landfill cells, the required closure and post-closure obligations under the terms of its permits and its intended operation of the landfill cell are triggered and recorded when the cell is placed into service and waste is initially disposed in the landfill cell. The fair value is based on the total estimated costs to close the landfill cell and perform post-closure activities once the landfill cell has reached capacity and is no longer accepting waste. Retirement obligations are increased each year to reflect the passage of time by accreting the balance at the weighted average credit-adjusted risk-free rate that is used to calculate the recorded liability, with accretion charged to direct costs. Actual cash expenditures to perform closure and post-closure activities reduce the retirement obligation liabilities as incurred. After initial measurement, asset retirement obligations are adjusted at the end of each period to reflect changes, if any, in the estimated future cash flows underlying the obligation. Landfill retirement assets are capitalized as the related retirement obligations are incurred, and are amortized on a units-of-consumption basis as the disposal capacity is consumed.

A retirement obligation is created for fresh water impoundments and waste water pits when an abandonment date is identified. The Partnership records the fair value of its freshwater impoundment and waste water pit retirement obligations as liabilities in the period in which the regulatory obligation to retire a specific asset is triggered. The fair value is based on the total reclamation costs of the assets. Retirement obligations are increased each year to reflect the passage of time by accreting the balance at the weighted average credit-adjusted risk-free rate that is used to calculate the recorded liability, with accretion charged to direct costs. Actual cash expenditures to perform remediation activities reduce the retirement obligation liabilities as incurred. After initial measurement, asset retirement obligations are adjusted at the end of each period to reflect changes, if any, in the estimated future cash flows underlying the obligation. Fresh water impoundments and waste water pit retirement assets are capitalized as the related retirement obligations are incurred, and are amortized on a straight-line basis until reclamation.

The Partnership is under no legal obligations, neither contractually nor under the doctrine of promissory estoppel, to restore or dismantle its gathering pipelines, compressor stations, water delivery pipelines and facilities and wastewater treatment facility upon abandonment.

The Partnership's gathering pipelines, compressor stations, fresh water delivery pipelines and facilities and wastewater treatment facility have an indeterminate life, if properly maintained. Accordingly, the Partnership is not able to make a reasonable estimate of when future dismantlement and removal dates of its pipelines, compressor stations and facilities will occur.

(h) Litigation and Other Contingencies

A liability is recorded for a loss contingency when its occurrence is probable and damages can be reasonably estimated based on the anticipated most likely outcome or the minimum amount within a range of possible outcomes. The Partnership regularly reviews contingencies to determine the adequacy of our accruals and related disclosures. The ultimate amount of losses, if any, may differ from these estimates.

The Partnership accrues losses associated with environmental obligations when such losses are probable and can be reasonably estimated. Accruals for estimated environmental losses are recognized no later than at the time a remediation feasibility study, or an evaluation of response options, is complete. These accruals are adjusted as additional information becomes available or as circumstances change. Future environmental expenditures are not discounted to their present value. Recoveries of environmental costs from other parties are recorded separately as assets at their undiscounted value when receipt of such recoveries is probable.

As of December 31, 2017 and 2018, the Partnership has not recorded liabilities for litigation, environmental, or other contingencies.

(i) Equity-Based Compensation

The Partnership's consolidated financial statements reflect various equity-based compensation awards granted by Antero Resources, as well as compensation expense associated with its own plan. These awards include profits interests awards, restricted stock, stock options, restricted units, and phantom units. The Partnership recognized expense in each period for an amount allocated from Antero Resources, with the offset included in partners' capital. See Note 3—Transactions with Affiliates for additional information regarding Antero Resources' allocation of expenses to the Partnership.

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In connection with the Partnership's Initial Public Offering ("IPO"), the Antero Midstream Partners LP Long-Term Incentive Plan ("Midstream LTIP") was adopted, pursuant to which certain non-employee directors of our general partner and certain officers, employees and consultants of the Partnership's general partner and its affiliates are eligible to receive awards representing equity interests in the Partnership. An aggregate of 10,000,000 common units may be delivered pursuant to awards under the Midstream LTIP, subject to customary adjustments. For accounting purposes, these units are treated as if they are distributed from the Partnership to Antero Resources. Antero Resources recognizes compensation expense for the units awarded to its employees and a portion of that expense is allocated to the Partnership. See Note 9—Equity-Based Compensation.

(j) Income Taxes

These consolidated financial statements do not include a provision for income taxes as Antero Midstream Partners LP is treated as a partnership for federal and state income tax purposes, with each partner being separately taxed on its distributive share of our items of income, gain, loss, or deduction.

(k) Fair Value Measures

The FASB Accounting Standards Codification Topic 820, *Fair Value Measurements and Disclosures*, clarifies the definition of fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This guidance also relates to all nonfinancial assets and liabilities that are not recognized or disclosed on a recurring basis (e.g., the initial recognition of asset retirement obligations and impairments of long-lived assets). The fair value is the price that the Partnership estimates would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy is used to prioritize inputs to valuation techniques used to estimate fair value. An asset or liability subject to the fair value requirements is categorized within the hierarchy based on the lowest level of input that is significant to the fair value measurement. The Partnership's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. The highest priority (Level 1) is given to unadjusted quoted market prices in active markets for identical assets or liabilities, and the lowest priority (Level 3) is given to unobservable inputs. Level 2 inputs are data, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

The carrying values on the Partnership's balance sheet of its cash and cash equivalents, accounts receivable—Antero Resources, accounts receivable—third party, other current assets, other assets, accounts payable—Antero Resources, accounts payable, accrued liabilities, other current liabilities, other liabilities and the revolving credit facility approximate fair values due to their short-term maturities.

(l) Investments in Unconsolidated Affiliates

The Partnership uses the equity method to account for its investments in companies if the investment provides the Partnership with the ability to exercise significant influence over, but not control, the operating and financial policies of the investee. The Partnership's consolidated net income includes the Partnership's proportionate share of the net income or loss of such companies. The Partnership's judgment regarding the level of influence over each equity method investee includes considering key factors such as the Partnership's ownership interest, representation on the board of directors and participation in policy-making decisions of the investee and material intercompany transactions. See Note 14—Investments in Unconsolidated Affiliates.

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Notes to Consolidated Financial Statements (Continued)

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(m) Recently Issued Accounting Standard

On February 25, 2016, the FASB issued ASU No. 2016-02, *Leases*, which replaced most existing lease guidance under GAAP when it became effective on January 1, 2019. The standard requires lessees to record lease liabilities and right-of-use assets as of the date of adoption and we have elected to adopt the new standard prospectively. The Partnership is not a party to any material contracts as a lessee. The new lease standard does not substantially change accounting by lessors. The Partnership determined that its contractual arrangement with Antero Resources to provide midstream services is an operating lease of the Partnership's assets that will be accounted under the new ASU for in the same manner as the Partnership's current accounting for the arrangement. No significant additional disclosures will be required. As a result, there will not be a material impact of the new leasing standard on the Partnership's financial statements. The Partnership believes that adoption of the standard will not impact its operational strategies, growth prospects, net income, or cash flow. The Partnership has updated internal controls impacted by the new standard and acquired software to collect and account for lease data under the standard.

(3) Transactions with Affiliates

(a) Revenues

All revenues earned in the years ended December 31, 2016, 2017 and 2018, except revenues earned from third parties, were earned from Antero Resources, under various agreements for gathering and compression and water handling and treatment services.

(b) Accounts receivable—Antero Resources, and Accounts payable—Antero Resources

Accounts receivable—Antero Resources represents amounts due from Antero Resources, primarily related to gathering and compression services and water handling and treatment services. Accounts payable—Antero Resources represents amounts due to Antero Resources for general and administrative and other costs.

(c) Allocation of Costs

The employees supporting the Partnership's operations are employees of Antero Resources. Direct operating expense includes allocated costs of \$4 million, \$6 million and \$7 million during the years ended December 31, 2016, 2017, and 2018, respectively, related to labor charges for Antero Resources employees associated with the operation of our assets. General and administrative expense includes allocated costs of \$50 million, \$54 million and \$52 million during the years ended December 31, 2016, 2017, and 2018, respectively. These costs relate to: (i) various business services, including payroll processing, accounts payable processing and facilities management, (ii) various corporate services, including legal, accounting, treasury, information technology and human resources and (iii) compensation, including equity-based compensation (see Note 9—Equity-Based Compensation for more information). These expenses are charged or allocated to the Partnership based on the nature of the expenses and are allocated based on a combination of its proportionate share of gross property and equipment, capital expenditures and labor costs, as applicable. The Partnership reimburses Antero Resources directly for all general and administrative costs allocated to it, with the exception of noncash equity compensation allocated to the Partnership for awards issued under the Antero Resources long-term incentive plan or the Midstream LTIP.

(4) Revenue

(a) Revenue from Contracts with Customers

All of the Partnership's revenues are derived from service contracts with customers, and are recognized when the Partnership satisfies a performance obligation by delivering a service to a customer. The Partnership derives substantially all of its revenues from Antero Resources, its most significant customer. The following sets forth the nature, timing of satisfaction of performance obligations, and significant payment terms of the Partnership's contracts with Antero Resources.

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Notes to Consolidated Financial Statements (Continued)

Years Ended December 31, 2016, 2017, and 2018

Gathering and Compression Agreement

Antero Resources has dedicated all of its current and future acreage in West Virginia, Ohio and Pennsylvania to the Partnership for gathering and compression services except for acreage subject to third-party commitments or pre-existing dedications. The Partnership also has an option to gather and compress natural gas produced by Antero Resources on any acreage it acquires in the future outside of West Virginia, Ohio and Pennsylvania on the same terms and conditions. Under the gathering and compression agreement, the Partnership receives a low pressure gathering fee, a high pressure gathering fee, and a compression fee, in each case subject to CPI-based adjustments since 2014. In addition, the agreement stipulates that the Partnership receives a reimbursement for the actual cost of electricity used at its compressor stations.

The Partnership satisfies its performance obligations and recognizes revenue when low pressure volumes are delivered to a compressor station, high pressure volumes are delivered to a processing plant or transmission pipeline, and compression volumes are delivered to a high pressure line. The Partnership invoices the customer the month after each service is performed, and payment is due in the same month.

Water Services Agreement

In connection with Antero Resources' contribution of Antero Water and certain wastewater treatment assets to the Partnership in September 2015 (the "Water Acquisition"), the Partnership entered into a water services agreement with Antero Resources whereby the Partnership agreed to provide certain water handling and treatment services to Antero Resources within an area of dedication in defined service areas in Ohio and West Virginia. Antero Resources agreed to pay the Partnership for all water handling and treatment services provided by the Partnership in accordance with the terms of the water services agreement. The initial term of the water services agreement is 20 years from September 23, 2015 and from year to year thereafter until terminated by either party. Under the agreement, the Partnership receives a fixed fee per barrel in West Virginia, Ohio and all other locations for fresh water deliveries by pipeline directly to the well site. Additionally, the Partnership receives a fixed fee per barrel for fresh water delivered by truck to high-rate transfer facilities. All of these fees have been subject to annual CPI adjustments since the inception of the agreement in 2015. Antero Resources also agreed to pay the Partnership a fixed fee of per barrel for wastewater treatment at the advanced wastewater treatment complex, in each case subject to annual CPI-based adjustments and additional fees based on certain costs.

Under the water services agreement, the Partnership may also contract with third parties to provide water services to Antero Resources. Antero Resources reimburses the Partnership for third party out-of-pocket costs plus a 3% markup.

The Partnership satisfies its performance obligations and recognizes revenue when the fresh water volumes have been delivered to the hydration unit of a specified well pad and the wastewater volumes have been delivered to the Partnership's wastewater treatment facility. The Partnership invoices the customer the month after water services are performed, and payment is due in the same month. For services contracted through third party providers, the Partnership's performance obligation is satisfied when the service to be performed by the third party provider has been completed. The Partnership invoices the customer after the third party provider billing is received, and payment is due in the same month.

Minimum Volume Commitments

Both the gathering and compression and water services agreements include certain minimum volume commitment provisions, which are intended to support the stability of the Partnership's cash flows. If and to the extent Antero Resources requests that the Partnership construct new high pressure lines and compressor stations, the gathering and compression agreement contains minimum volume commitments that require Antero Resources to utilize or pay for 75% and 70%, respectively, of the capacity of such new construction for 10 years. Antero Resources also committed to pay a fee on a minimum volume of fresh water deliveries in calendar years 2016 through 2019. Antero Resources is obligated to pay a minimum volume fee to the Partnership in the event the aggregate volume of fresh water delivered to Antero Resources under the water services agreement is less than 120,000 barrels per day in 2019. The Partnership recognizes revenue related to these minimum volume commitments at the time it is determined that the volumes will not be consumed by Antero Resources, and the amount of the shortfall is known.

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Notes to Consolidated Financial Statements (Continued)

Years Ended December 31, 2016, 2017, and 2018

Minimum revenue amounts under the minimum volume commitments are as follows:

(in thousands)	Year Ended December 31,					Thereafter	Total
	2019	2020	2021	2022	2023		
Minimum revenue under the Gathering and Compression Agreement	\$ 176,126	183,126	182,626	182,626	182,626	612,854	1,519,984
Minimum revenue under the Water Services Agreement	165,564	—	—	—	—	—	165,564
Total	\$ 341,690	183,126	182,626	182,626	182,626	612,854	1,685,548

(b) Disaggregation of Revenue

In the following table, revenue is disaggregated by type of service and type of fee. The table also identifies the reportable segment to which the disaggregated revenues relate. For more information on reportable segments, see Note 15—Reporting Segments.

(in thousands)	Year Ended December 31,			Segment to which revenues relate
	2016	2017	2018	
Revenue from contracts with customers				
Type of service				
Gathering—low pressure	\$ 160,925	191,766	251,209	Gathering and Processing
Gathering—high pressure	90,124	122,134	148,122	Gathering and Processing
Compression	50,938	82,502	121,235	Gathering and Processing
Condensate gathering	2,098	64	—	Gathering and Processing
Fresh water delivery	166,013	207,558	269,856	Water Handling and Treatment
Wastewater treatment	—	—	12,135	Water Handling and Treatment
Other fluid handling	116,254	168,473	225,382	Water Handling and Treatment
Total	\$ 586,352	772,497	1,027,939	
Type of contract				
Fixed Fee	\$ 304,085	396,466	520,566	Gathering and Processing
Fixed Fee	166,013	207,558	281,991	Water Handling and Treatment
Cost plus 3%	116,254	168,473	225,382	Water Handling and Treatment
Total	\$ 586,352	772,497	1,027,939	
Other				
Gain on sale of assets—Antero Resources	—	—	583	Gathering and Processing
Gain on sale of assets—third party	3,859	—	—	Gathering and Processing
Total revenue	\$ 590,211	772,497	1,028,522	

(c) Transaction Price Allocated to Remaining Performance Obligations

The majority of the Partnership's service contracts have a term greater than one year. As such, the Partnership has utilized the practical expedient in ASC 606, which states that a company is not required to disclose the transaction price allocated to remaining performance obligations if the variable consideration is allocated entirely to a wholly unsatisfied performance obligation. Under the Partnership's service contracts, each unit of product delivered to the customer represents a separate performance obligation; therefore, future volumes are wholly unsatisfied and disclosure of the transaction price allocated to remaining performance obligations is not required.

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Notes to Consolidated Financial Statements (Continued)

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The remainder of our service contracts, which relate to contracts with third parties, are short-term in nature with a contract term of one year or less. The Partnership has utilized an additional practical expedient in ASC 606, which exempts the Partnership from disclosure of the transaction price allocated to remaining performance obligations if the performance obligation is part of a contract that has an original expected duration of one year or less.

(d) Contract Balances

Under the Partnership's service contracts, the Partnership invoices customers after its performance obligations have been satisfied, at which point payment is unconditional. Accordingly, the Partnership's service contracts do not give rise to contract assets or liabilities under ASC 606. At December 31, 2017 and 2018, the Partnership's receivables with customers were \$110 million and \$115 million, respectively.

(5) Property and Equipment

The Partnership's investment in property and equipment for the periods presented is as follows:

(in thousands)	Estimated useful lives	December 31,	
		2017	2018
Land	n/a	\$ 15,382	18,649
Gathering systems and facilities	50 years ⁽¹⁾	1,781,386	2,175,500
Fresh water permanent buried pipelines and equipment	20 years	472,810	523,488
Wastewater treatment facility	30 years	—	300,064
Fresh water surface pipelines and equipment	5 years	46,139	62,683
Landfill	n/a ⁽²⁾	—	60,950
Heavy trucks and equipment	5 years	—	4,831
Above ground storage tanks	10 years	4,301	4,824
Construction-in-progress ⁽³⁾	n/a	654,904	306,759
Total property and equipment		2,974,922	3,457,748
Less accumulated depreciation		(369,320)	(499,333)
Property and equipment, net		\$ 2,605,602	2,958,415

- (1) In accordance with its policy, the Partnership evaluates the reasonableness of the estimated useful lives of its fixed assets and determined that the actual lives of the gathering systems and facilities were longer than the estimated useful lives used in calculating depreciation expense. On October 1, 2018, the Partnership increased the useful lives of the gathering systems and facilities from 20 years to 50 years based on a change in the expected period that our systems and facilities will be used to support Antero Resources' producing wells. For the year ended December 31, 2018, the change in estimate decreased depreciation by \$18 million, increased net income and comprehensive income by \$18 million and increased basic and diluted net income per limited partner unit by \$0.10.
- (2) Amortization of landfill costs is recorded over the life of the landfill on a units-of-consumption basis.
- (3) As of December 31, 2017, construction-in-progress included \$355 million for the construction of the wastewater treatment facility and landfill, which was placed in service in 2018.

The Partnership capitalized interest of \$4 million, \$12 million and \$4 million for the years ended December 31, 2016, 2017 and 2018, respectively for the construction of the wastewater treatment facility.

Net operating expenses incurred during wastewater treatment facility commissioning were capitalized. Due to delays in reaching contractual treatment capacity of the wastewater treatment facility, the Partnership has and continues to accrue for liquidated damages from the vendor. At December 31, 2018, the Partnership had accrued \$21 million for liquidated damages as a current asset and reduction in cost of the facility.

The Partnership recorded impairment charges of \$23 million and \$6 million in the years ended December 31, 2017 and 2018, respectively. The impairment charge for the year ended December 31, 2017 related to condensate gathering lines which Antero

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Resources no longer uses. During the year ended December 31, 2018, the impairment charge is due to the impairment of gathering assets acquired from Antero Resources at the time of its IPO related to well pads Antero Resources no longer has plans to drill and complete. The Partnership’s gathering and compression agreement with Antero Resources provides that for certain gathering assets the Partnership constructs after receiving notice from Antero Resources, and are subsequently delayed or cancelled, Antero Resources is required to repurchase the assets at 115% of the cost. This resulted in a gain of \$583 thousand during the year ended December 31, 2018.

(6) Long-term Debt

Long-term debt was as follows at December 31, 2017 and 2018:

(in thousands)	December 31,	
	2017	2018
Credit Facility (a)	\$ 555,000	990,000
5.375% senior notes due 2024 (b)	650,000	650,000
Net unamortized debt issuance costs	(9,000)	(7,853)
Total long-term debt	\$ 1,196,000	1,632,147

(a) Revolving Credit Facility

The Partnership has a senior secured revolving credit facility (the “Credit Facility”) with a consortium of banks. Lender commitments under the Credit facility are \$2.0 billion. At December 31, 2017 and 2018, the Partnership had borrowings under the Credit Facility of \$555 million and \$990 million, respectively, with a weighted average interest rate of 2.81% and 3.75%, respectively. No letters of credit were outstanding at December 31, 2017 or 2018 under the Credit Facility. The maturity date of the facility is October 26, 2022. The facility includes fall away covenants and lower interest rates that are triggered if and when we are assigned an investment grade credit rating by either Standard and Poor’s or Moody’s.

Under the Credit Facility, “Investment Grade Period” is a period that, as long as no event of default has occurred and the Partnership is in pro forma compliance with the financial covenants under the Credit Facility, commences when the Partnership elects to give notice to the Administrative Agent that the Partnership has received at least one of either (i) a BBB- or better rating from Standard and Poor’s or (ii) a Baa3 or better from Moody’s (provided that the non-investment grade rating from the other rating agency is at least either Ba1 if Moody’s or BB+ if Standard and Poor’s (an “Investment Grade Rating”). An Investment Grade Period can end at the Partnership’s election.

During a period that is not an Investment Grade Period, the Credit Facility is ratably secured by mortgages on substantially all of the Partnership’s properties, including the properties of its subsidiaries, and guarantees from its subsidiaries. During an Investment Grade Period, the liens securing the obligations thereunder shall be automatically released (subject to the provisions of the Credit Facility).

The revolving credit facility contains certain covenants including restrictions on indebtedness, and requirements with respect to leverage and interest coverage ratios; provided, however, that during an Investment Grade Period, such covenants become less restrictive on the Partnership. The revolving credit facility permits distributions to the holders of the Partnership’s equity interests in accordance with the cash distribution policy adopted by the board of directors of our general partner in connection with the Partnership’s initial public offering, provided that no event of default exists or would be caused thereby, and only to the extent permitted by our organizational documents. The Partnership was in compliance with all of the financial covenants under the Credit Facility as of December 31, 2017 and 2018.

Principal amounts borrowed are payable on the maturity date with such borrowings bearing interest that is payable quarterly or, in the case of Eurodollar Rate Loans, at the end of the applicable interest period if shorter than six months. Interest is payable at a variable rate based on LIBOR or the base rate, determined by election at the time of borrowing. Interest at the time of borrowing is determined with reference to (i) during any period that is not an Investment Grade Period, the Partnership’s then-current leverage ratio and (ii) during an Investment Grade Period, with reference to the rating given to the Partnership by Moody’s or Standard and Poor’s.

ANTERO MIDSTREAM PARTNERS LP

Notes to Consolidated Financial Statements (Continued)

Years Ended December 31, 2016, 2017, and 2018

During an Investment Grade Period, the applicable margin rates are reduced by 25 basis points. Commitment fees on the unused portion of the revolving credit facility are due quarterly at rates ranging from 0.25% to 0.375% based on the leverage ratio, during a period that is not an Investment Grade Period, and 0.175% to 0.375% based on the Partnership's rating during an Investment Grade Period.

(b) 5.375% Senior Notes Due 2024

On September 13, 2016, the Partnership and its wholly-owned subsidiary, Finance Corp, as co-issuers, issued \$650 million in aggregate principal amount of 5.375% senior notes due September 15, 2024 (the "2024 Notes") at par. The 2024 Notes are unsecured and effectively subordinated to the revolving credit facility to the extent of the value of the collateral securing the revolving credit facility. The 2024 Notes are fully and unconditionally guaranteed on a joint and several senior unsecured basis by the Partnership's wholly-owned subsidiaries (other than Finance Corp) and certain of its future restricted subsidiaries. Interest on the 2024 Notes is payable on March 15 and September 15 of each year. The Partnership may redeem all or part of the 2024 Notes at any time on or after September 15, 2019 at redemption prices ranging from 104.031% on or after September 15, 2019 or 100.00% on or after September 15, 2022. In addition, prior to September 15, 2019, the Partnership may redeem up to 35% of the aggregate principal amount of the 2024 Notes with an amount of cash not greater than the net cash proceeds of certain equity offerings, if certain conditions are met, at a redemption price of 105.375% of the principal amount of the 2024 Notes, plus accrued and unpaid interest. At any time prior to September 15, 2019, the Partnership may also redeem the 2024 Notes, in whole or in part, at a price equal to 100% of the principal amount of the 2024 Notes plus "make-whole" premium and accrued and unpaid interest. If the Partnership undergoes a change of control, the holders of the 2024 Notes will have the right to require the Partnership to repurchase all or a portion of the notes at a price equal to 101% of the principal amount of the 2024 Notes, plus accrued and unpaid interest.

(7) Accrued Liabilities

Accrued liabilities as of December 31, 2017 and 2018 consisted of the following items:

(in thousands)	December 31,	
	2017	2018
Capital expenditures	\$ 63,286	26,354
Operating expenses	29,905	32,818
Interest expense	10,508	10,922
Other	2,307	2,027
Total accrued liabilities	<u>\$ 106,006</u>	<u>72,121</u>

(8) Asset Retirement Obligations

The following is a reconciliation of our asset retirement obligations for the period shown below (in thousands):

Asset retirement obligations—December 31, 2017	\$	—
Obligations incurred		7,473
Accretion expense		135
Asset retirement obligations—December 31, 2018	<u>\$</u>	<u>7,608</u>

ANTERO MIDSTREAM PARTNERS LP

Notes to Consolidated Financial Statements (Continued)

Years Ended December 31, 2016, 2017, and 2018

(9) Equity-Based Compensation

The Partnership’s general and administrative expenses include equity-based compensation costs allocated to it by Antero Resources for grants made pursuant to Antero Resources’ long-term incentive plan and the Midstream LTIP. Equity-based compensation expense allocated to the Partnership was \$26 million, \$27 million and \$21 million for the years ended December 31, 2016, 2017 and 2018, respectively. These expenses were allocated to the Partnership based on its proportionate share of Antero Resources’ labor costs. Antero Resources has unamortized expense totaling approximately \$60 million as of December 31, 2018 related to its various equity-based compensation plans, which includes the Midstream LTIP. A portion of this will be allocated to the Partnership as it is amortized over the remaining service period of the related awards. The Partnership does not reimburse Antero Resources for noncash equity compensation allocated to it for awards issued under the Antero Resources long-term incentive plan or the Midstream LTIP.

Midstream LTIP

The Partnership’s general partner manages its operations and activities, and Antero Resources employs the personnel who provide support to the Partnership’s operations. The general partner has adopted the Midstream LTIP, pursuant to which non-employee directors of the general partner and certain officers, employees and consultants of the general partner and its affiliates are eligible to receive awards representing limited partner interests in the Partnership. An aggregate of 10,000,000 common units may be delivered pursuant to awards under the Midstream LTIP, subject to customary adjustments. A total of 7,932,261 common units are available for future grant under the Midstream LTIP as of December 31, 2018. Restricted units and phantom units granted under the Midstream LTIP vest subject to the satisfaction of service requirements, upon the completion of which common units in the Partnership are delivered to the holder of the restricted units or phantom units. Phantom units also contain distribution equivalent rights, which entitle the holder of vested common units to receive a “catch up” payment equal to common unit distributions paid during the vesting period of the phantom unit award. Compensation related to each restricted unit and phantom unit award is recognized on a straight-line basis over the requisite service period of the entire award. The grant date fair values of these awards are determined based on the closing price of the Partnership’s common units on the date of grant. These units are accounted for as if they are distributed by the Partnership to Antero Resources. Antero Resources recognizes compensation expense for the units awarded and a portion of that expense is allocated to the Partnership. Antero Resources allocates equity-based compensation expense to the Partnership based on its proportionate share of Antero Resources’ labor costs. The Partnership’s portion of the equity-based compensation expense is included in general and administrative expenses, and recorded as a credit to the applicable classes of partners’ capital.

A summary of restricted unit and phantom unit awards activity during the year ended December 31, 2018 is as follows:

	Number of units	Weighted Average grant date fair value	Aggregate intrinsic value (in thousands)
Total awarded and unvested—December 31, 2017	1,042,963	\$ 28.69	\$ 30,288
Granted	260,847	\$ 25.84	
Vested	(577,566)	\$ 28.63	
Forfeited	(143,244)	\$ 28.08	
Total awarded and unvested—December 31, 2018	<u>583,000</u>	\$ 27.63	\$ 12,470

Intrinsic values are based on the closing price of the Partnership’s common units on the referenced dates. Midstream LTIP unamortized expense of \$12 million at December 31, 2018 is expected to be recognized over a weighted average period of approximately 2.5 years and the Partnership’s proportionate share will be allocated to it as it is recognized. The Partnership paid \$5.5 million in minimum statutory tax withholdings for restricted and phantom units that vested during 2018, which is included in the “Issuance of common units upon vesting of equity-based compensation awards, net of units withheld for income taxes” line item in the Consolidated Statements of Partners’ Capital.

ANTERO MIDSTREAM PARTNERS LP**Notes to Consolidated Financial Statements (Continued)****Years Ended December 31, 2016, 2017, and 2018****(10) Partnership Equity and Distributions***Minimum Quarterly Distribution*

The partnership agreement provides for a minimum quarterly distribution of \$0.17 per unit for each quarter, or \$0.68 per unit on an annualized basis.

If cash distributions to the Partnership's unitholders exceed \$0.1955 per common unit in any quarter, the Partnership's unitholders and the holder of the Partnership's incentive distribution rights ("IDRs"), will receive distributions according to the following percentage allocations:

Total Quarterly Distribution	Marginal Percentage Interest in Distributions	
	Unitholders	Holder of IDRs
Target Amount		
above \$0.1955 up to \$0.2125	85 %	15 %
above \$0.2125 up to \$0.2550	75 %	25 %
above \$0.2550	50 %	50 %

General Partner Interest

The general partner owns a non-economic general partner interest in the Partnership, which does not entitle it to receive cash distributions. However, the general partner is under common control with the holder of the IDRs and may in the future own common units or other equity interests in the Partnership and will be entitled to receive distributions on any such interests.

Upon payment of the February 8, 2017 distribution to unitholders, the requirements for the conversion of all subordinated units were satisfied under our partnership agreement. As a result, effective February 9, 2017, the 75,940,957 subordinated units owned by Antero Resources were converted into common units on a one-for-one basis and participate on terms equal with all other common units in distributions of available cash. The conversion did not impact the amount of the cash distributions paid by the Partnership or the total units outstanding, as shown on the "Conversion of subordinated units to common units" line item on the Partnership's consolidated Statement of Partners' Capital.

ANTERO MIDSTREAM PARTNERS LP

Notes to Consolidated Financial Statements (Continued)

Years Ended December 31, 2016, 2017, and 2018

Cash Distributions

The board of directors of the general partner declared a cash distribution of \$0.47 per unit for the quarter ended December 31, 2018. The distribution was paid on February 13, 2019 to unitholders of record as of February 1, 2019.

The following table details the amount of quarterly distributions the Partnership paid for each of its partnership interests, with respect to the quarter indicated (in thousands, except per unit data):

Quarter and Year	Record Date	Distribution Date	Distributions			Distributions per unit
			Common unitholders	Holder of IDRs	Total	
Q4 2016	February 1, 2017	February 8, 2017	\$ 50,090	7,543	57,633	\$ 0.280
*	April 21, 2017	April 30, 2017	75	—	75	*
Q1 2017	May 3, 2017	May 10, 2017	55,753	11,553	67,306	0.300
Q2 2017	August 3, 2017	August 16, 2017	59,695	15,328	75,023	0.320
Q3 2017	November 1, 2017	November 16, 2017	63,454	19,067	82,521	0.340
*	November 12, 2017	November 17, 2017	1,392	—	1,392	*
	Total 2017		<u>\$ 230,459</u>	<u>53,491</u>	<u>283,950</u>	
Q4 2017	February 1, 2018	February 13, 2018	\$ 68,231	23,772	92,003	\$ 0.365
*	April 15, 2018	April 20, 2018	263	—	263	*
Q1 2018	May 3, 2018	May 18, 2018	72,943	28,461	101,404	0.390
*	July 15, 2018	July 31, 2018	21	—	21	*
Q2 2018	August 2, 2018	August 17, 2018	77,624	33,138	110,762	0.415
Q3 2018	November 2, 2018	November 16, 2018	82,303	37,815	120,118	0.440
*	November 12, 2018	November 19, 2018	1,881	—	1,881	*
	Total 2018		<u>\$ 303,266</u>	<u>123,186</u>	<u>426,452</u>	

* Distribution equivalent rights on limited partner common units that vested under the Midstream LTIP.

(11) Net Income Per Limited Partner Unit

The Partnership computes earnings per unit using the two-class method for master limited partnerships. The classes of participating securities include common units and the holders of the IDRs. Under the two-class method, earnings per unit is calculated as if all of the earnings for the period were distributed under the terms of the Partnership agreement, regardless of whether the general partner has discretion over the amount of distributions to be made in any particular period, whether those earnings would actually be distributed during a particular period from an economic or practical perspective, or whether the general partner has other legal or contractual limitations on its ability to pay distributions that would prevent it from distributing all of the earnings for a particular period.

The Partnership's net income is attributed to the general partner and limited partners in accordance with their respective ownership percentages, and when applicable, giving effect to incentive distributions paid to the general partner. Basic and diluted net income per limited partner unit is calculated by dividing limited partners' interest in net income, less general partner incentive distributions, by the weighted average number of outstanding limited partner units during the period.

Basic earnings per unit is computed by dividing net earnings attributable to unitholders by the weighted average number of units outstanding during each period. Diluted net income per limited partner unit reflects the potential dilution that could occur if agreements to issue common units, such as awards under long-term incentive plans, were exercised, settled or converted into common units. When it is determined that potential common units resulting from an award should be included in the diluted net income per limited partner unit calculation, the impact is reflected by applying the treasury stock method. Earnings per common unit assuming dilution for the year ended December 31, 2018 was calculated based on the diluted weighted average number of units outstanding of 187,397,524, including 349,339 dilutive units attributable

to non-vested restricted unit and phantom unit awards. For the year ended

ANTERO MIDSTREAM PARTNERS LP

Notes to Consolidated Financial Statements (Continued)

Years Ended December 31, 2016, 2017, and 2018

December 31, 2018, there were no non-vested phantom unit and restricted unit awards that were anti-dilutive and therefore excluded from the calculation of diluted earnings per unit.

The Partnership's calculation of net income per unit for the periods indicated is as follows (in thousands, except per unit data):

	Year Ended December 31,		
	2016	2017	2018
Net income	\$ 236,703	307,315	585,944
Less net income attributable to incentive distribution rights	(16,944)	(69,720)	(142,906)
Limited partner interest in net income	<u>\$ 219,759</u>	<u>237,595</u>	<u>443,038</u>
Net income per limited partner unit—basic	\$ 1.24	1.28	2.37
Net income per limited partner unit—diluted	\$ 1.24	1.28	2.36
Weighted average limited partner units outstanding—basic	176,647	185,630	187,048
Weighted average limited partner units outstanding—diluted	176,801	186,083	187,398

(12) Sale of Common Units

During the third quarter of 2016, the Partnership entered into an Equity Distribution Agreement (the "Distribution Agreement"), pursuant to which the Partnership may sell, from time to time through brokers acting as its sales agents, common units representing limited partner interests having an aggregate offering price of up to \$250 million. The program is registered with the SEC on an effective registration statement on Form S-3. Sales of the common units may be made by means of ordinary brokers' transactions on the New York Stock Exchange, at market prices, in block transactions, or as otherwise agreed to between the Partnership and the sales agents. Proceeds are expected to be used for general partnership purposes, which may include repayment of indebtedness and funding working capital or capital expenditures. The Partnership is under no obligation to offer and sell common units under the Distribution Agreement.

During the years ended December 31, 2016 and 2017, the Partnership issued and sold 2,391,595 and 777,262 common units under the Distribution Agreement, respectively. For the years ended December 31, 2016 and 2017, the sale resulted in net proceeds of \$65 million and \$26 million, respectively. The Partnership did not issue or sell any common units under the Distribution Agreement during the year ended December 31, 2018. As of December 31, 2018, additional common units under the Distribution Agreement up to an aggregate sales price of \$157 million were available for issuance.

On February 10, 2017, the Partnership issued 6,900,000 common units, including common units issued pursuant to the underwriters' option to purchase additional common units, resulting in net proceeds of approximately \$223 million (the "Offering"). The Partnership used the proceeds from the Offering to repay outstanding borrowings under its Credit Facility incurred to fund the investment in the Joint Venture, and for general partnership purposes.

(13) Fair Value Measurement

In connection with the Water Acquisition, the Partnership agreed to pay Antero Resources (a) \$125 million in cash if the Partnership delivers 176,295,000 barrels or more of fresh water during the period between January 1, 2017 and December 31, 2019 and (b) an additional \$125 million in cash if the Partnership delivers 219,200,000 barrels or more of fresh water during the period between January 1, 2018 and December 31, 2020. This contingent consideration liability is valued based on Level 3 inputs related to expected average volumes and weighted average cost of capital.

ANTERO MIDSTREAM PARTNERS LP**Notes to Consolidated Financial Statements (Continued)****Years Ended December 31, 2016, 2017, and 2018**

The following table provides a reconciliation of changes in Level 3 financial liabilities measured at fair value on a recurring basis for the periods shown below (in thousands):

Contingent acquisition consideration—December 31, 2016	\$ 194,538
Accretion and change in fair value of contingent acquisition consideration	13,476
Contingent acquisition consideration—December 31, 2017	208,014
Accretion and change in fair value of contingent acquisition consideration	(93,019)
Contingent acquisition consideration—December 31, 2018	\$ 114,995

The Partnership accounts for contingent consideration in accordance with applicable accounting guidance pertaining to business combinations. The Partnership is contractually obligated to pay Antero Resources contingent consideration in connection with the Water Acquisition, and therefore recorded this contingent consideration liability at the time of the Water Acquisition. The Partnership updates its assumptions each reporting period based on new developments and adjusts such amounts to fair value based on revised assumptions, if applicable, until such consideration is satisfied through payment upon achievement of the specified objectives or it is eliminated upon failure to achieve the specified objectives.

As of December 31, 2018, the Partnership expects to pay the entire amount of the contingent consideration for the 176,295,000 barrels or more of fresh water delivered during the period between January 1, 2017 and December 31, 2019, but not for the 219,200,000 barrels or more of fresh water during the period between January 1, 2018 and December 31, 2020 as a result in the changes made in late 2018 to Antero Resources' 2019 budget and long-term outlook. As of December 31, 2017, based on previous budgets and forecasts, both contingent consideration payments were expected to be made. Accordingly, the fair value of the liability for contingent acquisition consideration was reduced by \$106 million in 2018. The fair value measurement is based on significant inputs not observable in the market and thus represents a Level 3 measurement within the fair value hierarchy. The fair value of the contingent consideration liability associated with future milestone payments was based on the risk adjusted present value of the contingent consideration payout.

The carrying values of accounts receivable and accounts payable at December 31, 2017 and 2018 approximated fair value because of their short-term nature. The carrying value of the amounts under the revolving credit facility at December 31, 2017 and 2018 approximated fair value because the variable interest rates are reflective of current market conditions.

Based on Level 2 market data inputs, the fair value of the Partnership's 2024 Notes was approximately \$608 million at December 31, 2018.

(14) Investments in Unconsolidated Affiliates

The Partnership has a 15% equity interest in Stonewall, which operates a 67-mile pipeline on which Antero is an anchor shipper.

On February 6, 2017, the Partnership formed the Joint Venture to develop processing and fractionation assets in Appalachia with MarkWest, a wholly owned subsidiary of MPLX. The Partnership and MarkWest each own a 50% equity interest in the Joint Venture and MarkWest operates the Joint Venture assets, which consist of processing plants in West Virginia and a one-third interest in a MarkWest fractionator in Ohio.

The Partnership's net income includes its proportionate share of the net income of the Joint Venture and Stonewall. When the Partnership records its proportionate share of net income, it increases equity income in the consolidated statements of operations and comprehensive income and the carrying value of that investment on its balance sheet. When distributions on the Partnership's proportionate share of net income are received, they are recorded as reductions to the carrying value of the investment on the balance sheet and are classified as cash inflows from operating activities in accordance with the nature of the distribution approach under ASU No. 2016-15. The Partnership uses the equity method of accounting to account for its investments in Stonewall and the Joint Venture because it exercises significant influence, but not control, over the entities. The Partnership's judgment regarding the level of influence over its equity investments includes considering key factors such as its ownership interest, representation on the board of directors and participation in policy-making decisions of Stonewall and the Joint Venture.

ANTERO MIDSTREAM PARTNERS LP
Notes to Consolidated Financial Statements (Continued)
Years Ended December 31, 2016, 2017, and 2018

The following table is a reconciliation of our investments in these unconsolidated affiliates:

(in thousands)	Stonewall ⁽¹⁾	MarkWest Joint Venture	Total Investment in Unconsolidated Affiliates
Balance at December 31, 2016	\$ 68,299	—	68,299
Initial investment	—	153,770	153,770
Additional investments	—	81,234	81,234
Equity in net income of unconsolidated affiliates	10,304	9,890	20,194
Distributions from unconsolidated affiliates	(11,475)	(8,720)	(20,195)
Balance at December 31, 2017	67,128	236,174	303,302
Additional investments	—	136,475	136,475
Equity in net income of unconsolidated affiliates	10,740	29,540	40,280
Distributions from unconsolidated affiliates	(9,765)	(36,650)	(46,415)
Balance at December 31, 2018	\$ 68,103	365,539	433,642

⁽¹⁾ Distributions are net of operating and capital requirements retained by Stonewall.

(b) Summarized Financial Information of Unconsolidated Affiliates

The following tables present summarized financial information for the Partnership's investments in unconsolidated affiliates. Summarized financial information for Stonewall is presented from May 26, 2016, the effective date the Partnership exercised its option to acquire an equity interest in the Stonewall Gathering Pipeline. Summarized financial information for the Joint Venture is presented from January 1, 2017, the effective date of the Joint Venture formation.

Combined Balance Sheets

(in thousands)	December 31,	
	2017	2018
Current assets	\$ 62,955	90,481
Noncurrent assets	1,052,760	1,327,947
Total assets	\$ 1,115,715	1,418,428
Current liabilities	\$ 39,964	76,605
Noncurrent liabilities	219	6,986
Noncontrolling interest	179,736	172,865
Partners' capital	895,796	1,161,972
Total liabilities and partners' capital	\$ 1,115,715	1,418,428

Statements of Combined Operations

(in thousands)	Year ended December 31,		
	2016	2017	2018
Revenues	\$ 51,428	119,371	189,222
Operating expenses	12,176	40,059	75,250
Income from operations	39,252	79,312	113,972
Net income attributable to the equity method investments	3,227	88,717	131,626

ANTERO MIDSTREAM PARTNERS LP

Notes to Consolidated Financial Statements (Continued)

Years Ended December 31, 2016, 2017, and 2018

(15) Reporting Segments

The Partnership's operations are located in the United States and are organized into two reporting segments: (1) gathering and processing and (2) water handling and treatment.

Gathering and Processing

The gathering and processing segment includes a network of gathering pipelines and compressor stations that collect and process production from Antero Resources' wells in West Virginia and Ohio. The gathering and processing segment also includes income from processing and fractionation plants through our equity interest in the Joint Venture with MarkWest.

Water Handling and Treatment

The Partnership's water handling and treatment segment includes two independent systems that deliver fresh water from sources including the Ohio River, local reservoirs as well as several regional waterways. The water handling and treatment segment also includes a wastewater treatment facility that was placed in service in 2018, as well as other fluid handling services, which includes high rate transfer, wastewater transportation and disposal. See Note 5—Property and Equipment.

These segments are monitored separately by management for performance and are consistent with internal financial reporting. These segments have been identified based on the differing products and services, regulatory environment and the expertise required for these operations. Management evaluates the performance of the Partnership's business segments based on operating income. Interest expense is primarily managed and evaluated on a consolidated basis.

ANTERO MIDSTREAM PARTNERS LP

Notes to Consolidated Financial Statements (Continued)

Years Ended December 31, 2016, 2017, and 2018

	Gathering and Processing	Water Handling and Treatment	Consolidated Total
Year ended December 31, 2016			
Revenues:			
Revenue—Antero Resources	\$ 303,250	282,267	585,517
Revenue—third-party	835	—	835
Gain on sale of assets—third-party	3,859	—	3,859
Total revenues	<u>307,944</u>	<u>282,267</u>	<u>590,211</u>
Operating expenses:			
Direct operating	27,289	134,298	161,587
General and administrative (excluding equity-based compensation)	20,118	7,996	28,114
Equity-based compensation	19,714	6,335	26,049
Depreciation	69,962	29,899	99,861
Accretion and change in fair value of contingent acquisition consideration	—	16,489	16,489
Total expenses	<u>137,083</u>	<u>195,017</u>	<u>332,100</u>
Operating income	<u>\$ 170,861</u>	<u>87,250</u>	<u>258,111</u>
Equity in earnings of unconsolidated affiliates	\$ 485	—	485
Total assets	\$ 1,734,208	615,687	2,349,895
Additions to property and equipment	\$ 228,100	188,220	416,320
Year ended December 31, 2017			
Revenues:			
Revenue—Antero Resources	\$ 396,202	376,031	772,233
Revenue—third-party	264	—	264
Total revenues	<u>396,466</u>	<u>376,031</u>	<u>772,497</u>
Operating expenses:			
Direct operating	39,251	193,287	232,538
General and administrative (excluding equity-based compensation)	20,607	10,922	31,529
Equity-based compensation	19,730	7,553	27,283
Impairment of property and equipment	23,431	—	23,431
Depreciation	86,372	33,190	119,562
Accretion and change in fair value of contingent acquisition consideration	—	13,476	13,476
Total expenses	<u>189,391</u>	<u>258,428</u>	<u>447,819</u>
Operating income	<u>\$ 207,075</u>	<u>117,603</u>	<u>324,678</u>
Equity in earnings of unconsolidated affiliates	\$ 20,194	—	20,194
Total assets	\$ 2,237,913	804,296	3,042,209
Additions to property and equipment	\$ 346,217	195,162	541,379
Year ended December 31, 2018			
Revenues:			
Revenue—Antero Resources	\$ 520,566	506,449	1,027,015
Revenue—third-party	—	924	924
Gain on sale of assets—Antero Resources	583	—	583
Total revenues	<u>521,149</u>	<u>507,373</u>	<u>1,028,522</u>
Operating expenses:			
Direct operating	49,256	267,167	316,423
General and administrative (excluding equity-based compensation)	30,091	10,465	40,556
Equity-based compensation	16,518	4,555	21,073
Impairment of property and equipment	5,771	—	5,771
Depreciation	83,250	46,763	130,013
Accretion and change in fair value of contingent acquisition consideration	—	(93,019)	(93,019)
Accretion of asset retirement obligations	—	135	135
Total expenses	<u>184,886</u>	<u>236,066</u>	<u>420,952</u>
Operating income	<u>\$ 336,263</u>	<u>271,307</u>	<u>607,570</u>
Equity in earnings of unconsolidated affiliates	\$ 40,280	—	40,280
Total assets	\$ 2,610,300	936,117	3,546,417
Additions to property and equipment	\$ 446,270	88,674	534,944

ANTERO MIDSTREAM PARTNERS LP

Notes to Consolidated Financial Statements (Continued)

Years Ended December 31, 2016, 2017, and 2018

(16) Quarterly Financial Information (Unaudited)

The Partnership's quarterly unaudited financial information for the years ended December 31, 2017 and 2018 is summarized in the table below:

(in thousands, except per unit data)	First quarter	Second quarter	Third quarter	Fourth quarter
Year ended December 31, 2017:				
Total operating revenues	\$ 174,770	193,766	193,629	210,332
Total operating expenses ⁽¹⁾	93,073	101,199	110,458	143,089
Operating income	81,697	92,567	83,171	67,243
Net income	75,092	87,175	80,893	64,155
Less: general partner's interest in net income	(11,553)	(15,328)	(19,067)	(23,772)
Net income attributable to limited partner units	\$ 63,539	71,847	61,826	40,383
Net income per limited partner unit—basic and diluted	\$ 0.35	0.39	0.33	0.22
Year ended December 31, 2018:				
Total operating revenues	\$ 229,591	250,975	266,205	281,751
Total operating expenses ⁽²⁾	118,051	136,145	140,159	26,597
Operating income	111,540	114,830	126,046	255,154
Net income	108,105	109,466	119,764	248,609
Less: general partner's interest in net income	(28,453)	(33,145)	(37,816)	(43,492)
Net income attributable to limited partner units	\$ 79,652	76,321	81,948	205,117
Net income per limited partner unit—basic	\$ 0.43	0.41	0.44	1.10
Net income per limited partner unit—diluted	\$ 0.43	0.41	0.44	1.09

⁽¹⁾ Operating expenses in the fourth quarter of 2017 include \$23 million of impairment on certain condensate gathering lines that Antero Resources no longer uses.

⁽²⁾ Operating expenses in the fourth quarter of 2018 reflects a \$106 million reduction in the fair value of contingent acquisition consideration.

Execution Version

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE CONFIDENTIAL TREATMENT OF THOSE TERMS HAS BEEN REQUESTED. THE REDACTED MATERIAL HAS BEEN SEPARATELY SUBMITTED TO THE SECURITIES AND EXCHANGE COMMISSION, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH THREE ASTERISKS (***)

FIRST AMENDED AND RESTATED WATER SERVICES AGREEMENT

BY AND AMONG

ANTERO RESOURCES CORPORATION,

ANTERO WATER LLC

AND

ANTERO TREATMENT LLC

DATED EFFECTIVE AS OF

September 24, 2015

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FIRST AMENDED AND RESTATED WATER SERVICES AGREEMENT

This First Amended and Restated Water Services Agreement (this “*Agreement*”), entered into on February 12, 2019, but effective for all purposes as of September 24, 2015 (the “*Effective Date*”), is by and among ANTERO RESOURCES CORPORATION, a Delaware corporation (“*Producer*”), ANTERO WATER LLC, a Delaware limited liability company (“*AW*”), and ANTERO TREATMENT LLC, a Delaware limited liability company (“*AT*”, and collectively with AW, “*Antero Water*”). Producer and Antero Water may be referred to herein individually as a “*Party*” or collectively as the “*Parties*.”

RECITALS

A. Producer owns Oil and Gas Interests and intends to drill and complete Wells for the production of Hydrocarbons in the Initial Service Area and may from time to time own Oil and Gas Interests and may drill and complete Wells for the production of Hydrocarbons in other areas.

B. Producer requires supplies of Fresh Water in its areas of operation for hydraulic fracturing operations and other purposes and has the right to take Fresh Water from various rivers and other Fresh Water sources to use for such purposes in its operations in the Initial Service Area and may from time to time have rights to take Fresh Water from other sources for such operations and operations in other areas.

C. Antero Water has acquired from Producer certain Fresh Water Facilities, which Producer has been using to take Fresh Water from its Fresh Water sources and to make available such Fresh Water to Wells in its areas of operation in the Initial Service Area, including certain related assets. Antero Water anticipates the expansion of the Fresh Water Facilities to make available Fresh Water to additional locations in the Initial Service Area and other areas.

D. Antero Water has also acquired from Producer certain contracts and other assets that Producer has been using (or expects that Antero Water will use in the future) in connection with the collection of Produced Water produced from Wells in the Initial Service Area and Other Waste Water generated or collected at the Well Pads or from Producer’s property adjacent to any Well Pad in the Initial Service Area and the transportation, treatment, disposal, recycling, and/or sale of such Produced Water and Other Waste Water. Antero Water may in the future enter into additional contracts and/or acquire additional assets for the purpose of carrying out such activities in the Initial Service Area and other areas.

E. Producer desires to contract with Antero Water for Antero Water to provide the Fluid Handling Services in the Service Area, and Antero Water desires to provide the Fluid Handling Services to Producer, in each case in accordance with the terms and conditions of this Agreement.

F. (i) Producer and AW initially were parties to that certain Water Treatment Services Agreement, dated as of September 23, 2015, which agreement was partially assigned by AW to AT pursuant to that certain Amended and Restated Partial Assignment and Assumption Agreement dated as of December 7, 2016, but effective as of September 24, 2015, between AW and AT (collectively, the “*Original Agreement*”).

G. The Parties desire to amend and restate the Original Agreement in its entirety on the terms set forth herein.

NOW THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement, the Parties agree as follows:

ARTICLE 1 DEFINITIONS

Capitalized terms used, but not otherwise defined, in this Agreement shall have the respective meanings given to such terms set forth below:

Adequate Assurance of Performance. As defined in Section 14.6(a).

Affiliate. Any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with another Person. ***Affiliated*** shall have the correlative meaning. The term “control” (including its derivatives and similar terms) shall mean possessing the power to direct or cause the direction of the management and policies of a Person, whether through ownership, by contract, or otherwise. Notwithstanding the foregoing, any Person shall be deemed to control any specified Person if such Person owns fifty percent (50%) or more of the voting securities of the specified Person, or if the specified Person owns fifty percent (50%) or more of the voting securities of such Person, or if fifty percent (50%) or more of the voting securities of the specified Person and such Person are under common control. Notwithstanding the foregoing, for purposes of this Agreement, none of AMGP GP LLC, Antero Midstream GP LP, or Antero Midstream Partners LP, or any of their respective direct or indirect subsidiaries (including AW and AT) shall be an Affiliate of Producer, and neither Producer nor any of its direct or indirect subsidiaries (other than Antero Midstream Partners LP and its direct and indirect subsidiaries) shall be an Affiliate of AW or AT.

Agreement. As defined in the preamble hereof.

Antero Water. As defined in the preamble of this Agreement.

Antero Water Group. As defined in Section 16.2(b).

Applicable Law. Any applicable law, statute, regulation, rule, code, administrative order or enforcement action (whether national, local, municipal, territorial, provincial, or federal and including common law) of any Governmental Authority, including any Environmental Law, to the extent they apply to the Fluid Handling Services or the Parties.

Assumed Subcontracts. As defined in Section 7.1(b).

AST. An above-ground storage tank.

AT. As defined in the preamble of this Agreement.

Attributable Produced Water. Produced Water produced from a Well operated by Producer located on the Service Area Properties and attributable to either (i) Producer’s interest in

such Well or (ii) the interest of non-operating parties in such Well, to the extent that Producer (as operator) has the right to dispose of, and is responsible for the disposition of, such Produced Water.

AW. As defined in the preamble of this Agreement.

Barrel. Forty-two Gallons.

Baseline Components. As defined in Section 7.1(e).

Business Day. Any calendar Day that commercial banks in New York City are open for business.

Chemicals Baseline. As defined in Section 7.1(d).

Completion Deadline. As defined in Section 4.2(b).

Connection Notice. As defined in Section 4.2(b).

Confidential Information. As defined in Section 19.6(a).

Conflicting Commitment. Any agreement, commitment or arrangement that would require Producer to use Fresh Water delivered by any Person other than Antero Water to a Well in Producer's hydraulic fracturing operations on such Well or to deliver Attributable Produced Water or Other Waste Water to any Person other than Antero Water for gathering, collection, transportation, processing, treatment, recycling, re-sale, or other disposal or disposition.

Contract Year. Each of (i) the period from the Original Agreement Effective Date to the last Day of the Month in which the first anniversary of the Original Agreement Effective Date occurs and (ii) each period of twelve (12) Months thereafter.

Contribution Agreement. As defined in Section 15.2.

Cost of Service Fee. As defined in Section 7.1(j).

CPI. As defined in Section 7.1(f).

CS Facility. As defined in Section 7.1(j).

Day. A period commencing at 10:00 a.m., Eastern Standard Time, on a calendar day and ending at 10:00 a.m., Eastern Standard Time, on the next succeeding calendar day. ***Daily*** shall have the correlative meaning.

Delay Notice. As defined in Section 4.2(e).

Delayed Well Pad. As defined in Section 4.2(e).

Delivery Point Fee. As defined in Section 7.1(a)(i).

Designated Receiving Facility. As defined in Section 5.3.

Development Plan. As defined in Section 4.1(a).

Effective Date. As defined in the preamble of this Agreement.

Electricity Baseline. As defined in Section 7.1(d).

Environmental Laws. All Applicable Laws pertaining to the presence or release of environmental contaminants (including any Hazardous Materials), or relating to natural resources (including any protected species) or the environment (including the air, water, surface or subsurface of the ground) as same are in effect at any time and including the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), as amended by Superfund Amendments and Reauthorization Act (“SARA”), 42 U.S.C. §§ 9601 et seq.; Resource Conservation and Recovery Act (“RCRA”), as amended by the Solid Waste Disposal Act (“SWDA”), 42 U.S.C. §§6901 et seq.; Federal Water Pollution Control Act (“FWPCA”), as amended by the Clean Water Act (“CWA”), 33 U.S.C. §§ 1251 et seq.; Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq.; Clean Air Act (“CAA”), 42 U.S.C., §§ 7401 et seq.; and Toxic Substances Control Act (“TSCA”), 15 U.S.C., §§ 2601 et seq., as each are amended from time to time, and any similar state or local enactments by Governmental Authorities.

Fair Market Value. With respect to any asset, the price that would be paid by a willing buyer of such asset to a willing seller, as determined by an independent nationally known investment banking firm selected by Antero Water and reasonably acceptable to Producer.

Firm Service. Fluid Handling Services that are accorded the highest priority on the Water Facilities with respect to capacity allocations, interruptions, or curtailments, specifically including the Fresh Water Services provided to Producer hereunder. Firm Services will be the last curtailed on the relevant part of the Water Facilities in the event of an interruption or curtailment, and all Firm Services will be treated equally in the event an allocation is necessary.

Fluid Handling Services. As defined in Section 3.1.

Force Majeure. As defined in Section 15.2.

Fresh Water. Either (i) (A) raw fresh water taken by Antero Water from the Take Points or its other sources of raw fresh water and (B) water remaining after treatment of waste water at the Treatment Facility, or a mixture of (A) and (B), or (ii) a mixture of raw fresh water and/or water remaining after treatment at the Treatment Facility and Treated Waste Water.

Fresh Water Delivery Point. With respect to each Well Pad, the water inlet flange of the working tanks or the hydration unit located at or in the vicinity of such Well Pad being utilized by Producer and its other contractors in hydraulic fracturing operations on a Well on such Well Pad.

Fresh Water Delivery Rate. With respect to each Well Pad, the rate at which Fresh Water is to be delivered by Antero Water from the Fresh Water System to the Fresh Water Delivery Point at such Well Pad, which rate is specified by Producer in the Connection Notice for such Well Pad and is subject to modification pursuant to Section 10.3.

Fresh Water Facilities. Collectively, the Fresh Water System and the High-Rate Transfer Facilities, including the Fresh Water facilities described in Exhibit B acquired by AW from Producer as of the Original Agreement Effective Date (including any Fresh Water assets included in the Water Assets, as such term is defined in the Contribution Agreement), including any additional System Segments constructed after the Original Agreement Effective Date, as such Fresh Water facilities are expanded after the Original Agreement Effective Date. The Fresh Water Facilities do not include any Fresh Water Delivery Point or facilities at the Well Pads downstream of the Fresh Water Delivery Points, all of which facilities shall be owned and operated by Producer or its subcontractors.

Fresh Water Facilities Plan. As defined in Section 4.1(b).

Fresh Water Measurement Point. The inlet to Antero Water's Measurement Facilities located at the inlet to the High-Rate Transfer Facilities located at or in the vicinity of each Well Pad.

Fresh Water Quality Standards. As defined in Section 11.2.

Fresh Water Services. Those Fluid Handling Services that are described in Section 3.1(a) through Section 3.1(e).

Fresh Water System. Fresh Water facilities of Antero Water, its Affiliates and its and their subcontractors upstream of the interconnection with the High-Rate Transfer Facilities, including, in each case, to the extent now in existence or constructed or installed in the future, all Fresh Water pipelines, System Retention Facilities, System Pumping Stations, Take Point Facilities, Measurement Facilities, vehicles, rights of way (whether for underground or surface use), fee parcels, surface rights, and permits, and all appurtenant facilities. The Fresh Water System is used to take Fresh Water from the Take Points or Antero Water's other sources of Fresh Water (other than Treated Waste Water) to the Well Pads, where such Fresh Water is transferred through the High Rate Transfer Facilities to the Fresh Water Delivery Points.

Fuel Gas. As defined in Section 7.1(d).

Gallon. One U.S. gallon, which is equal to 231 cubic inches.

Gas. Any mixture of gaseous hydrocarbons, consisting essentially of methane and heavier hydrocarbons and inert and noncombustible gases, that is extracted from beneath the surface of the earth.

Gas Baseline. As defined in Section 7.1(d).

Governmental Approval. Any permit, license, consent, clearance, certificate, approval, authorization or similar document or authority which any Applicable Law or Governmental Authority requires either Party to hold or obtain in order for the Fluid Handling Services to be performed, including any that are required to take Fresh Water from the Take Points or Antero Water's other sources of Fresh Water.

Governmental Authority. Any federal, state, local, municipal, tribal or other government; any governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, regulatory or taxing authority or power; and any court or governmental tribunal, including any tribal authority having or asserting jurisdiction.

Hazardous Materials. Collectively, (i) materials defined as “hazardous substances” in CERCLA, or any successor statute, unless such term has been given broader meaning by laws, regulations, rules, orders, ordinances, requirements or determinations of any Governmental Authority having jurisdiction with respect to the Fluid Handling Services or the Parties (including Governmental Authorities establishing common law liability), in which case such broader meaning shall apply; (ii) materials defined as “hazardous wastes” in RCRA, or any successor statute, unless such term has been given broader meaning by laws, regulations, rules, orders, ordinances, requirements or determinations of any Governmental Authority having jurisdiction with respect to the Fluid Handling Services or the Parties (including Governmental Authorities establishing common law liability), in which case such broader meaning shall apply; (c) any Hydrocarbons, Produced Water, petroleum or petroleum produce; (d) any polychlorinated biphenyl; and (e) any pollutant or contaminant or hazardous, dangerous or toxic chemical, material, waste or substance, including naturally occurring radioactive material, regulated under or within the meaning of any applicable Environmental Law.

High-Rate Transfer Facilities. Facilities of Antero Water and its subcontractors located at or in the vicinity of a Well Pad used to perform High-Rate Transfer Services at such Well Pad, including, as applicable, ASTs, treated water offload tanks, high-rate transfer pumps, associated hoses and lines, and all related equipment and facilities used to transfer Fresh Water from the Fresh Water System to the Fresh Water Delivery Points at the Fresh Water Delivery Rate.

High-Rate Transfer Services. As defined in Section 3.1(e).

Hydrocarbons. Gas and/or Liquid Hydrocarbons.

Incurred Costs. With respect to a Delayed Well Pad and the delivery of the Original Connection Notice therefor, the amount of all reasonable incremental costs and expenses incurred by Antero Water through the date of the Delay Notice for such Delayed Well Pad to procure, construct and install the relevant rights and facilities to connect the Delayed Well Pad to the Fresh Water System and to cause such facilities to be available to commence providing Fresh Water Services thereto.

Initial Development Plan. The Development Plan attached hereto as Exhibit D.

Initial Service Area. The area described in Exhibit A hereto.

Interruptible Service. Fluid Handling Services that are accorded the lowest priority on the Water Facilities with respect to capacity allocations, interruptions, or curtailments. Interruptible Service will be the first curtailed on the relevant part of the Water Facilities in the event of an interruption or curtailment.

Landfill Credit. As defined in Section 7.1(c).

Liquid Hydrocarbons. Oil, condensate, natural gasoline and all the liquid hydrocarbon production from wells, or a blend of such.

Maintenance. As defined in Section 8.2.

Measurement Facilities. Any facility or equipment used to measure the volume of Fresh Water, which may include meter tubes, isolation valves, tank strappings, recording devices, communication equipment, buildings and barriers.

Minimum Annual Fresh Water Volume Commitment . An aggregate volume of Fresh Water in the applicable calendar year equal to the number of Days in such calendar year multiplied by the Minimum Daily Fresh Water Volume Commitment with respect to such calendar year.

Minimum Daily Fresh Water Volume Commitment . With respect to each of calendar years 2016 through 2019, inclusive, the volume of Fresh Water, in Barrels per Day, set forth beside such calendar year in the following table:

2016	90,000 Barrels per Day
2017	100,000 Barrels per Day
2018	120,000 Barrels per Day
2019	120,000 Barrels per Day

Minimum Quarterly Fresh Water Volume Commitment . An aggregate volume of Fresh Water in the applicable calendar quarter equal to the number of Days in such calendar quarter multiplied by the Minimum Daily Fresh Water Volume Commitment with respect to the calendar year in which such calendar quarter falls.

Month. A period commencing at 10:00 a.m., Eastern Standard Time, on the first Day of a calendar month and extending until 10:00 a.m., Eastern Standard Time, on the first Day of the next succeeding calendar month. **Monthly** shall have the correlative meaning.

MVC Credit Volumes . With respect to each calendar year from 2016 through 2019, inclusive, or any calendar quarter in any such calendar year, as applicable, the sum of (i) the aggregate number of Barrels of Fresh Water delivered to the Fresh Water Delivery Points under this Agreement or the Original Agreement during such calendar year or calendar quarter, as applicable, plus (ii) if Antero Water fails to deliver Fresh Water to the Fresh Water Delivery Points when required to do so under this Agreement or the Original Agreement, including if such failure is excused by an event of Force Majeure (but, for the avoidance of doubt, not including Producer's inability to receive or utilize Fresh Water as a result of an event of Force Majeure), the aggregate number of additional Barrels of Fresh Water that would have been delivered to the Fresh Water Delivery Points during such calendar year or calendar quarter, as applicable, if Antero Water had delivered such Fresh Water when required to do so.

Off-Site Tanks. Tanks located downstream from a Well Pad where Produced Water that is entrained in Hydrocarbons and becomes separated from such Hydrocarbons downstream of a Well Pad is held pending collection, gathering, and/or disposal.

Oil and Gas Interests. Oil and gas leasehold interests and oil and gas mineral fee interests, including working interests, overriding royalty interests, net profits interests, carried interests, and similar rights and interests.

Original Agreement. As defined in the recitals of this Agreement.

Original Agreement Effective Date. As defined in the recitals of this Agreement.

Original Connection Notice. As defined in Section 4.2(e).

Other Waste Water. Waste water other than Produced Water that is generated from Producer's operations at Well Pads or that collects at the Well Pads or on Producer's property adjacent to the Well Pads, and including in each case all materials (including Hydrocarbons) contained in such water.

Parties. As defined in the preamble of this Agreement.

Party. As defined in the preamble of this Agreement.

Person. An individual, a corporation, a partnership, a limited partnership, a limited liability company, an association, a joint venture, a trust, an unincorporated organization, or any other entity or organization, including a Governmental Authority.

Planned Well. As defined in Section 4.1(a).

Planned Well Pad. As defined in Section 4.1(a).

Previous Year Credit. An amount with respect to each of calendar years 2017 through 2019, inclusive, equal to the excess, if any, of (1) the aggregate of the MVC Credit Volumes for the previous calendar year multiplied by the applicable Delivery Point Fee in effect on the last Day of such previous calendar year over (2) the product of the Projected Fresh Water Volumes for such previous calendar year multiplied by Weighted Delivery Point Fee in effect on the last Day of such previous calendar year. If there is no such excess, the Previous Year Credit shall be zero.

Produced Water. Water produced from Wells alongside Hydrocarbons, including (i) water separated from Hydrocarbons at the wellhead upstream of a Produced Water Receipt Point located at a Well Pad through conventional mechanical separation equipment and held in tanks owned by Producer at the Well Pad, including flowback water, drilling fluids, and other fluid wastes produced from such Wells, and (ii) water entrained in Hydrocarbons that separates from such Hydrocarbons downstream of a Well Pad that a third party is not responsible for collecting, gathering, and/or disposing of and that is held in Off-Site Tanks, and including in each case all materials (including Hydrocarbons) contained in such water.

Produced Water Receipt Point. The outlet flange of the Producer's Produced Water tankage located at or nearby or assigned to a Well, downstream of the Producer's separation equipment, or the outlet flange of an Off-Site Tank.

Producer. As defined in the preamble of this Agreement.

Producer Group. As defined in Section 16.1(b).

Projected Fresh Water Volumes . An aggregate volume of Fresh Water in the applicable calendar year equal to the number of Days in such calendar year multiplied by the number of Barrels per Day set forth beside such calendar year in the following table:

2016	126,000 Barrels per Day
2017	142,000 Barrels per Day
2018	203,000 Barrels per Day

Quarterly MVC Shortfall Fee. As defined in Section 7.2(a).

Reimbursable Landfill Costs. As defined in Section 7.1(c).

Reimbursable Waste Water Services Costs. As defined in Section 7.1(a)(vii).

Required Pumping Station. As defined in Section 4.6.

Required Retention Facility. As defined in Section 4.5.

Retention Facility. Each retention area, impoundment, or other similar facility used to temporarily store Fresh Water upstream of the High Rate Transfer Facilities.

Service Area. The Initial Service Area and any other area that becomes part of the Service Area pursuant to Section 2.4.

Service Area Properties. All Oil and Gas Interests now owned or hereafter acquired by Producer and located wholly or partly within the Service Area or pooled, unitized or communitized with Oil and Gas Interests located wholly or partly within the Service Area; provided that Service Area Properties shall not include any Oil and Gas Interests that are unitized or pooled with the properties of third parties that are not Service Area Properties if Producer is not the operator of such unit.

Six Month Deadline. As defined in Section 4.2(e)(ii).

Specified Fee. As defined in Section 7.1(h).

System Pumping Station. As defined in Section 4.6.

System Retention Facility. As defined in Section 4.5.

System Segment. A physically separate segment of the Fresh Water System that connects one or more Take Points or other sources of Fresh Water (other than Treated Waste Water) to one or more System Retention Facilities, together with any underground Fresh Water lines downstream of such System Retention Facilities and any rights of way downstream of such System Retention Facilities for surface Fresh Water lines, including all Fresh Water pipelines, System Retention Facilities, System Pumping Stations, Take Point Facilities, Measurement Facilities, rights of way, fee parcels, surface rights, and permits, and all appurtenant facilities, in each case, owned by Antero Water or its Affiliates.

System Take Point. Each take point on any System Segment, including the Take Points.

Take Point. Those points specified in Exhibit C hereto, together with such additional points as are specified by Producer in accordance with Section 4.4 from which, in accordance with agreements with the holders of water rights and/or Applicable Laws and required Governmental Approvals, Producer has procured the right for Antero Water to take Fresh Water which Antero Water will then make available to Producer for use in accordance with this Agreement.

Take Point Facilities. All facilities located at any Take Point or other source of Fresh Water (other than Treated Waste Water) that are necessary for Antero Water to take Fresh Water from the Fresh Water source at such Take Point or other source, together with any ozonation facilities installed at such Take Point or other source.

Target Commencement Date. As defined in Section 4.2(b).

Transportation Services. As defined in Section 3.1(f).

Treated Waste Water. Treated waste water, but excluding water remaining after treatment at the Treatment Facility.

Treatment Facility. The advanced wastewater treatment facility located in Doddridge County, West Virginia, and owned by AT, and any expansions or modifications thereto.

Treatment Facility Fee. As defined in Section 7.1(a)(v).

Treatment Facility Fee Supplement. As defined in Section 7.1(d).

Trucked Fresh Water Fee. As defined in Section 7.1(a)(ii).

Truck Fuel Baseline. As defined in Section 7.1(e).

USDOT. The United States Department of Transportation.

Waste Water. Produced Water and Other Waste Water.

Waste Water Facilities. Any facilities owned by Antero Water or its Affiliates through which Waste Water is gathered, collected, transported, processed, treated, recycled, or disposed of from any Oil and Gas Interests.

Waste Water Quality Standards. As defined in Section 11.6.

Waste Water Services. Those Fluid Handling Services described in Section 3.1(f) and Section 3.1(g).

Waste Water Trucking Fee. As defined in Section 7.1(a)(vi).

Waste Water Trucking Fee Supplement. As defined in Section 7.1(e).

Water Facilities. The Fresh Water Facilities and the Waste Water Facilities.

Weighted Delivery Point Fee. With respect to any Day, the sum of (i) the product of the Delivery Point Fee applicable to Fresh Water Delivery Points in West Virginia on such Day multiplied by 0.64 plus (ii) the product of the Delivery Point Fee applicable to Fresh Water Delivery Points outside West Virginia on such Day multiplied by 0.36.

Well. A well for the production of Hydrocarbons in which Producer owns an interest that is located on the Service Area Properties or for which Fluid Handling Services are otherwise required to be performed in accordance with this Agreement.

Well Pad. The surface installation on which one or more Wells are located.

ARTICLE 2 PRODUCER COMMITMENTS

Section 2.1 Producer Commitments. Subject to the terms and conditions of this Agreement, including Section 2.2 and Section 2.3, during the term of this Agreement Producer covenants and commits (a) to exclusively use Fresh Water made available by Antero Water to Producer under this Agreement for use in its hydraulic fracturing operations for all Wells operated by Producer and (b) to exclusively utilize Antero Water for the performance of the Waste Water Services for all Attributable Produced Water, as and when produced, and all Other Waste Water.

Section 2.2 Conflicting Commitments. Producer shall have the right to comply with any Conflicting Commitment entered into by a non-Affiliated predecessor-in-interest to Producer to which any Service Area Property acquired by Producer after the Original Agreement Effective Date is subject as of the date of acquisition thereof (other than any Conflicting Dedication entered into by such predecessor-in-interest at the direction of Shipper or any of its Affiliates in connection with such acquisition, but subject to the remainder of this Section 2.2), whether such Conflicting Commitment is documented in an agreement binding upon such predecessor-in-interest that is assigned to and/or assumed by Producer (fully or partially) and/or in a new agreement binding upon Producer that replaces (fully or partially) the agreement binding upon such predecessor-in-interest, as long as neither the scope nor term of the Conflicting Commitment are extended beyond that applicable to such predecessor-in-interest at the time of the acquisition; provided, however, that Producer shall have the right to comply with each Conflicting Commitment only until the first Day of the Month following the termination of such Conflicting Commitment and shall not take any voluntary action (including the exercise of any right to extend) to extend the term of such Conflicting Commitment beyond the minimum term provided for in the document evidencing such Conflicting Commitment. Producer represents that as of the Original Agreement Effective Date

there were no Conflicting Commitments. To the extent that a Conflicting Commitment applies to one or more Wells, but not all Wells, on a Well Pad, Producer shall have the right to comply with such Conflicting Commitment (to the extent set forth in this Section 2.2) with respect to all Wells on such Well Pad.

Section 2.3 Covenant Running with the Land. The covenants and commitments made by Producer under this Article 2 are covenants running with the land. For the avoidance of doubt and in addition to that which is provided in Section 19.4, in the event Producer sells, transfers, conveys, assigns, grants, or otherwise disposes of any or all of its interest in any of its Service Area Properties, then any such sale, transfer, conveyance, assignment, grant, or other disposition shall be expressly subject to this Agreement and any instrument of conveyance shall so state. Notwithstanding the foregoing, Producer shall be permitted to sell, transfer, convey, assign, grant, or otherwise dispose of Service Area Properties free of the covenant and commitment made under this Article 2 in a sale or other disposition in which a number of net acres of Service Area Properties that, when added to the total of net acres of Service Area Properties theretofore and, where applicable, simultaneously disposed of free of the commitment made by Producer under this Article 2, does not exceed the aggregate number of net acres of Service Area Properties acquired by Producer after the Original Agreement Effective Date, including in a transaction in which Service Area Properties are exchanged for other properties located in the Service Area that would be subject to commitment made by Producer under this Article 2. At the request of Antero Water, the Parties shall execute and record an amendment to the memorandum of this Agreement previously entered into, as provided in Section 19.17, to reflect additions to the Service Area Properties.

Section 2.4 Additional Oil and Gas Interests or Water Facilities.

(a) If at any time Producer acquires any existing water facilities through which Fresh Water is made available to, or through which Waste Water is gathered, collected, transported, processed, treated, recycled, or disposed of from, any Oil and Gas Interests, it shall, by notice delivered to Antero Water on or before the 10th day after such acquisition, which notice shall include a reasonable description of such water facilities and such Oil and Gas Interests (including an update to the Development Plan reflecting such Oil and Gas Interests that Producer is acquiring or has acquired that Producer will operate) and the price paid by Producer for such water facilities, including any liabilities assumed by Producer, offer to sell to Antero Water such water facilities, including all Fresh Water or Produced Water pipelines, Retention Facilities, pumping stations, take point facilities, delivery points, receipt points, measurement facilities, trucking facilities, disposal wells, processing, recycling, or treatment facilities, rights of way or surface rights (whether for underground or surface use, but excluding, in each case, any rights of way or surface rights to the extent such rights are granted under any Oil and Gas Interest), fee parcels, and permits, and all appurtenant facilities, in each case, to the extent the foregoing items are used in connection with such water facilities, as well as any third party contracts for services utilizing such water facilities, at the same price at which such water facilities and related assets were acquired by Producer, including the assumption of any liabilities with respect thereto assumed by Producer. Antero Water shall have the right, to be exercised by notice delivered to Producer on or before the 60th Day after delivery of Producer's notice of its acquisition of such water facilities, to acquire such water facilities and related assets at such price (including the assumption of such liabilities). If Antero Water does not deliver such notice to Producer on or

before such 60th Day, Antero Water shall be deemed to have waived its right to acquire such water facilities and related assets (except in the case of a third party services offer as provided below), and (i) Producer shall have the right to own and operate such facilities to make available Fresh Water to, and/or to gather, collect, transport, process, treat, recycle, and/or dispose of Produced Water produced from and Other Waste Water associated with, the Oil and Gas Interests described in such notice and all other Oil and Gas Interests within the area within two miles of any such Oil and Gas Interest for which Antero Water is not, as of the date of Producer's initial notice of the acquisition, providing Fluid Handling Services and/or (ii) Producer shall have the right to solicit proposals from a third party service provider to acquire and operate such facilities to make available Fresh Water to, and/or to gather, collect, transport, and/or dispose of Produced Water produced from and Other Waste Water associated with, the Oil and Gas Interests described in such notice owned or acquired by Producer and all Oil and Gas Interests within the area within two miles of any such Oil and Gas Interest owned or acquired by Producer for which Antero Water is not, as of the date of Producer's initial notice of the acquisition, providing Fluid Handling Services. If Producer obtains any such third party proposal, it shall, by notice to Antero Water, provide Antero Water with all the terms and conditions thereof (and, to the extent any such terms and conditions are confidential, shall use commercially reasonable efforts to obtain a waiver of any such applicable confidentiality restriction), and Antero Water shall have the right to elect, by notice delivered to Producer on or before the 60th Day after delivery of Producer's notice containing the terms and conditions of such proposal, to acquire such water facilities and related assets and provide the services offered by the applicable third party on the same terms and conditions as those offered by the third party service provider. If Antero Water does not so elect on or before such 60th Day, Producer shall have the right to contract with such third party service provider to acquire such water facilities and to provide such services, on terms no more favorable to such third party service provider than the terms and conditions of its proposal as provided to Antero Water, to the Oil and Gas Interests described in such notice in which Producer owns or acquires an interest and all other Oil and Gas Interests within the area within two miles of any such Oil and Gas Interest in which Producer owns or acquires an interest for which Antero Water is not, as of the date of Producer's initial notice of the acquisition, providing Fluid Handling Services. If Antero Water elects to acquire such water facilities, the closing of Antero Water's purchase of such water facilities and related assets from Producer shall take place as soon as reasonably practicable following Antero Water's exercise of its right to acquire such water facilities. From and after the closing of such purchase by Antero Water, all Oil and Gas Interests in which Producer owns an interest that are operated by Producer the Fresh Water for which is being made available, and the Produced Water from which is being gathered, collected, transported, processed, treated, recycled and disposed of utilizing such water facilities, as well as Oil and Gas Interests in which Producer owns an interest that are operated by Producer within the area within two miles of any such Oil and Gas Interest, unless such Oil and Gas Interests are already Service Area Properties, shall become Service Area Properties, and such area, to the extent not in or part of the then-existing Service Area, shall become part of the Service Area, and the proposed Development Plan update included in Producer's notice shall become part of the Development Plan. In any transaction in which Producer so acquires water facilities, Producer shall use reasonable efforts to cause the transaction documents for such acquisition to state a separate purchase price (and separately state any assumed liabilities) for such water facilities and related assets. If notwithstanding such reasonable efforts the transaction documents for such acquisition do not state a separate purchase price, the purchase price to be paid by Antero

Water to Producer for such water facilities and related assets shall be equal to the Fair Market Value of such water facilities and related assets, and Antero Water shall assume all liabilities in respect of such water facilities and related assets to the extent arising from the ownership and operation of such water facilities and related assets and/or any occurrence with respect thereto from and after the closing of the purchase of such water facilities and related assets by Antero Water.

(b) If at any time Producer desires to have Fresh Water made available to, and/or Produced Water and Other Waste Water gathered, collected, transported, processed, treated, recycled, and/or disposed of from, any Oil and Gas Interests in which Producer owns an interest that are operated by Producer outside the then-existing Service Area, Producer shall, by notice to Antero Water specifying (i) the services it desires, including in the case of Fresh Water the take points and delivery points it desires to have connected, and (ii) the Oil and Gas Interests owned by Producer to which Fresh Water is to be made available and from which Produced Water and Other Waste Water are to be gathered, collected, transported, processed, treated, recycled, and/or disposed of (including an update to the Development Plan reflecting such Oil and Gas Interests and the Wells planned to be drilled on such Oil and Gas Interests during the period of at least 18 Months after such notice), offer to Antero Water the opportunity to provide such Fresh Water and to gather, collect, transport, process, treat, recycle, and/or dispose of such Produced Water and Other Waste Water. Antero Water shall have the right, to be exercised by notice to Producer on or before the 60th Day after delivery of Producer's notice, to elect to perform such services as Fluid Handling Services under this Agreement. If Antero Water exercises such right as provided above, from and after the date of Antero Water's notice of exercise, the area within two miles of the Oil and Gas Interests described in such notice, to the extent not already Service Area Properties, shall become part of the Service Area Properties, and the proposed Development Plan update included in Producer's notice shall become part of the Development Plan. If Antero Water does not give such notice to Producer on or before such 60th Day, Antero Water shall be deemed to have waived its right to perform such services as Fluid Handling Services under this Agreement, except in the case of a third party services offer as provided below, and (1) Producer shall have the right to construct, own, and operate facilities to make available Fresh Water to, and/or to gather, collect, transport, process, treat, recycle, and/or dispose of Produced Water and Other Waste Water from, the Oil and Gas Interests described in such notice or (2) Producer shall have the right to solicit proposals from a third party service provider to provide such services with respect to the Oil and Gas Interests described in such notice and all Oil and Gas Interests owned by Producer within the area within two miles of any such Oil and Gas Interest for which Antero Water is not, as of the date of Producer's initial notice to Antero Water under this provision, providing Fluid Handling Services. If Producer obtains any such third party proposal, it shall, by notice to Antero Water, provide Antero Water with all the terms and conditions thereof (and, to the extent any such terms and conditions are confidential, shall use commercially reasonable efforts to obtain a waiver of any such applicable confidentiality restriction), and Antero Water shall have the right to elect, by notice to Producer on or before the 60th Day after delivery of Producer's notice containing the terms and conditions of such proposal, to provide the services described in such notice on the same terms and conditions as those offered by the third party service provider. If Antero Water does not so elect on or before such 60th Day, Producer shall have the right to contract with such third party service provider to perform such services, on terms no more favorable to such third party service provider than the terms and conditions of its proposal as provided to Antero Water, with respect

to the Oil and Gas Interests described in such notice and to all Oil and Gas Interests owned by Producer within the area within two miles of any such Oil and Gas Interest for which Antero Water is not, as of the date of Producer's initial notice to Antero Water under this provision, providing Fluid Handling Services.

ARTICLE 3 SERVICES

Section 3.1 Antero Water Service Commitment. Subject to and in accordance with the terms and conditions of this Agreement, during the term of this Agreement Antero Water commits to providing the following services (collectively, the "**Fluid Handling Services**") to Producer:

(a) take, or cause to be taken, at each Take Point on each Day, Fresh Water in a quantity at least equal to the lesser of (i) the maximum capacity of the Take Point Facilities as they then exist at such Take Point on such Day, (ii) the maximum volume of Fresh Water that may be taken at such Take Point in accordance with Producer's rights to take Fresh Water at such Take Point, including Applicable Laws and/or any relevant Governmental Approval, and (iii) such volume of Fresh Water as shall be nominated by Producer in accordance with this Agreement;

(b) connect the Fresh Water System to Well Pads in accordance with the procedures set forth in Section 4.2;

(c) make available or cause to be made available, by underground or surface water lines and through the use of System Retention Facilities if applicable, and by trucking Treated Waste Water to the Well Pad if applicable, at the interconnection with the High-Rate Transfer Facilities at each Well Pad during the periods nominated by Producer in accordance with Section 10.2 during which hydraulic fracturing operations are to be carried out at such Well Pad, Fresh Water at sufficient rates of flow so that Fresh Water may be made available at the Fresh Water Delivery Points on such Well Pad at the applicable Fresh Water Delivery Rate;

(d) at the request of Producer, as an alternative to delivery by water lines as provided in Section 3.1(c), deliver Fresh Water by truck from System Retention Facilities to the inlet of the High-Rate Transfer Facilities at each Well Pad during the periods nominated by Producer in accordance with Section 10.2 during which hydraulic fracturing operations are to be carried out at such Well Pad, Fresh Water in sufficient quantities so that Fresh Water may be made available at the Fresh Water Delivery Points on such Well Pad at the applicable Fresh Water Delivery Rate;

(e) during the periods nominated by Producer in accordance with Section 10.2 during which hydraulic fracturing operations are to be carried out at such Well Pad, transfer Fresh Water from the Fresh Water System (to be commingled and mixed with Treated Waste Water trucked to such Well Pad by Antero Water when applicable) through the High-Rate Transfer Facilities to the Fresh Water Delivery Point at such Well Pad at the applicable Fresh Water Delivery Rate (the "**High-Rate Transfer Services**");

(f) receive, or cause to be received, into its (or its subcontractors') trucks, or otherwise collect (i) all Attributable Produced Water from the Produced Water Receipt Points

and (ii) any Other Waste Water, and deliver, or cause to be delivered, such Produced Water or Other Waste Water to the applicable disposal or treatment facility, including the Treatment Facility (the “**Transportation Services**”); and

(g) (i) from and after the in-service date of the Treatment Facility (if completed and placed into service) cause Produced Water collected from the Produced Water Receipt Points and/or Other Waste Water that in each case meets the quality standards of the Treatment Facility to be treated at the Treatment Facility and released, sold for re-use, or otherwise disposed of, up to the available capacity of the Treatment Facility from time to time and/or (ii) cause Produced Water collected from the Produced Water Receipt Points and Other Waste Water collected by Antero Water to be treated, recycled, released, sold for re-use, or otherwise disposed of, through Designated Receiving Facilities.

Section 3.2 Priority of Fluid Handling Services. All Fresh Water Services provided under this Agreement shall be Firm Services, and all other Fluid Handling Services, to the extent in the reasonable control of Antero Water, shall be performed on a first-priority basis.

ARTICLE 4 FRESH WATER SYSTEM EXPANSION AND CONNECTION OF FRESH WATER DELIVERY POINTS

Section 4.1 Development Plan; Fresh Water Facilities Plan; Exchange and Review of Information.

(a) The Initial Development Plan describes Producer’s planned development and drilling activities relating to the Service Area Properties through the date that is 18 months after the Original Agreement Effective Date (such plan, as updated as hereinafter provided, and including any proposed development plan that becomes part of the Development Plan pursuant to Section 2.4, the “**Development Plan**”). Following the Original Agreement Effective Date, Producer shall provide Antero Water an updated Development Plan describing the planned development and drilling activities relating to the Service Area Properties for the 18-Month period commencing on the date of such updated Development Plan on or before the last Day of each Month. Each Development Plan will include (i) information as to the Wells that Producer expects will be drilled during such period (each such Well reflected in a Development Plan, a “**Planned Well**”), information as to each Well Pad expected to be constructed during such period (each such Well Pad reflected in a Development Plan, a “**Planned Well Pad**”) and the approximate locations thereof, and the earliest date on which hydraulic fracturing operations are expected to be commenced at one or more Planned Wells at each such Planned Well Pad, (ii) good faith and reasonable forecasts of the periods of time during which Fresh Water will be required at each Well Pad for the purpose of hydraulic fracturing operations for all Planned Wells on such Well Pad and the volumes of Fresh Water that will be required for such hydraulic fracturing operations at such Planned Wells during the 18-Month period following the date of such Development Plan, including for each such Planned Well the expected Fresh Water Delivery Rate, and (iii) good faith and reasonable forecasts of the volumes of Attributable Produced Water to be produced at each Well (including the Planned Wells included in such Development Plan), in each case to the extent not previously provided or, if earlier provided, as revised in Producer’s good faith estimation. Producer shall make its representatives available to

discuss the Development Plan from time to time with Antero Water and its representatives, in order to facilitate advance planning for expansion or improvement of the Fresh Water Facilities and to address other matters relating to the construction and installation of additions to the Fresh Water Facilities and/or the planning of the Waste Water Services. Subject to the terms of Section 4.2, Producer may provide updated or amended Development Plans to Antero Water at any time and shall provide its then-current Development Plan to Antero Water from time to time on or prior to the fifth (5th) Business Day after Antero Water's request therefor.

(b) Attached hereto as Exhibit E is a Fresh Water Facilities plan describing and/or depicting the Fresh Water System as of the Original Agreement Effective Date, including all Take Points, pipelines, Required Retention Facilities, Fresh Water Delivery Points, rights of way for surface Fresh Water lines, and all Required Pumping Stations and other major physical facilities, together with their locations, sizes and other physical specifications, operating parameters, capacities, and other relevant specifications, and together with a schedule for completing the construction and installation of the planned portions thereof, in each case as in existence, under construction, or planned as of the Original Agreement Effective Date (such plan, as updated as hereinafter provided, the "**Fresh Water Facilities Plan**"). Based on the Development Plans and such other information about the expected development of the Service Area Properties as shall be provided to Antero Water by or on behalf of Producer in accordance herewith, Antero Water shall periodically update the Fresh Water Facilities Plan. Without limiting the generality of the foregoing, Antero Water shall ensure that the Fresh Water Facilities Plan reflects each Monthly Development Plan not later than 30 Days after such Development Plan is delivered. Antero Water shall make the Fresh Water Facilities Plan available for inspection by Producer and its representatives from time to time and shall make representatives of Antero Water available to discuss the Fresh Water Facilities Plan from time to time with Producer and its representatives. Antero Water shall provide Producer written updates not less frequently than Monthly on the progress of work on all facilities necessary to connect the Fresh Water System to the Planned Well Pads as set forth in the then-current Fresh Water Facilities Plan.

(c) Subject to Section 4.2, (i) the Parties recognize that the plans for the development of the Service Area Properties set forth in the Development Plans, as well as all information provided by Producer to Antero Water regarding its intentions with respect to the development of the Service Area Properties, are subject to change and revision at any time at the discretion of Producer, and that such changes may impact the timing, configuration, and scope of the planned activities of Antero Water, and (ii) the exchange of such information and any changes thereto shall not give rise to any rights or liabilities as between the Parties except as expressly set forth in this Agreement, and Antero Water shall determine at its own risk the time at which it begins to work on and incur costs in connection with particular projects to expand its facilities or capacities, including the construction or installation of Water Facilities and the acquisition of rights of way, equipment, and materials necessary or desirable in connection therewith. Without limiting the generality of the foregoing, and notwithstanding anything to the contrary in this Agreement, Producer has no obligation to Antero Water under this Agreement to develop or produce any Hydrocarbons from the Service Area Properties or to pursue or complete any drilling or development on the Service Area Properties, whether or not envisioned in the Development Plan.

Section 4.2 Expansion of Fresh Water System; Connection of Well Pads.

(a) The Fresh Water System shall be designed, developed, and constructed for the purpose of providing sufficient quantities of Fresh Water to the High-Rate Transfer Facilities at each Well Pad at a sufficient rate of flow to enable Antero Water to transfer such Fresh Water through the High-Rate Transfer Facilities to the Fresh Water Delivery Points at the applicable Fresh Water Delivery Rate as and when needed for hydraulic fracturing operations on such Well Pad, and Antero Water shall be obligated, at its sole cost and expense, subject to the provisions of this Agreement, to plan, procure, construct, install, own, and operate the Fresh Water System so as to timely extend the Fresh Water System to each Well Pad and timely deliver such quantities of Fresh Water to each Well Pad so as to permit the full scope of Fresh Water Services to be provided with respect to all the Planned Wells in accordance with this Section 4.2; *provided*, that the foregoing shall not preclude Antero Water from also designing, developing and constituting the Fresh Water System for the provision of services to third parties.

(b) Antero Water shall be obligated to extend the Fresh Water System to a particular Well Pad only if Antero Water has received from Producer a notice in the form of Exhibit F hereto (or in such form as Producer and Antero Water shall otherwise agree from time to time) stating that Producer intends to drill, complete, and carry out hydraulic fracturing operations on such Wells at such Well Pad (as it may be amended as contemplated in Section 4.2(e), a “**Connection Notice**”) and setting forth the target date for the commencement of hydraulic fracturing operations (such date, as it may be amended as contemplated in Section 4.2(e), the “**Target Commencement Date**”) at such Well Pad and the Fresh Water Delivery Rate for the Fresh Water Delivery Point at such Well Pad. Following receipt of a Connection Notice, Antero Water shall cause the necessary facilities to be constructed to connect the Fresh Water System to such Well Pads and to deliver and install at such Well Pads the necessary High-Rate Transfer Facilities, such that the Fresh Water Services can be commenced when hydraulic fracturing operations are ready to be commenced at such Well Pad. Such facilities shall be able to make Fresh Water available to such Planned Well Pad as soon as reasonably practicable following the Connection Notice and in any event on or before the later to occur of (1) the Target Commencement Date with respect to such Planned Well Pad, (2) the date that is 180 Days after the Connection Notice, (3) for any Well Pad located in the Initial Service Area but in any area outside the area described in Exhibit A as the “core area” as of the Original Agreement Effective Date, the date specified for such area in Exhibit A, (4) for any Well Pad located outside the Initial Service Area, the date that is 18 months after the area in which such Well Pad is located became part of the Service Area, and (5) the date on which the initial Planned Well(s) at such Planned Well Pad has reached its projected depth and is ready for completion and hydraulic fracturing operations (the later of such dates, with respect to such Planned Well Pad, as it may be adjusted in accordance with this Agreement, the “**Completion Deadline**”). Antero Water shall provide Producer notice promptly upon Antero Water’s becoming aware of any reason to believe that it may not be able to connect a Planned Well Pad to the Fresh Water System by the Target Commencement Date therefor or to otherwise complete all facilities necessary to provide the full scope of Fresh Water Services with respect to the Fresh Water Delivery Points at such Planned Well Pad by the Target Commencement Date therefor. If and to the extent Antero Water is delayed in completing and making available such facilities by a Force Majeure event or any action of Producer that is inconsistent with the cooperation requirements of Section 4.7, then the Completion Deadline for such connection shall be extended for a period of time equal to the

period during which Antero Water's completion and making available of such facilities was delayed by such events or actions. If Antero Water fails to extend the Fresh Water System to a Well Pad by the Completion Date for such Well Pad, and if Antero Water fails to deliver sufficient volumes of Fresh Water to such Well Pad, by truck or otherwise, to enable Fresh Water to be delivered to the Fresh Water Delivery Points through the High-Rate Transfer Facilities at the Fresh Water Delivery Rate, by the Completion Date, then, as Producer's sole and exclusive remedies for such delay:

(i) if Antero Water notifies Producer that the required volumes of Fresh Water are available at a System Retention Facility, Producer shall have the right to pick up such volumes of Fresh Water at such System Retention Facility and truck it to the inlet to the High Rate Transfer Facilities at or in the vicinity of the Well Pad, in which case the Producer's actual cost of trucking such Fresh Water to such location shall be deducted from the Delivery Point Fee or the Cost of Service Fee, as applicable, or, if applicable, Producer shall be entitled to recover from Antero Water the excess, if any, of its third party and internal costs of trucking such Fresh Water to such location over the Delivery Point Fee or the Cost of Service Fee, as applicable, that it would have been obligated to pay Antero Water for the same volumes of Fresh Water; or

(ii) if the required volumes of Fresh Water are not available at a System Retention Facility as provided in clause (i) above, Producer shall have the right to obtain Fresh Water from sources other than Antero Water for hydraulic fracturing operations at such Well Pad and truck such Fresh Water to such Well Pad until such time as such Well Pad is connected to the Fresh Water System and the Fresh Water System is ready to make available Fresh Water at such Well Pad in sufficient quantity for the commencement of the Fresh Water Services with respect thereto, in which case Producer shall be entitled to recover from Antero Water the excess, if any, of its third party and internal costs of obtaining such Fresh Water and trucking such Fresh Water to such Well Pad over the Delivery Point Fee or the Cost of Service Fee, as applicable, that it would have been obligated to pay Antero Water for the same volumes of Fresh Water; or

(iii) Producer shall have the right to complete the procurement, construction and/or installation (including through one or more subcontractors) of any rights or facilities necessary to connect the relevant Planned Well Pad to the Fresh Water System and to permit Fresh Water to be made available at such Well Pad at the applicable Fresh Water Delivery Rate, in which case Antero Water shall pay, within 30 days after presentment of an invoice therefor, to Producer an amount equal to 115% of all reasonable out of pocket costs and expenses incurred by Producer in so procuring, constructing, and/or installing such rights and facilities, and upon receipt of payment by Producer therefor, Producer shall convey all such rights and facilities owned or under the control of Producer to Antero Water (and shall use commercially reasonable efforts to obtain any applicable consents triggered by such assignment) and such rights and facilities shall thereafter be part of the Fresh Water System.

The remedies set forth in clauses (i), (ii) and (iii) above shall be applicable to Wells with Completion Deadlines that are 180 Days or more after the Original Agreement Effective Date. Once a Well Pad is connected to the Fresh Water System, Antero Water shall maintain such

connection until such time as Producer has advised Antero Water that all hydraulic fracturing operations have been completed on all Planned Wells at such Well Pad; provided that Antero Water shall have the right to remove and re-lay temporary surface water lines from time to time as long as no delay or disruption in Producer's hydraulic fracturing operations results therefrom.

(c) If the actual commencement of hydraulic fracturing operations at a particular Well Pad is delayed through no fault of Antero Water more than 30 Days after the Target Commencement Date for such Well Pad and the Fresh Water System is connected to the Fresh Water Delivery Point at such Well Pad and available to commence providing Fresh Water to such Well Pad prior to the date such initial Planned Well is ready for hydraulic fracturing, Antero Water shall be entitled to a fee equal to interest per annum at the Wall Street Journal prime rate on the incremental cost and expense incurred by Antero Water to procure, construct and install the relevant rights and facilities to connect to such Well Pad and to cause such facilities to be available to commence providing Fresh Water thereto for the number of Days after the Target Commencement Date until the Day that hydraulic fracturing of the first Well at such Well Pad has commenced; provided, however, that if hydraulic fracturing of such Well has not commenced by the date that is six months after the Target Commencement Date for such Well through no fault of Antero Water or, as of an earlier date, Producer notifies Antero Water that it has elected not to fracture any Planned Wells at such Planned Well Pad, Producer shall pay, within 30 days after presentment of an invoice therefor, to Antero Water an amount equal to 115% of all reasonable incremental costs and expenses incurred by Antero Water in procuring, constructing and installing such rights and facilities to connect the Fresh Water System to such Planned Well Pad and to cause such facilities to be available to commence providing Fresh Water thereto, and Antero Water shall (i) assign, transfer, and deliver to Producer all rights and facilities (including equipment, materials, work in progress, and completed construction) the costs and expenses of which have so been paid by Producer, to Producer, and (ii) use commercially reasonable efforts to obtain any applicable consents triggered by such assignment. If Producer so pays Antero Water and later completes a Well at such Well Pad which it desires to hydraulically fracture, or if such facilities are later used to connect and hydraulically fracture a Well at a different Planned Well Pad or for a third party, Antero Water shall promptly refund to Producer such amount paid by Producer, and Producer shall upon receipt of payment therefor retransfer such rights and facilities to Antero Water (and shall use commercially reasonable efforts to obtain any applicable consents triggered by such assignment).

(d) A Connection Notice shall be deemed to have been given for the Planned Wells set forth on Exhibit G hereto, the Target Commencement Date for which shall be as set forth on Exhibit G. Such Connection Notice shall be deemed to have been given for each such Planned Well 180 Days prior to such Target Commencement Date.

(e) Without limiting the rights and obligations of the Parties under Section 4.2(c), with respect to any Well Pad for which Producer has delivered a Connection Notice (any such Well Pad for which a Delay Notice described below is provided, a "**Delayed Well Pad**", and such Connection Notice, the "**Original Connection Notice**" with respect to such Delayed Well Pad), Producer may, by notice to Antero Water (a "**Delay Notice**"), inform Antero Water that the expected completion date for drilling and completion of the Wells on the Delayed Well Pad has been extended beyond the Target Commencement Date for the Delayed Well Pad stated in the Original Connection Notice and that Producer elects either to (1) amend the Original

Connection Notice for the Delayed Well Pad by changing the Target Commencement Date to a date specified in such Delay Notice, in which case the Completion Deadline shall be determined as set forth in Section 4.2(b) based on the date of delivery of the Original Connection Notice but utilizing the Target Commencement Date as so amended, or (2) withdraw the Original Connection Notice. If Producer elects to withdraw the Original Connection Notice, and if a new Connection Notice is later delivered with respect to the Delayed Well Pad, Antero Water shall cause the necessary facilities to be constructed to connect the Well Pads to the Fresh Water System and to commence the Fresh Water Services with respect to the Fresh Water Delivery Points at such Well Pads as provided in this Agreement based on the new Connection Notice, with the Completion Deadline being determined based on the date of delivery of the new Connection Notice and the Target Commencement Date set forth therein, as though the Original Connection Notice was never given. In the case of either (1) or (2) above:

(i) If the completion of the initial Well on the Delayed Well Pad has not occurred by the 31st day after the original Target Commencement Date with respect to the Delayed Well Pad as set forth in the Original Connection Notice, Producer shall pay Antero Water a fee equal to interest per annum at the Wall Street Journal prime rate on the Incurred Costs with respect to such Delayed Well Pad. Such fee shall be payable Monthly in arrears on the 15th day of each Month for the period commencing on such 31st day through the earlier to occur of (A) the date on which the Incurred Costs are paid in full to Antero Water as contemplated under Section 4.2(e)(ii) and (B) the date on which the initial Well on the Delayed Well Pad has been completed pursuant to an applicable Connection Notice.

(i i) If (A) the completion of the initial Well on the Delayed Well Pad has not occurred pursuant to an applicable Connection Notice by the date that is six months after the original Target Commencement Date with respect to the Delayed Well Pad as set forth in the Original Connection Notice (the “**Six Month Deadline**”), or (b) Producer gives notice to Antero Water that it has determined to permanently cancel all Planned Wells at the Delayed Well Pad, Producer shall pay to Antero Water an amount equal to 115% of the Incurred Costs. Such payment shall be due on the 15th day after the Six Month Deadline. On or before the 30th day after delivery of written request from Producer to Antero Water at any time on or after the date such payment is made, Antero Water shall assign, transfer, and deliver to Producer all rights and facilities (including equipment, materials, work in progress, and completed construction) the costs and expenses of which have so been paid by Producer as part of the Incurred Costs, to Producer. If Producer so pays Antero Water and later completes a Well at such Well Pad, or if such facilities are later used to connect and provide Fresh Water Services to a Well at a different Planned Well Pad or to provide services for a third party, Antero Water shall refund to Producer such amount paid by Producer, and Producer shall upon receipt of payment therefor, if applicable, retransfer such rights and facilities to Antero Water.

Section 4.3 Installation and Operation of High-Rate Transfer Facilities.

(a) Antero Water shall be obligated, directly or through subcontractors, to engineer, procure, transport to the Well Pad or other applicable site, and erect or install on the Well Pad or on such site on or prior to the Completion Date all necessary High-Rate Transfer

Facilities to enable Fresh Water to be transferred through the High-Rate Transfer Facilities to the Fresh Water Delivery Points at the Fresh Water Delivery Rate. Antero Water shall ensure that all such High-Rate Transfer Facilities remain on the Well Pad or on such site and be available to perform the High-Rate Transfer Services at all times during which Producer has notified Antero Water in accordance with Section 10.2 that hydraulic fracturing operations will be carried out on such Well Pad until such time as Producer has advised Antero Water that all hydraulic fracturing operations have been completed on all Planned Wells at such Well Pad. Antero Water shall have the right to remove and re-install or re-erect such High Rate Transfer Facilities from time to time as long as no delay or disruption in Producer's hydraulic fracturing operations results therefrom.

(b) Producer shall provide sufficient space on the Well Pad for all necessary High-Rate Transfer Facilities other than ASTs to be located on such Well Pad. Producer shall use commercially reasonable efforts to provide sufficient space on the Well Pad, or if sufficient space on such Well Pad is not available, on a site within one mile of the Well Pad, for the erection and installation of all ASTs required by Antero Water for the performance of the High-Rate Transfer Services on such Well Pad, together with rights of access to such site from a public road and easements or rights of way over which Antero Water may run hoses and temporary Fresh Water lines to the Well Pad. If Producer, through the use of commercially reasonable efforts, has been unable, by the date that is at least 120 days prior to the Target Commencement Date for such Well Pad, to obtain such a site and such rights of access and easements, Producer shall promptly notify Antero Water, and Antero Water shall be responsible for obtaining such site and the related access rights and easements.

(c) Antero Water shall be responsible for the operation, maintenance, repair, and removal of all High-Rate Transfer Facilities, including the operation of the applicable ASTs, ensuring that such ASTs and other High-Rate Transfer Facilities are operating properly and that the Fresh Water is transferred from such ASTs at proper flow rates (such that such ASTs do not overflow), and necessary coordination with Producer's and its hydraulic fracturing contractors' personnel.

(d) If Antero Water fails to perform its obligations to timely engineer, procure, transport, erect, and install the High-Rate Transfer Facilities by the Completion Date or fails to ensure that such High-Rate Transfer Facilities remain on the Well Pad or other applicable site in each case in accordance with Section 4.3(a) or fails to perform the High-Rate Transfer Services in connection with the hydraulic fracturing of Wells on a Well Pad in accordance with Section 3.1(e), then, as Producer's sole and exclusive remedy for such failure, Producer shall have the right to complete the procurement, transportation, erection and/or installation (including through one or more subcontractors) of replacement facilities and/or to carry out such activities itself (including through one or more subcontractors), in which case Antero Water shall pay, within 30 days after presentment of an invoice therefor, to Producer an amount equal to 115% of all reasonable out of pocket costs and expenses incurred by Producer in so engineering, procuring, transporting, erecting, and installing such facilities and carrying out such activities, and upon receipt of payment by Producer therefor, Producer shall convey all such rights (including rights under third party contracts) and facilities owned or under the control of Producer to Antero Water (and shall use commercially reasonable efforts to obtain any applicable consents triggered by such assignment).

(e) Antero Water shall have the right to deliver Treated Waste Water to the High-Rate Transfer Facilities and to commingle and mix such Treated Waste Water with Fresh Water for transfer to the Fresh Water Delivery Points as part of the High-Rate Transfer Services.

Section 4.4 Take Points. Antero Water shall be obligated, at Antero Water's cost, to provide Take Point Facilities with respect to the Take Points set forth on Exhibit C, and a connection between such Take Point Facilities and each applicable System Segment. All such Take Points shall be provided with all Take Point Facilities (including any Measurement Facilities) necessary to take volumes of Fresh Water set forth for each such Take Point on Exhibit C (with all expansions of capacity at such Take Point Facilities being at Producer's sole, cost, risk, and expense). Antero Water shall be responsible for providing all Take Point Facilities at all sources of Fresh Water (other than Treated Waste Water) utilized in making Fresh Water available under this Agreement, other than any Take Points not set forth on Exhibit C as of the Original Agreement Effective Date that are later specified by Producer pursuant to this Section 4.4. Antero Water shall be responsible for obtaining all leases, easements, and other real property rights necessary for the location of Take Point Facilities; provided, however, that if Producer's rights to take Fresh Water from such Take Point (or any other surface use or other agreements of Producer) also provide Producer the right to use any lands for the purpose of installing facilities to take Fresh Water, Producer shall use commercially reasonable efforts to make such rights available to Antero Water. Producer shall have right from time to time to specify in the Development Plan or in a Connection Notice that an additional Take Point shall be added and that Fresh Water from such Take Point shall be made available to Fresh Water Delivery Points connected to a particular System Segment. If Producer so specifies, Antero Water shall, at Producer's sole cost, risk, and expense, provide Take Point Facilities for such Take Point and a connection between such Take Point Facilities and such System Segment.

Section 4.5 Retention Facilities. The Fresh Water Facilities Plan will describe the Retention Facilities that will be required to permit Antero Water to provide the Fresh Water Services in accordance with this Agreement (each, a "**Required Retention Facility**"). Antero Water shall install, at Antero Water's cost, such Required Retention Facilities and shall own, operate and maintain such Required Retention Facilities (each such Required Retention Facility so installed by Antero Water, a "**System Retention Facility**"). For the avoidance of doubt, Antero Water shall have the right at any time to add additional Retention Facilities to the Fresh Water System as it deems necessary or appropriate to provide the Fresh Water Services and such services as it is providing to third parties.

Section 4.6 Pumping Facilities. The Fresh Water Facilities Plan will describe the pumping facilities that will be required in order for Fresh Water to be made available at the Fresh Water Delivery Points at the rates of flow specified in Section 3.1(c) (each a "**Required Pumping Station**"). Antero Water shall, at Antero Water's cost, install each such Required Pumping Station and shall operate and maintain each Required Pumping Station (each such Required Pumping Station so installed by Antero Water, a "**System Pumping Station**"). For the avoidance of doubt, Antero Water shall have the right at any time to add additional pumping facilities to the Fresh Water System as it deems necessary or appropriate to provide the Fresh Water Services and such services as it is providing to third parties.

Section 4.7 Cooperation. Because of the interrelated nature of the actions of the Parties required to obtain the necessary Governmental Approvals from the appropriate Governmental Authorities and the necessary consents, rights of way and other authorizations from other Persons necessary to drill and complete each Planned Well and construct the required extensions of the Fresh Water System to each Planned Well Pad, the Parties agree to work together in good faith to obtain such Governmental Approvals, authorizations, consents and rights of way as expeditiously as reasonably practicable, all as provided herein. The Parties further agree to cooperate with each other and to communicate regularly regarding their efforts to obtain such Governmental Approvals, authorizations, consents and rights of way.

ARTICLE 5
CERTAIN PROVISIONS REGARDING WASTE WATER SERVICES

Section 5.1 Access to Produced Water Receipt Points and Other Waste Water Sites. Producer shall be responsible for ensuring that Antero Water and its subcontractors have safe road access to all Produced Water Receipt Points and all points from which Other Waste Water is to be collected from public roadways suitable for travel by highway trucking equipment. As between Producer and Antero Water, Producer shall be responsible for all maintenance of and damage to (and all payments in respect thereof) to all access roads from public roadways to the Produced Water Receipt Points and such other points.

Section 5.2 Dispatch Procedures.

(a) Producer shall install, maintain, and operate, at Producer's cost, in its Produced Water tanks located at or in the vicinity of each Well Pad (but excluding the Wells identified in the Initial Development Plan as the "Bluestone Wells", and excluding any Off-Site Tanks) water-level sensors connected to a remote monitoring system provided by eLynx Technologies or another provider of remote monitoring services acceptable to Antero Water (the "**Monitoring Services Provider**") and cause the Monitoring Services Provider to make available to Antero Water on an hourly or more frequent basis data regarding the level of Produced Water in each such tank and to allow Producer to view and access all such data on the Monitoring Service Provider's system, including the ability to poll for such data through the Monitoring Services Provider's system. Producer shall periodically, and no less frequently than quarterly, and at any time upon request of Antero Water if Antero Water has reason to believe there is a malfunction, inspect the tank sensors to insure that they are reading properly. Antero Water shall be responsible for the timely dispatch of trucks to all Wells at which such sensors and monitoring systems are installed and operating properly to collect Produced Water from the tanks at such Wells. In the event that Antero Water is notified or otherwise has knowledge of any outage of or malfunction in any such sensors at any such tanks or any outage of or malfunction in such monitoring system, Antero Water shall use reasonable efforts to timely dispatch trucks to collect Produced Water based on historical flow rates or on information provided by Producer but shall not otherwise be liable for any failure to timely dispatch trucks to any affected tank during any period of any such outage or malfunction.

(b) With respect to (i) the Wells identified in the Initial Development Plan as the "Bluestone Wells", (ii) all Off-Site Tanks, and (iii) all locations at or near a Well Pad where Other Waste Water is held pending collection, gathering, and/or disposal, Producer is responsible

for notifying Antero Water not less than 24 hours in advance of when the Produced Water or Other Waste Water at such locations must be collected.

Section 5.3 Treatment Facility; Designated Receiving Facilities.

(a) Antero Water shall treat, recycle, release, sell for re-use, or otherwise dispose of, or shall cause an Affiliate or subcontractor of Antero Water to treat, recycle, release, sell for re-use, or otherwise dispose of, all Produced Water collected at the Produced Water Receipt Points and all Other Waste Water collected by Antero Water through the Treatment Facility or through other facilities, including Antero Water's or its Affiliates' own facilities, that have been designated by Antero Water and approved by Producer (each such facility other than the Treatment Facility, a "***Designated Receiving Facility***"). If Producer approves a facility as a Designated Receiving Facility, it shall have the right, at any time upon notice to Antero Water, to withdraw such approval, and such facility shall cease to be a Designated Receiving Facility effective upon the 60th Day after such notice; provided, however, that Producer shall reimburse Antero Water for all costs reasonably incurred by Antero Water in order to utilize such facility as a Designated Receiving Facility and shall indemnify Antero Water and its Affiliates for any contractual liability incurred by Antero Water to a third party as a result of its not being able to utilize such facility as a Designated Receiving Facility.

(b) Producer shall have the right, at its sole cost and expense, to visit and observe operations at each Designated Receiving Facility operated by Antero Water, in each case during normal business hours, on reasonable notice, and subject to such reasonable safety procedures as shall be reasonably required by Antero Water. Such visits and observations shall be carried out in a manner that does not unreasonably interfere with operations at such Designated Receiving Facility. Antero Water shall use reasonable efforts to afford Producer the opportunity to visit and observe operations at (i) the Treatment Facility and (ii) each Designated Receiving Facility operated by an Antero Water subcontractor and shall at the request of Producer perform such visits and observations and use reasonable efforts to include a representative of Producer among its representatives on any such visit.

Section 5.4 Transportation Services Equipment. Antero Water shall provide directly or through subcontractors all equipment necessary to perform the Transportation Services. The equipment shall (a) be suitable for the performance of the Transportation Services, (b) comply with the specifications for equipment used for services equivalent to the Transportation Services as required by Applicable Law, including the regulations of the USDOT, and (c) be maintained in a good, safe, and serviceable condition. Antero Water shall only use subcontractors to perform the Transportation Services that maintain a USDOT safety rating of "Satisfactory".

Section 5.5 Contract Carrier Status. Producer and Antero Water intend to rely on their respective rights and remedies under this Agreement and, if it would otherwise be applicable, expressly waive any and all rights and remedies under Part B, Subtitle IV of Title 49 of the United States Code that may be waived as provided in 49 USC § 14101(b)(1). Producer and Antero Water intend that the contractual arrangement documented by this Agreement be that of a contract motor carrier and for the terms and conditions of this Agreement to take precedence over any terms and conditions which might apply to a shipper and common carrier. Any use of form bills of lading,

or other freight documents referring to “common carriers” and/or “tariffs”, shall not alter the contract relationship created hereunder between the Parties.

ARTICLE 6 TERM

Section 6.1 Term. This Agreement shall become effective on the Effective Date and, unless terminated earlier by mutual agreement of the Parties, shall continue in effect until the twentieth (20th) anniversary of the Original Agreement Effective Date and from year to year thereafter (with the initial term of this Agreement deemed extended for each of any such additional year) until such time as this Agreement is terminated, effective upon an anniversary of the Original Agreement Effective Date, by notice from either Party to the other Party on or before the one hundred eightieth (180th) Day prior to such anniversary.

ARTICLE 7 FEES AND CONSIDERATION

Section 7.1 Fees.

(a) Subject to the other provisions of this Agreement, including Section 7.1(j), Producer shall pay Antero Water each Month in accordance with the terms of this Agreement, for all Fluid Handling Services provided by Antero Water during such Month, an amount equal to the sum of the following:

(i) The product of (A) the aggregate volume of Fresh Water, stated in Barrels, made available by Antero Water to the Fresh Water Delivery Points, as measured at the Fresh Water Measurement Points, during such Month, excluding (1) Treated Waste Water delivered to the Fresh Water Delivery Points as contemplated in Section 4.3(e) during such Month and (2) Fresh Water delivered to the High-Rate Transfer Facilities by truck as contemplated by Section 3.1(d) during such Month, multiplied by (B) (i) in the case of Fresh Water Delivery Points in West Virginia, \$3.685 and (ii) in the case of all other Fresh Water Delivery Points, \$3.635 (in each case as may be increased or decreased in accordance with Section 7.1(f), the “*Delivery Point Fee*”);

(ii) The sum of (A) the product of (1) the aggregate volume of Fresh Water, stated in Barrels, delivered to the High-Rate Transfer Facilities by truck as contemplated by Section 3.1(d) during such Month, but excluding Treated Waste Water delivered to the Fresh Water Delivery Points as contemplated in Section 4.3(e) during such Month, multiplied by (2) \$3.116 (as may be increased or decreased in accordance with Section 7.1(f), the “*Trucked Fresh Water Fee*”), plus (B) an amount equal to all third party out-of-pocket costs actually incurred by Antero Water in trucking such Fresh Water to the applicable inlet of the applicable High-Rate Transfer Facilities, plus 3% of the amount of such out-of-pocket costs;

(i i i) For Treated Waste Water delivered to the Fresh Water Delivery Points as contemplated in Section 4.3(e), except to the extent that a Specified Fee is applicable to such Services in accordance with Section 7.1(h), an amount equal to all third party out-of-pocket costs actually incurred by Antero Water in trucking such Treated Waste

Water from the treatment plant to the applicable Well Pad, plus 3% of the amount of such out-of-pocket costs;

(i v) For the performance of the High-Rate Transfer Services, the sum of (A) an amount equal to all third-party out-of-pocket costs incurred by Antero Water during such Month in performing the High-Rate Transfer Services using ASTs owned by Antero Water as of the Effective Date, including all costs of engineering, procuring, transporting, installing, erecting, operating, maintaining, repairing, and removing all High-Rate Transfer Facilities used to perform High-Rate Transfer Services during such Month (but excluding the cost of procuring any ASTs in addition to those owned by Antero Water on the Effective Date), plus 3% of the amount of such out-of-pocket costs, plus (B) an amount equal to the Cost of Service Fee for all ASTs procured by Antero Water after the Effective Date;

(v) Subject to Section 7.1(c) and Section 7.1(d), the product of (A) the aggregate volume of Waste Water, stated in Barrels, collected or received by Antero Water hereunder and processed at the Treatment Facility during such Month multiplied by (B) \$4.00 (as may be increased or decreased in accordance with Section 7.1(f), the “**Treatment Facility Fee**”);

(vi) For all Waste Water collected or received by Antero Water hereunder in trucks owned by Antero Water or its Affiliates during any Month, the product of (A) the aggregate volume of Waste Water so collected or received, stated in Barrels, during such Month multiplied by (B) \$5.50 (as may be increased or decreased in accordance with Section 7.1(f), the “**Waste Water Trucking Fee**”);

(vii) With respect to Waste Water Services performed by subcontractors of Antero Water during such Month (to the extent that the fee referred to in Section 7.1(a)(v) is not applicable thereto), including the collection or receipt of Waste Water in Antero Water’s subcontractor’s trucks and the treatment, processing, recycling, or other disposal of Waste Water at a Designated Receiving Facility not owned by Antero Water or its Affiliates and operated by a subcontractor of Antero Water, an amount equal to the sum of (A) all third party out-of-pocket costs actually incurred by Antero Water in performing such Waste Water Services (“**Reimbursable Waste Water Services Costs**”), plus (B) 3% of the amount of such costs; and

(viii) With respect to all Waste Water Services performed directly by Antero Water using facilities owned by Antero Water or its Affiliates or personnel of Antero Water or its Affiliates, other than Waste Water Services covered by the fees set forth in Section 7.1(a)(v) or Section 7.1(a)(vi), the applicable Specified Fee therefor determined as set forth in Section 7.1(h).

(b) Except as further provided in this Section 7.1(b) with respect to the disposal agreements and treatment agreements described in Exhibit I (the “**Assumed Subcontracts**”), Reimbursable Waste Water Services Costs will not include any costs incurred by Antero Water in respect of capacity reservations (however described, including minimum volume commitments, deliver-or-pay provisions, or similar provisions, and whether such reservations shall appear in disposal agreements, treatment agreements, trucking agreements, or other third

party agreements) except that portion of those costs proportionately allocable to capacity actually utilized by Antero Water in the performance of Waste Water Services, it being understood that, except for its commitment under Section 2.1, Producer makes no commitment to provide any specific volumes of Waste Water during any period and any arrangements made by Antero Water for reserving capacity are made at Antero Water's sole risk. Notwithstanding the foregoing, Reimbursable Waste Water Services Costs will include the reservation charges under the Assumed Subcontracts for the periods set forth in Exhibit I, to the extent actually incurred by Antero Water, provided that Antero Water shall, to the extent within its or its Affiliates' control, deliver Waste Water collected by Antero Water hereunder to facilities under the Assumed Subcontracts in a manner so as to minimize the amount of such reservation charges actually incurred for volumes in excess of volumes actually delivered.

(c) The Treatment Facility Fee described in Section 7.1(a)(v) assumes that the Treatment Facility will have an on-site landfill owned by AT or one of its Affiliates at which all by-products of the treatment of Waste Water at the Treatment Facility will be disposed of. If for any reason AT is unable to dispose of such by-products at such landfill during any period (including as a result of any delay in AT's construction of such landfill or any inability of AT to maintain required Governmental Approvals for such landfill) and such by-products must be disposed of at a third-party landfill, then the Treatment Facility Fee applicable during such period shall be reduced by (i) during any period in which none of such by-products are disposed of at such landfill, \$0.10 (as increased or decreased pursuant to Section 7.1(f), the "**Landfill Credit**"), or (ii) during any period in which some, but not all, such by-products are disposed of in such landfill, a pro-rata portion of the Landfill Credit, based on the quantity (in tons) of such by-products that are not disposed of at such landfill as a proportion of the total quantity (in tons) of such by-products disposed of during such period at such landfill and all third party landfills. During any such period, the Producer shall pay to Antero Water, in addition to the remainder of the Treatment Facility Fee after deduction of the Landfill Credit or applicable portion thereof, an amount equal to the sum of (A) all third party out-of-pocket costs actually incurred by Antero Water in disposing of such by-products at third-party landfills, including transportation and landfill fees ("**Reimbursable Landfill Costs**"), plus (B) 3% of the amount of such costs.

(d) The Treatment Facility Fee assumes that AT's cost of treating Waste Water at the Treatment Facility includes (i) \$0.35 per Barrel for electricity (as increased or decreased pursuant to Section 7.1(f), the "**Electricity Baseline**"), (ii) \$0.32 per Barrel for chemicals (as increased or decreased pursuant to Section 7.1(f), the "**Chemicals Baseline**"), and (iii) \$0.55 per Barrel for Gas used as fuel ("**Fuel Gas**") (as increased or decreased pursuant to Section 7.1(f), the "**Gas Baseline**"). If during any Month the costs actually incurred by AT for electricity and/or chemicals per Barrel of waste water processed at the Treatment Facility during such Month exceed 120% of the Electricity Baseline or the Chemicals Baseline, as applicable, then Antero Water shall be entitled to a supplement to the Treatment Facility Fee for such Month equal to the product of (1) the aggregate volume of Waste Water, stated in Barrels, collected or received by Antero Water hereunder and processed at the Treatment Facility multiplied by (2) the excess of the actual per-Barrel cost for electricity and/or chemicals, as applicable, over the Electricity Baseline and/or the Chemicals Baseline, as applicable. If during any Month the costs actually incurred by AT for Fuel Gas per Barrel of waste water processed at the Treatment Facility during such Month exceed 107.5% of the Gas Baseline, then Antero Water shall be entitled to a supplement to the Treatment Facility Fee for such Month equal to the product of (I)

the aggregate volume of Waste Water, stated in Barrels, collected or received by Antero Water hereunder and processed at the Treatment Facility multiplied by (II) the excess of the actual per-Barrel cost for Fuel Gas over the Gas Baseline. The supplements to the Treatment Facility Fee provided for in this Section 7.1(d) are herein referred to as the “**Treatment Facility Fee Supplement**”.

(e) The Waste Water Trucking Fee assumes a cost of truck or vehicle fuel of \$3.50 per gallon (the “**Truck Fuel Baseline**” and together with the Electricity Baseline, the Chemicals Baseline, and the Gas Baseline, each a “**Baseline Component**”). If during any Month Antero Water’s actual cost per gallon for such fuel exceeds 107.5% of the Truck Fuel Baseline, then Antero Water shall be entitled to a supplement to the Waste Water Trucking Fee for such Month equal to the product of (i) the number of gallons of such fuel consumed in the performance of the Waste Water Services covered by the Waste Water Trucking Fee multiplied by (ii) the excess of Antero Water’s actual cost per gallon over the Truck Fuel Baseline (the “**Waste Water Trucking Fee Supplement**”).

(f) Effective on January 1 of each of 2016, 2017, 2018, 2019 and 2020, one hundred percent (100%), and on January 1, 2021, and each January 1 thereafter, fifty-five percent (55%) of the Delivery Point Fee, the Trucked Fresh Water Fee, the Treatment Facility Fee, the Waste Water Trucking Fee, any Specified Fee, the Landfill Credit, and each Baseline Component shall be adjusted up or down on an annual basis in proportion to the percentage change, from the preceding year, in the All Items Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average, 1982-84 = 100, as published by the United States Department of Labor, Bureau of Labor Statistics (“**CPI**”). Such adjustment shall reflect the percentage change in the CPI as it existed for June of the preceding calendar year from the CPI for the second immediately preceding June; *provided, however*, that the Delivery Point Fee, the Trucked Fresh Water Fee, the Treatment Facility Fee, the Waste Water Trucking Fee, any Specified Fee, the Landfill Credit, and each Baseline Component shall never be less than the initial fees stated in Section 7.1(a), Section 7.1(c), Section 7.1(d) or Section 7.1(e), as applicable; nor shall such fees be increased or decreased by more than 3% in any given calendar year.

(g) To the extent that Antero Water is entitled under this Section 7.1 to reimbursement for the cost of third-party services or other third-party items incurred in carrying out the Fluid Handling Services, Antero Water shall ensure that the reimbursed costs are commensurate with market costs for such services or items and shall, except in the case of emergency situations where to do so is not reasonably practicable, ensure that all such services and items are obtained through competitive bid processes.

(h) If Antero Water desires to perform any Waste Water Services (other than the Waste Water Services covered by the fees set forth in Section 7.1(a)(v) or Section 7.1(a)(vi)) or the Fresh Water Services covered by the fee set forth in Section 7.1(a)(iii) in each case directly using its own facilities and personnel, it may do so, subject to the provisions of this Section 7.1(h). Antero Water may elect to perform such Fluid Handling Services in accordance with the terms of this Agreement for the Cost of Service Fee in accordance with Section 7.1(j) (to the extent permitted under Section 7.1(j)); provided, however, that if Antero Water so elects with respect to any Waste Water disposal services, the Parties shall enter into a separate agreement covering only such disposal services and containing market standard provisions for the

performance of such disposal services and providing for the Cost of Service Fee to be paid for such disposal services. Alternatively, Antero Water may, by notice to Producer, propose specific fees under this Section 7.1(h) (each, a “*Specified Fee*”) for any such Fluid Handling Services to be performed directly by Antero Water, with such scope (including geographical scope) as shall be defined in such notice. Producer shall have the right, to be exercised by notice to Antero Water on or before the 30th day after delivery of Antero Water’s proposal notice, to either (i) accept such proposal or (ii) notify Antero Water that it intends to seek fee quotes from third parties for the performance of such Fluid Handling Services. If Producer fails to timely deliver such notice, it shall be deemed to have accepted such proposal. If Producer accepts or is deemed to have accepted such proposal, then the Specified Fee proposed by Antero Water shall become effective with respect to the applicable Fluid Handling Services and Antero Water shall perform such Fluid Handling Services in accordance with this Agreement; provided, however, that if such Fluid Handling Services include disposal services, the Parties shall also enter into a separate agreement covering only such disposal services containing market standard provisions for the performance of such disposal services and providing for the Specified Fees in Antero Water’s proposal to be applicable to such disposal services. If Producer timely delivers notice that it intends to seek fee quotes from third parties, it shall have a period of 30 days after the delivery of such notice to Antero Water to obtain such third party quotes. If Producer desires to accept any such third party quote and enter into a contract with such third party to perform such Fluid Handling Services for the quoted fees, it shall first deliver notice to Antero Water, including a copy of such fee quote and a description of such Fluid Handling Services covered by such quote. Antero Water shall have the right, to be exercised by notice to Producer on or before the 10th day after delivery of such notice to Antero Water, to perform any such Fluid Handling Services for the quoted fees. If Antero Water timely delivers such notice, then Antero Water shall perform such Fluid Handling Services in accordance with this Agreement, and the quoted fees shall be deemed to be the Specified Fee for the applicable Fluid Handling Services; provided, however, that if such Fluid Handling Services include Waste Water disposal, the Parties shall enter into a separate agreement covering only such disposal services containing market standard provisions for the performance of such disposal services and providing for the quoted fees, which shall thereafter be deemed to be Specified Fees for purposes of this Agreement. If Antero Water fails to timely deliver such notice, Producer shall be entitled to enter into a contract with such third party covering such Fluid Handling Services, but the scope of such Fluid Handling Services shall not exceed the scope set forth in the third party quote provided to Antero Water by Producer, and the fees shall not be greater than the fee quote provided to Antero Water. If Producer does not deliver notice of any third party quotes to Antero Water on or before the end of the 30-day period referenced above, Producer shall be deemed to have accepted Antero Water’s initial proposal.

(i) At the request of Antero Water, the Parties will reasonably cooperate and work together in good faith to agree on revised distance-based waste water trucking fees that would provide the same overall economics to Antero Water as the Waste Water Trucking Fee provided for in this Agreement as of the Original Agreement Effective Date.

(j) Notwithstanding the foregoing provisions of this Section 7.1 or any other provision to the contrary in this Agreement, Antero Water shall have the right to elect to be paid for some or all Fluid Handling Services on a cost of service basis to the extent set forth in this Section 7.1(j). Antero Water shall have the right to elect to be paid on a cost of service basis for

(i) any Fluid Handling Services performed with respect to Wells on Service Area Properties outside the Initial Service Area (other than the Fluid Handling Services covered by the fees set forth in Section 7.1(a)(v)) and (ii) for any Waste Water Services, other than the Waste Water Services covered by the fees set forth in Section 7.1(a)(v) or Section 7.1(a)(vi), to be performed by Antero Water directly using its own facilities and personnel, whether or not within the Initial Service Area (with all other Fluid Handling Services to be performed for the fees set forth in Section 7.1(a)). With respect to such Fluid Handling Services, Antero Water may elect, by notice to Producer at least three (3) Months prior to the commencement of any Contract Year or, in the case of any water facilities acquired by Antero Water pursuant to Section 2.4(a), in the notice given by Antero Water in accordance with such Section that Antero Water will acquire such water facilities, to be paid on a cost of service basis for the Fluid Handling Services specified in such notice commencing at the beginning of such Contract Year or with the acquisition of such facilities, as applicable, and continuing for the remaining term of this Agreement, but only with respect to the facilities so acquired or discrete parts of the Water Facilities (each, a “**CS Facility**”) that are placed into service or acquired during such Contract Year or a later Contract Year, as applicable. The Fluid Handling Services specified in such notice may be of any scope determined by Antero Water in its sole discretion and may include all eligible Fluid Handling Services or any part thereof and may include, by way of example only, making Fresh Water available at a particular Well Pad or group of Well Pads, collecting Attributable Produced Water from any Produced Water Receipt Points, providing additional System Retention Facilities or System Pumping Facilities, connecting additional Take Points or other sources of Fresh Water, providing trucking services with respect to any Produced Water Receipt Points, providing any Waste Water treatment or disposal services, and any other subset of the Fluid Handling Services determined by Antero Water, in each case subject to the foregoing sentence. All Fluid Handling Services provided from time to time on a cost of service basis shall be bundled together for purposes of calculating a single Monthly cost of service fee (the “**Cost of Service Fee**”), which shall be calculated with respect to each Contract Year as set forth in Exhibit H attached hereto.

Section 7.2 Minimum Daily Fresh Water Volume Commitment.

(a) In addition to the fees payable by Producer to Antero Water pursuant to Section 7.1(a), Producer shall pay Antero Water and, if applicable, Antero Water shall pay Producer the amounts provided for in this Section 7.2 in respect of the Minimum Daily Fresh Water Volume Commitment.

(b) Subject to the last sentence of this Section 7.2(b), with respect to each of the first three calendar quarters in each calendar year from 2016 through 2019, inclusive, Producer shall pay to Antero Water, on or before the 30th Day after receipt of Antero Water’s invoice therefor (which shall be delivered not more than sixty (60) Days after the end of such calendar quarter), an amount equal to the excess, if any (such excess, the “**Quarterly MVC Shortfall Fee**”), of:

(i) the product of the Minimum Quarterly Fresh Water Volume Commitment for such calendar quarter multiplied by the Weighted Delivery Point Fee in effect on the last Day of such calendar quarter over

(i i) the product of the aggregate of the MVC Credit Volumes for such calendar quarter multiplied by the applicable Delivery Point Fee in effect on the last Day of such calendar quarter.

If there is no excess resulting in a Quarterly MVC Shortfall Fee, then no amounts shall be payable by Producer under this Section 7.2(b). If there is such an excess, commencing in calendar year 2017 Producer shall be entitled to a credit against any Quarterly MVC Shortfall Fee in any calendar year in an amount not to exceed, in the aggregate, the Previous Year Credit, if any, with respect to such calendar year (but for the second and third such calendar quarters in such calendar year, only to the extent not credited in a previous calendar quarter in such calendar year), and the Quarterly MVC Shortfall Fee shall be reduced by the amount of such credit.

(c) On or before the 60th Day after the end of each calendar year from 2016 through 2019, inclusive, Antero Water shall deliver an invoice to Producer setting forth the amount resulting from the following calculation:

(i) the product of the Minimum Annual Fresh Water Volume Commitment for such calendar year multiplied by the Weighted Delivery Point Fee in effect on the last Day of such calendar year minus

(ii) the sum of (A) the product of the aggregate of the MVC Credit Volumes for such calendar year multiplied by the applicable Delivery Point Fee in effect on the last Day of such calendar year plus (B) commencing in calendar year 2017, the amount of any Previous Year Credit plus (C) the amount, if any, actually paid by Producer in respect of Quarterly MVC Shortfall Fees in such calendar year.

If the result is a positive amount, Producer shall pay such amount to Antero Water on or before the 30th Day after receipt of such invoice. If the result is a negative amount, Antero Water shall pay to Producer, concurrently with the delivery of such invoice, the lesser of (1) the absolute value of such amount and (2) the sum of the amounts actually paid by Producer in respect of Quarterly MVC Shortfall Fees in such calendar year.

ARTICLE 8 CERTAIN RIGHTS AND OBLIGATIONS OF PARTIES

Section 8.1 Operational Control of Antero Water's Facilities. Subject to the terms and conditions of this Agreement, Antero Water shall design, construct, own, operate, and maintain the Water Facilities at its sole cost and risk. Antero Water shall be entitled to full and complete operational control of its facilities and shall be entitled to operate and reconfigure its facilities in a manner consistent with its obligations under this Agreement.

Section 8.2 Maintenance. Antero Water shall be entitled, without liability, to interrupt its performance hereunder to perform necessary or desirable inspections, maintenance, testing, alterations, modifications, expansions, connections, repairs or replacements to its facilities as Antero Water deems necessary ("**Maintenance**"), with reasonable notice provided to Producer, except in cases of emergency where such notice is impracticable or in cases where the operations of Producer will not be affected. Before the beginning of each calendar year, Antero Water shall provide Producer in writing with a projected schedule of the Maintenance to be performed during

the year and the anticipated date of such Maintenance. On or before the 10th Day before the end of each Month, Antero Water shall provide Producer with its projected maintenance schedule for the following Month.

Section 8.3 Right of Way and Access.

(a) Except as otherwise provided in Section 4.3(b), Section 4.4, Section 5.1 and this Section 8.3, Antero Water is responsible for the acquisition of rights of way, crossing permits, licenses, use agreements, access agreements, leases, fee parcels, and other land rights necessary to construct, own, and operate the Water Facilities, and all such rights in land shall be solely for use by Antero Water and shall not be shared with Producer, except as otherwise agreed by Antero Water; provided that Producer hereby grants, without warranty of title, either express or implied, to the extent that it has the right to do so without the incurrance of material expense or liability, an easement and right of way upon all lands covered by the Service Area Properties for the purpose of installing, using, maintaining, servicing, inspecting, repairing, operating, and replacing, all or any portion of the Water Facilities to the extent necessary for the performance of this Agreement, including pipelines, meters, Retention Facilities and storage, and other equipment, and for disconnecting, and removing such Water Facilities; provided, further, that the exercise of these rights by Antero Water shall not unreasonably interfere with Producer's lease operations or with the rights of owners in fee, and will be subject to Producer's safety and other reasonable access requirements applicable to Producer's personnel. Producer shall not have a duty to maintain, and will be able to freely assign, the underlying agreements (such as leases, easements, and surface use agreements) that such grant of easement or right of way to Antero Water is based upon, and such grants of easement or right of way will terminate if Producer loses its rights to the underlying applicable property, or is unable to grant such rights to Antero Water under any contract or instrument to which Producer is a party or is otherwise bound, regardless of the reason for such loss of rights. Notwithstanding the foregoing, (i) Producer will use commercially reasonable efforts to assist Antero Water to secure replacements for such terminated grants of easement or right of way, in a manner consistent with the cooperation requirements of Section 4.7, (ii) to the extent that Producer agrees that Antero Water's Measurement Facilities may be located on Producer's Well Pad sites, Producer shall be responsible for obtaining any necessary rights to locate such Measurement Facilities on such Well Pad sites, and (iii) Producer shall use reasonable efforts to involve Antero Water in Producer's negotiations with the owners of lands covered by the Service Area Properties so that Producer's surface use agreements and Antero Water's rights of way with respect to such lands can be concurrently negotiated and obtained. Without limiting the generality of the foregoing, Producer agrees to make space available at each Well Pad to which Fresh Water is made available pursuant to this Agreement sufficient for Antero Water to install and construct pig receiving and other facilities necessary for Antero Water to pig the Fresh Water System to each such Well Pad.

(b) Without limiting the generality of Section 8.3(a), Producer hereby agrees that, to the extent that Producer can afford such rights to Antero Water without the incurrance of material expense or liability, Antero Water shall have the right to use, for the purpose of installing, using, maintaining, servicing, inspecting, repairing, operating, and replacing all or any portion of the Water Facilities to the extent necessary for the performance of this Agreement, including pipelines, meters, Retention Facilities and storage, and other equipment, and for

disconnecting, and removing such Water Facilities, all Excluded Assets (as such term is defined in that certain Assignment and Bill of Sale dated as of September 22, 2015, between Producer and Antero Water, that certain Assignment and Bill of Sale dated as of the Effective Date between Producer and AT, and /or that certain Amended and Restated Assignment and Bill of Sale dated as of September 22, 2015 between Producer, AW, and certain other parties), in each case that, as of the effective date of such assignments, were used or held for use for both the water business and upstream business of Producer). If Producer's rights with respect to any such Excluded Assets expire or are terminated or released, Producer will use commercially reasonable efforts to assist Antero Water to secure replacements for such Excluded Assets, in a manner consistent with the cooperation requirements of Section 4.7

Section 8.4 Third Party Services: Capacity Allocations on the Fresh Water System .

(a) Subject to this Section 8.4 and the other provisions of this Agreement, Antero Water has the right to contract with other Persons to perform services utilizing the Water Facilities on an Interruptible Service basis.

(b) If on any Day the total volumes of Fresh Water that Antero Water has agreed to take from all System Take Points on a particular System Segment, including the volumes Antero Water is obligated to take pursuant to Section 3.1(a), for any reason (including Maintenance, Force Majeure, or any foreseen or unforeseen reduction in capacity) exceed the capacity of such System Segment, including any System Retention Facilities located on such System Segment, Antero Water shall reduce the volumes taken from all the System Take Points pursuant to its agreements with third parties prior to any reduction in the amounts taken at the Take Points pursuant to this Agreement.

(c) To the extent that the volumes of Fresh Water that Antero Water is obligated to make available under this Agreement at the points of interconnection to the High-Rate Transfer Facilities located at a Well Pad on a particular System Segment, including the volumes that Antero Water is obligated to make available at the Fresh Water Delivery Points pursuant to Section 3.1(e), for any reason (including Maintenance, Force Majeure, or any foreseen or unforeseen reduction in capacity) exceed the volume of Fresh Water available and/or the capacity of such System Segment to make available Fresh Water at such points of interconnection, then Antero Water shall interrupt or curtail volumes of Fresh Water made available to customers other than Producer (including an customers who are assignees of Producer or successors in interest to Producer with respect to any Service Area Property) prior to any reduction in the amounts made available at the Fresh Water Delivery Points.

(d) Except as otherwise provided in this Section 8.4, Antero Water shall be free to use any Fresh Water present in the Fresh Water System to satisfy its obligations to Producer and any third party and shall not be obligated to ensure that Fresh Water taken from any Take Point is utilized only to perform Fluid Handling Services for Producer; provided, however, that Antero Water shall comply with any restrictions (including pursuant to Applicable Law) on the use of any Fresh Water taken from any Take Point and made available to any third party, and ensure that such third party also so complies, to the extent that Producer has informed Antero Water of such restrictions.

Section 8.5 Governmental Approvals; Compliance with Applicable Law.

(a) Except as otherwise provided in this Section 8.5, Antero Water is responsible for obtaining all Governmental Approvals required for its performance of the Fluid Handling Services in accordance with this Agreement. Notwithstanding the foregoing, Producer is responsible for obtaining (i) at Producer's cost, all Governmental Approvals to take Fresh Water from the Take Points (other than leases, easements, and other real property rights necessary for the location of Take Point Facilities, which are the responsibility of Antero Water) and (ii) at Antero Water's cost, any Governmental Approvals that, in accordance with Applicable Law, must be obtained by or in the name of Producer.

(b) Antero Water shall comply with all Applicable Laws and all Governmental Approvals in all material respects in its performance of the Fluid Handling Services and shall bear all costs and liabilities associated with complying with or the failure to comply with such Applicable Laws and Governmental Approvals (including Governmental Approvals obtained by or in the name of Producer as contemplated in Section 8.5(a)(ii)); provided, however, that if pursuant to any Applicable Law or Governmental Approval (including a Governmental Approval obtained by or in the name of Producer in accordance with Section 8.5(a)(ii)), a Retention Facility is required to be shut down and reclaimed or remediated during a period of 18 months after the Effective Date, Producer shall bear all cost and liability associated with shutting down and reclaiming or remediating such Retention Facility.

(c) Antero Water shall require all subcontractors to which it delegates any of the Fluid Handling Services to comply with all Applicable Laws and relevant Governmental Approvals in such subcontractor's performance of such portion of the Fluid Handling Services.

ARTICLE 9
FRESH WATER DELIVERY RATES

Section 9.1 Fresh Water Delivery Rates. Subject to the other provisions of this Agreement, Antero Water shall construct and operate the Fresh Water System in a manner so as to permit Fresh Water to be made available at the points of interconnection to the High-Rate Transfer Facilities at the rates of flow required by Section 3.1(c) and shall install and operate the High-Rate Transfer Facilities in a manner so as to make Fresh Water available at the Fresh Water Delivery Points at the applicable Fresh Water Delivery Rates.

Section 9.2 Producer Facilities. Producer, at its own expense, shall construct, equip, maintain, and operate all facilities necessary to receive Fresh Water at the Fresh Water Delivery Points at the applicable Fresh Water Delivery Rates.

ARTICLE 10
FRESH WATER NOMINATION

Section 10.1 Maximum Take Point Volumes. Producer has informed Antero Water of the maximum volume of Fresh Water that can be taken, if any, in accordance with Producer's rights to take such Fresh Water, including any Applicable Law or Governmental Approval, at each of the currently existing Take Points. Producer shall promptly inform Antero Water of the maximum volume of Fresh Water that can be taken, if any, in accordance with Producer's rights

to take such Fresh Water, including any Applicable Law or Governmental Approval, at each new Take Point established in accordance with Section 4.4. Producer shall notify Antero Water of any change to such maximum volumes immediately after Producer becomes aware of any such change.

Section 10.2 Fresh Water Delivery Nominations. Producer shall regularly communicate to Antero Water the dates on which Producer plans to carry out hydraulic fracturing operations on each Well Pad and shall by notice to Antero Water not less than five Business Days in advance specify the dates on which Antero Water is to commence deliveries of Fresh Water at the Fresh Water Delivery Points at such Well Pad.

Section 10.3 Changes in Fresh Water Delivery Rates. If Producer desires that Antero Water make Fresh Water available on any Day at the Fresh Water Delivery Point on any Well Pad at flow rates greater than or less than the Fresh Water Delivery Rate specified for such Well Pad in the Connection Notice for such Well Pad, Producer may, on not less than 5 Business Days' notice to Antero Water, increase or decrease the Fresh Water Delivery Rate for such Well Pad.

ARTICLE 11 FRESH WATER AVAILABILITY AND QUALITY; WASTE WATER QUALITY

Section 11.1 Fresh Water Availability. The obligation of Antero Water to perform the Fresh Water Services is subject to the conditions that (a) Producer has obtained all necessary rights, including all Governmental Approvals (but excluding any leases, easements, or other real property rights necessary for the location of Take Point Facilities, which, subject to the other provisions of this Agreement, shall be the obligation of Antero Water), to take Fresh Water from the Take Points in sufficient volumes to make available Fresh Water at the Fresh Water Delivery Points in the volumes specified in Section 3.1(e), and (b) the quality of the Fresh Water available to be taken at such Take Points is at all times in compliance with the Fresh Water Quality Standards. Antero Water shall be relieved of its obligations to provide the Fresh Water Services to the extent that it is prevented from doing so because either of such conditions is not satisfied at any time and the reason either such condition is not satisfied was not caused in whole or in part by Antero Water.

Section 11.2 Take Point Fresh Water Standards. Fresh Water at each Take Point shall be free from any contamination or any substances, in each case, that would result in such Fresh Water being unsuitable for use in hydraulic fracturing operations in accordance with all then-applicable general industry practices, Applicable Laws, and Governmental Approvals, or that would result in any damage to the Fresh Water Facilities; provided, however, that the presence in such Fresh Water of invasive species (including zebra mussels and quagga mussels) and other invasive or non-native pathogens or infectious agents that would be removed by treatment in ozonation facilities shall not render such Fresh Water nonconforming (the standards set forth in this Section 11.2 being called the "***Fresh Water Quality Standards***"). Antero Water shall be responsible for the installation, operation, and maintenance of ozonation facilities at any Take Points where they are required to remove any such invasive species or other invasive or non-native pathogens or infectious agents, and Producer shall have no liability to Antero Water arising from the presence thereof in any Fresh Water at the Take Points, including any liability under the indemnities in Section 11.3 and Section 11.6.

Section 11.3 Non-Conforming Take Point Fresh Water. If the Fresh Water quality at any Take Point does not conform to the Fresh Water Quality Standards, then Antero Water will have the right to immediately discontinue taking Fresh Water at such Take Point so long as the Fresh Water at such Take Point continues to be non-conforming. In the event that Antero Water takes receipt of non-conforming Fresh Water at any Take Point, Producer agrees to be responsible for, and to defend, indemnify, release, and hold Antero Water and its Affiliates, directors, officers, employees, agents, consultants, representatives, and invitees harmless from and against, all claims and losses of whatever kind and nature resulting from such non-conforming Fresh Water, including claims and losses resulting from any negligent acts or omissions of any indemnified party, but excluding claims and losses to the extent caused by or arising out of the gross negligence or willful misconduct of the indemnified party.

Section 11.4 Delivery Point Fresh Water Quality Standards. Antero Water shall make available Fresh Water (including, for the avoidance of doubt, Fresh Water consisting of a mixture of raw fresh water, water remaining after treatment at the Treatment Facility, and/or Treated Waste Water) at each Fresh Water Delivery Point that meets the Fresh Water Quality Standards, provided that Fresh Water at the Take Points meets the Fresh Water Quality Standards, and subject to the provisions of Section 11.5.

Section 11.5 Retention Facility Contamination. Antero Water shall use reasonable efforts to ensure that Fresh Water that is held in the System Retention Facilities does not become subject to any contamination or pollution that would result in the Fresh Water held in the System Retention Facilities not meeting the Fresh Water Quality Standards. Except to the extent that Antero Water has failed to perform its obligations set forth in the immediately preceding sentence, Producer agrees to be responsible for, and to defend, indemnify, release, and hold Antero Water and its Affiliates, directors, officers, employees, agents, consultants, representatives, and invitees harmless from and against, all claims and losses of whatever kind and nature resulting from the quality of the Fresh Water in the System Retention Facilities, including any remediation obligation under any Applicable Laws relating to the environment, and including claims and losses resulting from any negligent acts or omissions of any indemnified party, but excluding claims and losses to the extent caused by or arising out of the gross negligence or willful misconduct of the indemnified party.

Section 11.6 Non-Conforming Waste Water. If the Produced Water quality at any Produced Water Receipt Point or any Other Waste Water where collected by Antero Water does not conform to the Waste Water Quality Standards, then Antero Water will have the right to immediately discontinue taking Produced Water at such Produced Water Receipt Point or such Other Waste Water so long as the Produced Water at such Produced Water Receipt Point or such Other Waste Water continues to be non-conforming. In the event that Antero Water takes receipt of non-conforming Produced Water at any Produced Water Receipt Point or collects non-conforming Other Waste Water, Producer agrees to be responsible for, and to defend, indemnify, release, and hold Antero Water and its Affiliates, directors, officers, employees, agents, consultants, representatives, and invitees harmless from and against, all claims and losses of whatever kind and nature resulting from such non-conforming Produced Water or Other Waste Water, including claims and losses resulting from any negligent acts or omissions of any indemnified party, but excluding claims and losses to the extent caused by or arising out of the gross negligence or willful misconduct of the indemnified party.
“Waste Water Quality

Standards” means, with respect to any Waste Water, that such Waste Water is free from any contamination or any substances that would result in such Waste Water not meeting any requirements imposed by Applicable Law for transportation by truck or any quality standards of the Treatment Facility or a Designated Receiving Facility; provided, however, that such Waste Water shall not be rendered nonconforming by the presence in such Waste Water of invasive species (including zebra mussels and quagga mussels) and other invasive or non-native pathogens or infectious agents to the extent that such species, pathogens, or agents originated from Fresh Water delivered by Antero Water hereunder.

ARTICLE 12 MEASUREMENT EQUIPMENT AND PROCEDURES

Section 12.1 Measurement Equipment. Antero Water shall (or shall cause an Affiliate of Antero Water to) install, own, operate, and maintain Measurement Facilities (a) to measure the volumes of Fresh Water taken at each Take Point on each Day and (b) to measure the volumes of Fresh Water (other than Treated Waste Water) made available at each Fresh Water Measurement Point on each Day. Antero Water shall also track and account for volumes of Fresh Water consisting of Treated Waste Water that are commingled with other Fresh Water in the High-Rate Transfer Facilities. Producer shall have the right to install check Measurement Facilities at each Take Point and each Fresh Water Measurement Point, including the right to install check measurement equipment on Antero Water’s meter tubes and orifice unions. Producer may also check Antero Water’s measurements of Fresh Water using data collected by Producer or its hydraulic fracturing contractors regarding the actual volumes of Fresh Water delivered from the High-Rate Transfer Facilities into the Fresh Water Delivery Points. Unless such check measurements show a discrepancy of greater than 2%, for all purposes of this Agreement, the volumes of Fresh Water delivered on such Day to the Fresh Water Delivery Points shall be deemed to equal the volumes of Fresh Water measured at the Fresh Water Measurement Point on each Day. The changing and integration of the charts (if utilized for measurement purposes hereunder) and calibrating and adjusting of meters shall be performed by Antero Water.

Section 12.2 Notice of Measurement Facilities Inspection and Calibration. Each Party shall give reasonable notice to the other Party in order that the other Party may, at its option, have representatives present to observe any reading, inspecting, testing, calibrating or adjusting of Measurement Facilities or other facilities or equipment (including Producer’s or its hydraulic fracturing contractor’s equipment collecting data regarding Fresh Water volumes at the Fresh Water Delivery Points) used in measuring or checking the measurement of volumes of Fresh Water under this Agreement. Any Measurement Facilities equipment found to be registering inaccurately shall be promptly adjusted to register as accurately as possible or repaired or replaced, as necessary for accurate measurement. The official electronic data from such Measurement Facilities or other facilities or equipment shall remain the property of the owner thereof, but copies of such records shall, upon request, be submitted, together with calculations and flow computer configurations therefrom, to the requesting Party for inspection and verification.

Section 12.3 Measurement Accuracy Verification.

(a) Each Party shall verify the accuracy of all Measurement Facilities owned by such Party used in measuring or checking the measurement of volumes of Fresh Water under

this Agreement no less frequently than quarterly. Neither Party shall be required to cause adjustment or calibration of such equipment more frequently than once per Month, unless a special test is requested pursuant to Section 12.4.

(b) If, during any test of such Measurement Facilities, an adjustment or calibration error is found which results in an incremental adjustment to the calculated flow rate through each meter run in excess of two percent (2%) of the adjusted flow rate (whether positive or negative and using the adjusted flow rate as the percent error equation denominator), then any previous recordings of such equipment shall be corrected to zero error for any period during which the error existed (and which is either known definitely or agreed to by the Parties) and the total flow for the period redetermined in accordance with the provisions of Section 12.5. If the period of error condition cannot be determined or agreed upon between the Parties, such correction shall be made over a period extending over the last one half of the time elapsed since the date of the prior test revealing the two percent (2%) error.

(c) If, during any test of such Measurement Facilities, an adjustment or calibration error is found which results in an incremental adjustment to the calculated hourly flow rate which does not exceed two percent (2%) of the adjusted flow rate, all prior recordings and electronic flow computer data shall be considered to be accurate for volume determination purpose.

Section 12.4 Special Tests. In the event a Party desires a special test (a test not scheduled by a Party under the provisions of Section 12.3) of any Measurement Facilities used in measuring or checking the measurement of volumes of Fresh Water under this Agreement, seventy-two (72) hours advance notice shall be given to the other Party and both Parties shall cooperate to secure a prompt test of the accuracy of such equipment. If such Measurement Facilities tested are found to be within the two percent (2%) range of accuracy set forth in Section 12.3(b), then the Party that requested the test shall pay the costs of such special test including any labor and transportation costs pertaining thereto. If such Measurement Facilities tested are found to be outside the two percent (2%) range of accuracy set forth in Section 12.3(b), then the Party that owns such Measurement Facilities shall pay such costs and perform the corrections according to Section 12.5.

Section 12.5 Metered Flow Rates in Error. If, for any reason, any Measurement Facilities used in measuring or checking the measurement of volumes of Fresh Water under this Agreement are (i) out of adjustment, (ii) out of service, or (iii) out of repair and the total calculated flow rate through each meter run is found to be in error in excess of two percent (2%) of the adjusted flow rate as described in Section 12.3(iv), the total volumes of Fresh Water made available shall be determined in accordance with the first of the following methods which is feasible:

(a) By using the registration of any mutually agreeable check metering facility, if installed and accurately registering (subject to testing as provided for in Section 12.3), or Producer's or its hydraulic fracturing contractor's data regarding Fresh Water received at the Fresh Water Delivery Points, taken together with Antero Water's data regarding the amount of such Fresh Water delivered that consisted of Treated Waste Water;

(b) Where multiple meter runs exist in series, by calculation using the registration of such meter run equipment; provided that they are measuring Fresh Water in

common with the faulty metering equipment, are not controlled by separate regulators, and are accurately registering;

(c) By correcting the error by re-reading of the official data, or by straightforward application of a correcting factor to the volumes recorded for the period (if the net percentage of error is ascertainable by calibration, tests or mathematical calculation); or

(d) By estimating the volumes, based upon volumes made available during periods of similar conditions when the meter was registering accurately.

Section 12.6 Waste Water Measurement. Volumes of Waste Water shall be determined for all relevant purposes under this Agreement based on the number of truck-loads of Waste Water received or collected by Antero Water or its subcontractors and/or the number of truck-loads of Waste Water delivered to the Treatment Facility or a Designated Receiving Facility and on the capacity of the trucks, assuming that each truck load consisted of the full capacity of the relevant truck.

Section 12.7 Units of Measurement. The unit of volume for measurement of Fresh Water and Waste Water hereunder shall be one Barrel. Delivery rates for Fresh Water shall be stated in Barrels per minute.

Section 12.8 Record Retention. The Party owning the Measurement Facilities shall retain and preserve all test data, flow metering data, and similar records for any calendar year for a period of at least twenty-four (24) Months following the end of such calendar year unless Applicable Law requires a longer time period or such Party has received notification of a dispute involving such records, in which case records shall be retained until the related issue is resolved.

ARTICLE 13 NOTICES

Section 13.1 Notices. Unless otherwise provided herein, any notice, request, invoice, statement, or demand which either Party desires to serve upon the other Party regarding this Agreement shall be made in writing and shall be considered as delivered (i) when hand delivered, or (ii) when delivery is confirmed by pre-paid delivery service (such as FedEx, UPS, DHL or a similar delivery service), or (iii) if mailed by United States certified mail, postage prepaid, three (3) Business Days after mailing, or (iv) if sent by facsimile transmission, when receipt is confirmed by the equipment of the transmitting Party, or (v) when sent via email (provided that any notice sent by email shall be followed by notice sent by another form of delivery permitted by this Section 13.1 within two (2) Business Days after the date such email was sent); provided, if sent by email after normal business hours or if receipt of a facsimile transmission is confirmed after normal business hours, delivery shall be deemed to have occurred on the next Business Day. Notwithstanding the foregoing, if a Party desires to serve upon the other a notice of default under this Agreement, or if Producer desires to serve upon Antero Water a Connection Notice, the delivery of such notice shall be considered effective under this Section 13.1 only if delivered by any method set forth in items (i) through (iv) above. Any notice shall be given to the other Party at the following address, or to such other address as either Party shall designate by notice to the other:

Producer: ANTERO RESOURCES CORPORATION
1615 Wynkoop Street
Denver, Colorado 80202

Attn: Chief Financial Officer
Phone: (303) 357-7310
Fax Number: (303) 357-7315

With copy to: For water control, nominations & balancing:
Completion Supervisor
Phone: (303) 357-7310
Fax Number: (303) 357-7315

For accounting, financial, and legal:
Controller
Phone: (303) 357-7310
Fax Number: (303) 357-7315

Antero Water: ANTERO WATER LLC and ANTERO TREATMENT LLC
1615 Wynkoop Street
Denver, Colorado 80202

Attn: Chief Financial Officer
Phone: (303) 357-7310
Fax Number: (303) 357-7315

With copy to: For water control, nominations & balancing:
Scheduling Coordinator
Phone: (303) 357-7310
Fax Number: (303) 357-7315

For accounting, financial, and legal:
Controller
Phone: (303) 357-7310
Fax Number: (303) 357-7315

ARTICLE 14 PAYMENTS

Section 14.1 Invoices. Not later than the tenth (10th) Day following the end of each Month, Antero Water shall provide Producer with a detailed statement setting forth the volumes of Fresh Water made available during such Month at the Fresh Water Delivery Points (including the volumes delivered to the inlet of the High-Rate Transfer Facilities by pipeline and the volumes delivered by truck), the volumes of Waste Water collected at the Produced Water Receipt Points or other collection points by Antero Water and processed in the Treatment Facility or any Designated Receiving Facility during such Month, and the Fresh Water Delivery Point Fee, the Trucked Fresh Water Fee, and, if applicable, the Treatment Facility Fee, any Treatment Facility

Fee Supplement, the Waste Water Trucking Fee, any Waste Water Trucking Fee Supplement, Reimbursable Waste Water Services Costs, Reimbursable Landfill Costs, any Specified Fee, and the Cost of Service Fee with respect to such Month, together with all relevant data on which such fees are based, measurement summaries, run tickets, bills of lading, and third party invoices (including evidence of the actual cost of electricity, chemicals, and Fuel Gas for the Treatment Facility to the extent of any Treatment Facility Fee Supplement and the actual cost of truck and/or vehicle fuel to the extent of any Waste Water Trucking Fee Supplement), and all relevant supporting documentation. If actual data is not available on such tenth (10th) Day, Antero Water shall base such invoiced amounts on reasonable estimates, which shall be trued up in future invoices against actual data when available. To the extent that any other data is unavailable on such tenth (10th) Day, Antero Water shall be obligated to deliver such supporting documentation as soon as it becomes available. Producer shall make payment to Antero Water by the last Business Day of the Month in which such invoice is received. Such payment shall be made by wire transfer pursuant to wire transfer instructions delivered by Antero Water to Producer in writing from time to time. If any overcharge or undercharge in any form whatsoever shall at any time be found and the invoice therefor has been paid, Antero Water shall refund any amount of overcharge, and Producer shall pay any amount of undercharge, on the last Business Day of the following Month, provided, however, that no retroactive adjustment will be made beyond a period of twenty-four (24) Months from the date of a statement hereunder.

Section 14.2 Right to Suspend on Failure to Pay. If any undisputed amount due hereunder remains unpaid for sixty (60) Days after the due date, Antero Water shall have the right to suspend or discontinue Fluid Handling Services hereunder until any such past due amount is paid.

Section 14.3 Audit Rights. Either Party, on not less than thirty (30) Days prior notice to the other Party, shall have the right at its expense, at reasonable times during normal business hours, but in no event more than twice in any period of twelve (12) consecutive Months, to audit the books and records of the other Party to the extent necessary to verify the accuracy of any statement, allocation, measurement, computation, charge, payment made under, or obligation or right pursuant to this Agreement. The scope of any audit shall be limited to the twenty-four (24) Month period immediately prior to the Month in which the notice requesting an audit was given. All statements, allocations, measurements, computations, charges, or payments made in any period prior to the twenty-four (24) Month period immediately prior to the Month in which the audit is requested shall be conclusively deemed true and correct and shall be final for all purposes.

Section 14.4 Payment Disputes. In the event of any dispute with respect to any payment hereunder, Producer shall make timely payment of all undisputed amounts, and Antero Water and Producer will use good faith efforts to resolve the disputed amounts within sixty (60) Days following the original due date. Any amounts subsequently resolved shall be due and payable within ten (10) Days of such resolution.

Section 14.5 Interest on Late Payments. In the event that Producer shall fail to make timely payment of any sums, except those contested in good faith or those in a good faith dispute, when due under this Agreement, interest will accrue at an annual rate equal to ten percent (10%) from the date payment is due until the date payment is made.

Section 14.6 Credit Assurance. Antero Water shall apply consistent evaluation practices to all similarly situated customers to determine Producer's financial ability to perform its payment obligations under this Agreement.

(a) If Antero Water has reasonable grounds for insecurity regarding the performance of any obligation by Producer under this Agreement (whether or not then due), Antero Water may demand Adequate Assurance of Performance from Producer (which demand shall include reasonable particulars for the demand and documentation supporting the calculation of the amount demanded), which Adequate Assurance of Performance shall be provided to Antero Water within five (5) Business Days after such demand. If Producer fails to provide such Adequate Assurance of Performance within such time, then Antero Water may suspend its performance under this Agreement until such Adequate Assurance of Performance is provided. However, any such suspension by Antero Water shall not relieve Producer of its payment obligations. The exercise by Antero Water of any right under this Section 14.6 shall be without prejudice to any claims for damages or any other right of Antero Water under this Agreement. As used herein, "*Adequate Assurance of Performance*" means any of the following, as selected in Producer's discretion subject to the below:

(i) an irrevocable standby letter of credit in an amount not to exceed an amount that is equal to sixty (60) Days of Producer's payment obligations hereunder from a financial institution rated at least A- by S&P or at least A3 by Moody's in a form and substance reasonably satisfactory to Antero Water;

(ii) cash collateral in an amount not to exceed an amount that is equal to sixty (60) Days of Producer's payment obligations hereunder to be deposited in an escrow account as designated by Antero Water; Antero Water is hereby granted a security interest in and right of set-off against all such cash collateral, which is or may hereafter be delivered or otherwise transferred to such escrow account in connection with this Agreement; or

(iii) a guaranty in an amount not to exceed an amount that is equal to sixty (60) Days of Producer's payment obligations hereunder, which guaranty is reasonably acceptable to Antero Water in form and substance.

(b) The term of any security provided under this Section 14.6 shall never exceed sixty (60) Days, after which the security shall terminate (or in the case of cash collateral, be immediately returned by Antero Water to Producer without further action by either Party). Nothing shall prohibit Antero Water, however, from requesting additional Adequate Assurance of Performance following the end of any such term, so long as the conditions triggering such a request under this Section 14.6 exist.

ARTICLE 15 FORCE MAJEURE

Section 15.1 Suspension of Obligations. In the event a Party is rendered unable, wholly or in part, by Force Majeure to carry out its obligations under this Agreement, other than the obligation to make payments then or thereafter due hereunder, and such Party promptly gives notice and reasonably full particulars of such Force Majeure to the other Party promptly after the

occurrence of the cause relied on, then the obligations of the Party giving such notice, so far as and to the extent that they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused, but for no longer period, and such cause shall so far as reasonably possible be remedied with all reasonable dispatch by the Party claiming Force Majeure.

Section 15.2 Definition of Force Majeure. The term “*Force Majeure*” as used in this Agreement shall mean any cause or causes not reasonably within the control of the Party claiming suspension and which, by the exercise of reasonable diligence, such Party is unable to prevent or overcome, including acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, acts of terror, sabotage, wars, blockades, military action, insurrections, riots, epidemics, landslides, subsidence, lightning, earthquakes, fires, storms or storm warnings, crevasses, floods, washouts, civil disturbances, explosions, breakage or accident to wells, machinery, equipment or lines of pipe, the necessity for testing or making repairs or alterations to wells, machinery, equipment or lines of pipe, freezing of wells, equipment or lines of pipe, inability of any Party hereto to obtain, after the exercise of reasonable diligence, necessary materials, supplies, or Governmental Approvals, any action or restraint by any Governmental Authority (so long as the Party claiming suspension has not applied for or assisted in the application for, and has opposed where and to the extent reasonable, such action or restraint, and as long as such action or restraint is not the result of a failure by the claiming Party to comply with any Applicable Law), and, in the case of a Force Majeure claimed by Antero Water only, any breach of any representation or warranty of Producer or any failure by Producer to perform any obligation of Producer under either (a) that certain Amended and Restated Contribution Agreement dated November 10, 2014, by and between Producer and Antero Midstream LLC or (b) that certain Contribution, Conveyance and Assumption Agreement dated September 17, 2015, by and among Producer, Antero Midstream Partners LP, and AT (the “*Contribution Agreement*”).

Section 15.3 Settlement of Strikes and Lockouts. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the Party having the difficulty, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of the opposing party when such course is inadvisable in the sole discretion of the Party having the difficulty.

Section 15.4 Payments for Services Performed. Notwithstanding the foregoing, it is specifically understood and agreed by the Parties that an event of Force Majeure will in no way affect or terminate Producer’s obligation to make payment for Fluid Handling Services performed prior to such event of Force Majeure.

ARTICLE 16 INDEMNIFICATION

Section 16.1 Antero Water. Subject to the terms of this Agreement, including Section 19.8,

(a) Antero Water shall release, indemnify, defend, and hold harmless Producer and its Affiliates, directors, officers, employees, agents, consultants, representatives, and invitees from and against all claims and losses to the extent arising out of or relating to (i) the operations

of Antero Water, but only to the extent that liability for such claims and losses is not otherwise allocated pursuant to the indemnification provisions of Article 11, Article 17, Section 16.2(a)(iii), or Section 16.2(b), and (ii) any breach of this agreement by Antero Water, including in each case claims and losses resulting from any negligent acts or omissions of any indemnified party, but excluding in each case claims and losses to the extent caused by or arising out of the gross negligence or willful misconduct of the indemnified party.

(b) Except as otherwise provided in Section 16.2(a)(iii), Antero Water shall release, indemnify, defend, and hold harmless Producer and its joint interest owners and Producer's contractors and subcontractors of any tier and its and their Affiliates, directors, officers, employees, agents, consultants, representatives, and invitees (collectively, the "**Producer Group**") from and against all claims and losses for bodily injury to or death of any individual in the Antero Water Group or damage to or loss of the property of any Person in the Antero Water Group in each case arising while such individual or property is on a Well Pad or any property of the Producer adjacent to a Well Pad in connection with the performance by Antero Water of the High-Rate Transfer Services or other services at such Well Pad, including in each case claims and losses resulting from any negligent acts or omissions of any indemnified party, but excluding in each case claims and losses to the extent caused by or arising out of the gross negligence or willful misconduct of the indemnified party.

Section 16.2 Producer. Subject to the terms of this Agreement, including Section 19.8,

(a) Producer shall release, indemnify, defend, and hold harmless Antero Water and its Affiliates, directors, officers, employees, agents, consultants, representatives, and invitees from and against all claims and losses to the extent arising out of or relating to (i) the operations of Producer but only to the extent that liability for such claims and losses is not otherwise allocated pursuant to the indemnification provisions of Article 11, Article 17, Section 16.1(b), or (ii) any breach of this agreement by Producer or (iii) except as otherwise provided in Section 11.5, pollution or contamination from the emission, discharge or release of Hazardous Materials occurring (A) in the course of the performance of any Fluid Handling Services up until the point of custody and title transfer to Antero Water at the applicable Produced Water Receipt Points or (B) with respect to any Waste Water that has been treated and is in transit from the relevant treatment facility to, or is in, the High-Rate Transfer Facilities, or is otherwise being handled by Antero Water as part of the High-Rate Transfer Services, including in each case claims and losses resulting from any negligent acts or omissions of any indemnified party, but excluding in each case claims and losses to the extent caused by or arising out of the gross negligence or willful misconduct of the indemnified party.

(b) Producer shall release, indemnify, defend, and hold harmless Antero Water and its contractors and subcontractors of any tier and its and their Affiliates, directors, officers, employees, agents, consultants, representatives, and invitees (collectively, the "**Antero Water Group**") from and against all claims and losses for bodily injury to or death of any individual in the Producer Group or damage to or loss of the property of any Person in the Producer Group in each case arising while such individual or property is on a Well Pad or any property of the Producer adjacent to a Well Pad in connection with the operations of Producer at such Well Pad, including in each case claims and losses resulting from any negligent acts or omissions of any

indemnified party, but excluding in each case claims and losses to the extent caused by or arising out of the gross negligence or willful misconduct of the indemnified party.

ARTICLE 17 CUSTODY AND TITLE

Section 17.1 Custody of Fresh Water. As among the Parties, Producer shall be in custody, control and possession of (a) raw Fresh Water taken from the Take Points until such Fresh Water is taken into the Fresh Water Facilities at the Take Points and (b) Fresh Water after such Fresh Water is delivered to the Fresh Water Delivery Points. As among the Parties, Antero Water shall be in custody, control and possession of all Fresh Water in the Fresh Water Facilities or in any trucks used by Antero Water (or its subcontractors) to perform the Fresh Water Services hereunder at all other times. Except as otherwise provided in Section 16.2(a)(iii), the Party having custody and control of Fresh Water under the terms of this Section 17.1 shall be responsible for, and shall defend, indemnify, release and hold the other Party and its respective Affiliates, directors, officers, employees, agents, consultants, representatives, and invitees harmless from and against, all claims and losses of whatever kind and nature for anything that may happen or arise with respect to such Fresh Water when such Fresh Water is in its custody and control, including claims and losses resulting from any negligent acts or omissions of any indemnified party, but excluding all claims and losses to the extent caused by or arising out of the gross negligence or willful misconduct of the indemnified party.

Section 17.2 Custody of Waste Water. As among the Parties, Producer shall be in custody, control and possession of Waste Water until such Waste Water is received by Antero Water or its subcontractors at the Produced Water Receipt Points or at the point at which Other Waste Water is collected by Antero Water. As among the Parties, Antero Water shall be in custody, control and possession of all Waste Water from and after its receipt by Antero Water or its subcontractors at the Produced Water Receipt Points or at the points at which Other Waste Water is collected by Antero Water. Except as otherwise provided in Section 16.2(a)(iii), the Party having custody and control of Waste Water under the terms of this Section 17.2 shall be responsible for, and shall defend, indemnify, release and hold the other Party and its respective Affiliates, directors, officers, employees, agents, consultants, representatives, and invitees harmless from and against, all claims and losses of whatever kind and nature for anything that may happen or arise with respect to such Waste Water when such Waste Water is in its custody and control, including claims and losses resulting from any negligent acts or omissions of any indemnified party, but excluding claims and losses to the extent caused by or arising out of the gross negligence or willful misconduct of the indemnified party.

Section 17.3 Custody of Waste Water and Fresh Water as Between AW and AT. As between AW and AT:

(a) AW shall be in custody, control and possession of all Fresh Water; provided that AT shall be in custody, control and possession of all volumes of Fresh Water that is water remaining after treatment of Waste Water at the Treatment Facility until delivery of such Fresh Water to AW at the outlet flange of the Treatment Facility at the connection with the Fresh Water System; and

(b) AT shall be in custody, control and possession of all Waste Water.

Section 17.4 Title to Fresh Water.

(a) For any Fresh Water that is ultimately taken from the Take Points by or on behalf of AW or its subcontractors and is used to fulfill third party services agreements as and to the extent permitted by Section 8.4, title to such Fresh Water shall pass to AW immediately prior to the applicable title transfer point specified in the applicable third party services agreement. Producer shall ensure that such Fresh Water is free of all liens arising by, through, or under Producer, other than liens arising by operation of law.

(b) Producer shall take title to all volumes of Fresh Water that is water remaining after treatment of waste water at the Treatment Facility at the outlet flange of the Treatment Facility at the connection with the Fresh Water System.

Section 17.5 Title to Waste Water. AT shall take title to all Waste Water received by or on behalf of AT or its subcontractors at the Produced Water Receipt Points or at the point where Other Waste Water is collected, as applicable. Producer shall ensure that such Waste Water is free of all liens arising by, through, or under Producer, other than liens arising by operation of law.

ARTICLE 18
PAYMENTS FOR FRESH WATER; TAXES

Section 18.1 Payments for Fresh Water; Taxes. To the extent that any Person is entitled to any payment in respect of Fresh Water taken from any Take Point, including any taxes, Producer shall pay or cause to be paid and agrees to hold Antero Water harmless as to the payment of all such payments or taxes. Antero Water shall not become liable for such payments or taxes, unless designated to remit those taxes on behalf of Producer by any duly constituted Governmental Authority having authority to impose such obligations on Antero Water, in which event the amount of such taxes remitted on Producer's behalf shall be reimbursed by Producer upon receipt of invoice, with corresponding documentation from Antero Water setting forth such payments. Antero Water shall pay or cause to be paid all taxes, charges and assessments of every kind and character required by statute or by order of Governmental Authorities with respect to its facilities, including the Fresh Water Facilities. Except as provided in Exhibit H attached hereto, neither Party shall be responsible nor liable for any taxes or other statutory charges levied or assessed against the facilities of the other Party, including ad valorem tax (however assessed), used for the purpose of carrying out the provisions of this Agreement or against the net worth or capital stock of such Party. Notwithstanding the foregoing, to the extent that such payments or taxes relate to Fresh Water that is made available to a third party pursuant to Section 8.4(d), Antero Water shall look only to such third party, and not to Producer, for payment or reimbursement of such payments and taxes to the extent relating to the Fresh Water made available to such third party, and shall use reasonable efforts to ensure that Fresh Water not subject to such payments and taxes is made available to Producer in preference to third parties.

ARTICLE 19
MISCELLANEOUS

Section 19.1 Rights. The failure of either Party to exercise any right granted hereunder shall not impair nor be deemed a waiver of that Party's privilege of exercising that right at any subsequent time or times.

Section 19.2 Applicable Laws. This Agreement is subject to all valid present and future laws, regulations, rules and orders of Governmental Authorities now or hereafter having jurisdiction over the Parties, this Agreement, or the services performed or the facilities utilized under this Agreement. To the extent that the performance of the Fluid Handling Services by Antero Water shall at any point in time become prohibited or restricted by Applicable Laws or the provisions of any Governmental Approval, Antero Water shall be relieved from its obligations to perform such Fluid Handling Services.

Section 19.3 Governing Law; Jurisdiction.

(a) This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Colorado without regard to choice of law principles.

(b) The Parties agree that the appropriate, exclusive and convenient forum for any disputes between the Parties arising out of this Agreement or the transactions contemplated hereby shall be in any state or federal court in City and County of Denver, Colorado, and each of the Parties irrevocably submits to the jurisdiction of such courts solely in respect of any proceeding arising out of or related to this Agreement. The Parties further agree that the Parties shall not bring suit with respect to any disputes arising out of this Agreement or the transactions contemplated hereby in any court or jurisdiction other than the above specified courts.

Section 19.4 Successors and Assigns.

(a) This Agreement shall extend to and inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

(b) To the extent any Affiliate of Producer acquires any Oil and Gas Interests or any water facilities, Producer shall cause such Affiliate to comply with the obligations of Producer under Article 2 of this Agreement with respect to its Oil and Gas Interests and to enter into an agreement with Antero Water substantially the same as this Agreement.

(c) Except as set forth in Section 19.4(d) and Section 19.4(e), neither Party shall have the right to assign its respective rights and obligations in whole or in part under this Agreement without the prior written consent of the other Party, and any assignment or attempted assignment made otherwise than in accordance with this Section 19.4 shall be null and void *ab initio*.

(d) Notwithstanding the foregoing clause (c), Antero Water may perform all services under this Agreement itself using its own facilities and/or perform any or all such services through Affiliates or third parties, in which case references herein to the Fresh Water

Facilities shall be deemed to be references to such facilities of the relevant Affiliate or third party.

(e) Notwithstanding the foregoing clause (c):

(i) Antero Water shall have the right to assign its rights and obligations under this Agreement, in whole or in part, as applicable, without the consent of Producer (A) to an Affiliate of Antero Water or (B) to any Person to which the Fresh Water Facilities or any part thereof or any facilities through which the Waste Water Services are performed has been or will be transferred who (1) hires (or retains, as applicable) operating personnel who are then operating such facilities (or has similarly experienced operating personnel itself), (2) has operated for at least two (2) years prior to such assignment systems similar to such facilities, or (3) contracts for the operation of such facilities with another Person that satisfies either of the foregoing conditions (1) or (2) in this clause (B), provided, in the case of an assignment under either of clause (A) or clause (B), that the assignee assumes in writing all of Antero Water's obligations hereunder (if applicable, to the extent of the Fresh Water Facilities or other facilities being transferred to such Person). Notwithstanding the foregoing, Antero Water shall not be released from its obligations hereunder upon any assignment of this Agreement (in whole or in part) unless the assignee has creditworthiness as reasonably determined by Producer that is equal to or greater than the higher of Antero Water's creditworthiness as of the Original Agreement Effective Date and Antero Water's creditworthiness as of the date of the assignment.

(ii) Producer shall have the right to assign its rights and obligations under this Agreement, in whole or in part, as applicable, without the consent of Antero Water, to any Person to which it sells, assigns, or otherwise transfers all or any portion of the Service Area Properties and who assumes in writing all of Producer's obligations hereunder (if applicable, to the extent of the Service Area Properties being transferred to such Person). Notwithstanding the foregoing, Producer shall not be released from its obligations hereunder upon any assignment of this Agreement (in whole or in part) unless the assignee has a credit rating that is equal to or higher than the higher of Producer's credit rating as of the Original Agreement Effective Date and Producer's credit rating as of the date of the assignment.

(iii) Each Party shall have the right to grant a security interest in this Agreement to a lender or other debt provider (or trustee or agent on behalf of such lender) of such Party.

Section 19.5 Severability. If any provision of this Agreement is determined to be void or unenforceable, in whole or in part, then (i) such provision shall be deemed inoperative to the extent it is deemed void or unenforceable, (ii) the Parties agree to enter into such amendments to this Agreement in order to give effect, to the greatest extent legally possible, to the provision that is determined to be void or unenforceable and (iii) the other provisions of this Agreement in all other respects shall remain in full force and effect and binding and enforceable to the maximum extent permitted by Applicable Law; provided, however, that in the event that a material term under this Agreement is so modified, the Parties will, timely and in good faith, negotiate to revise

and amend this Agreement in a manner which preserves, as closely as possible, each Party's business and economic objectives as expressed by the Agreement prior to such modification.

Section 19.6 Confidentiality.

(a) Confidentiality. Except as otherwise provided in this Section 19.6, each Party agrees that it shall maintain all terms and conditions of this Agreement, and all information disclosed to it by the other Party or obtained by it in the performance of this Agreement and relating to the other Party's business (including Development Plans, Fresh Water Facilities Plans, and all data relating to the production of Producer) (collectively, "**Confidential Information**") in strictest confidence, and that it shall not cause or permit disclosure of this Agreement or its existence or any provisions contained herein without the prior written consent of the other Party.

(b) Permitted Disclosures. Notwithstanding Section 19.6(a) disclosures of any Confidential Information may be made by either Party (i) to the extent necessary for such Party to enforce its rights hereunder against the other Party; (ii) to the extent to which a Party or an Affiliate of a Party is required to disclose all or part of this Agreement by a statute or by the order or rule of a Governmental Authority exercising jurisdiction over the subject matter hereof, by order, by regulations, or by other compulsory process (including deposition, subpoena, interrogatory, or request for production of documents); (iii) to the extent required by the applicable regulations of a securities or commodities exchange; (iv) to a third person in connection with a proposed sale or other transfer of a Party's interest in this Agreement, provided such third person agrees in writing to be bound by the terms of this Section 19.6; (v) to its own directors, officers, employees, agents and representatives; (vi) to an Affiliate of such Party; (vii) to financial advisors, attorneys, and banks, provided that such Persons are subject to a confidentiality undertaking consistent with this Section 19.6(b), or (viii) in the case of Producer only, excluding any information disclosed to Producer by Antero Water pursuant to Article 3 of this Agreement, to a royalty, overriding royalty, net profits or similar owner burdening production from the Service Area Properties, provided such royalty, overriding royalty, net profits or similar owner agrees in writing to be bound by the terms of this Section 19.6.

(c) Notification. If either Party is or becomes aware of a fact, obligation, or circumstance that has resulted or may result in a disclosure of any of the terms and conditions of this Agreement authorized by Section 19.6(b)(ii) or (iii), it shall so notify in writing the other Party promptly and shall provide documentation or an explanation of such disclosure as soon as it is available.

(d) Party Responsibility. Each Party shall be deemed solely responsible and liable for the actions of its directors, officers, employees, agents, representatives and Affiliates for maintaining the confidentiality commitments of this Section 19.6.

(e) Public Announcements. The Parties agree that prior to making any public announcement or statement with respect to this Agreement or the transaction represented herein permitted under this Section 19.6, the Party desiring to make such public announcement or statement shall provide the other Party with a copy of the proposed announcement or statement prior to the intended release date of such announcement. The other Party shall thereafter consult with the Party desiring to make the release, and the Parties shall exercise their reasonable best

efforts to (i) agree upon the text of a joint public announcement or statement to be made by both such Parties or (ii) in the case of a statement to be made solely by one Party, obtain approval of the other Party to the text of a public announcement or statement. Nothing contained in this Section 19.6 shall be construed to require either Party to obtain approval of the other Party to disclose information with respect to this Agreement or the transaction represented herein to any Governmental Authority to the extent such disclosure is required by Applicable Law or necessary to comply with disclosure requirements of the Securities and Exchange Commission, New York Stock Exchange, or any other regulated stock exchange.

(f) Survival. The provisions of this Section 19.6 shall survive any expiration or termination of this Agreement; provided that other than with respect to information disclosed pursuant to Article 3, as to which such provisions shall survive indefinitely, such provisions shall survive only a period of one (1) year.

Section 19.7 Entire Agreement, Amendments and Waiver; Amendment and Restatement of Original Agreement.

(a) The Contribution Agreement, this Agreement and the documents and instruments and other agreements specifically referred to herein or therein or delivered pursuant hereto or thereto, including the exhibits and schedules hereto and thereto, (a) constitute the entire agreement among the Parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter hereof and (b) are not intended to confer upon any other Person any rights or remedies hereunder except as otherwise expressly provided herein or therein. Each Party agrees that (i) no other Party (including its agents and representatives) has made any representation, warranty, covenant or agreement to or with such Party relating to this Agreement or the transactions contemplated hereby, other than those expressly set forth in the Contribution Agreement and the documents and instruments and other agreements specifically referred to herein or therein or delivered pursuant hereto or thereto, including the exhibits and schedules hereto and thereto, and (ii) such Party has not relied upon any representation, warranty, covenant or agreement relating to this Agreement or the transactions contemplated hereby other than those referred to in clause (i) above. No amendment, supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the Parties. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (regardless of whether similar), nor shall any such waiver constitute a continuing waiver unless otherwise expressly provided.

(b) This Agreement amends, restates and supersedes the Original Agreement in its entirety (but such amendment and restatement does not affect the rights and obligations of the Parties accruing under the Original Agreement prior to the Effective Date). Except as otherwise expressly provided, all references to the Original Agreement in any document, instrument, agreement or writing delivered pursuant to this Agreement shall hereafter be deemed to refer to this Agreement.

Section 19.8 Limitation of Liability. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE OR

EXEMPLARY DAMAGES SUFFERED BY SUCH PARTY RESULTING FROM OR ARISING OUT OF THIS AGREEMENT OR THE BREACH THEREOF OR UNDER ANY OTHER THEORY OF LIABILITY, WHETHER TORT, NEGLIGENCE, STRICT LIABILITY, BREACH OF CONTRACT, WARRANTY, INDEMNITY OR OTHERWISE, INCLUDING LOSS OF USE, INCREASED COST OF OPERATIONS, LOSS OF PROFIT OR REVENUE, OR BUSINESS INTERRUPTIONS; PROVIDED, HOWEVER, THAT THE FOREGOING LIMITATION SHALL NOT APPLY TO ANY DAMAGE CLAIM ASSERTED BY OR AWARDED TO A THIRD PARTY FOR WHICH A PARTY WOULD OTHERWISE BE LIABLE UNDER ANY INDEMNIFICATION PROVISION SET FORTH HEREIN.

Section 19.9 Headings. The headings of the several Articles and Sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

Section 19.10 Rights and Remedies. Except as otherwise provided in this Agreement, each Party reserves to itself all rights, counterclaims, other remedies and defenses that such Party is or may be entitled to arising from or out of this Agreement or as otherwise provided by Applicable Law.

Section 19.11 No Partnership. Nothing contained in this Agreement shall be construed to create an association, trust, partnership, or joint venture or impose a trust, fiduciary or partnership duty, obligation or liability on or with regard to either Party.

Section 19.12 Rules of Construction.

(a) The Parties agree that they have been represented by counsel during the negotiation and execution of this Agreement and therefore waive the application of any law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the Party drafting such agreement or document.

(b) The words “this Agreement,” “herein,” “hereby,” “hereunder” and “hereof,” and words of similar import, refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. The words “this Article,” “this Section” and “this clause,” and words of similar import, refer only to the Article, Section or clause hereof in which such words occur. The word “or” is exclusive, and the word “including” (in its various forms) means including without limitation.

(c) Pronouns in masculine, feminine or neuter genders shall be construed to state and include any other gender, and words, terms and titles (including terms defined herein) in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires.

(d) References herein to any Person shall include such Person’s successors and assigns; provided, however, that nothing contained in this clause (d) is intended to authorize any assignment or transfer not otherwise permitted by this Agreement.

(e) References herein to any law shall be deemed to refer to such law as amended, reenacted, supplemented or superseded in whole or in part and in effect from time to time and also to all rules and regulations promulgated thereunder

(f) References herein to any contract mean such contract as amended, supplemented or modified (including any waiver thereto) in accordance with the terms thereof, except that with respect to any contract listed on any schedule hereto, all such amendments, supplements or modifications must also be listed on such schedule.

(g) Each representation, warranty, covenant and agreement contained in this Agreement will have independent significance, and the fact that any conduct or state of facts may be within the scope of two or more provisions in this Agreement, whether relating to the same or different subject matters and regardless of the relative levels of specificity, shall not be considered in construing or interpreting this Agreement.

(h) Unless otherwise expressly provided herein to the contrary, accounting terms shall have the meaning given by U.S. generally accepted accounting principles.

Section 19.13 No Third Party Beneficiaries. This Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns and each Person entitled to indemnity under Article 11, Article 16, or Article 17 (but only to the extent of their entitlement to be defended, indemnified, released and held harmless thereunder, and provided that only a Party shall be entitled to enforce such entitlement on their behalf) and shall not inure to the benefit of any other Person whomsoever or whatsoever, it being the intention of the Parties that no third Person shall be deemed a third party beneficiary of this Agreement.

Section 19.14 Antero Water. AW and AT shall collectively act as Antero Water under this Agreement to fulfill the obligations of Antero Water hereunder, and AW and AT agree to cooperate and coordinate with each other to fulfill such obligations in accordance with this Agreement; *provided* that the Parties agree and acknowledge that the Parties intend for AW to perform the Fresh Water Services hereunder and for AT to perform the Waste Water Services hereunder. To the extent not already paid directly by Producer to AT, AW agrees to remit to AT any amounts paid by Producer to AW for any Waste Water Services that were performed by AT hereunder.

Section 19.15 Further Assurances. Each Party shall take such acts and execute and deliver such documents as may be reasonably required to effectuate the purposes of this Agreement.

Section 19.16 Counterpart Execution. This Agreement may be executed in one or more counterparts, including electronic, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the Party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof.

Section 19.17 Memorandum of Agreement. Contemporaneously with the execution of this Agreement, the Parties shall execute, acknowledge, deliver and record a “short form”

memorandum of this Agreement in the form of Exhibit J attached hereto (as modified, including by the addition of any required property descriptions, required by local law and practice to put such Memorandum of record and put third parties on notice of this Agreement), which shall be placed of record in each state and county in which the currently-existing Service Area Properties are located. Further such memoranda shall be executed and delivered by Producer as Antero Water from time to time requests to evidence the commitment of additional areas or Oil and Gas Interests under this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first set forth above.

ANTERO RESOURCES CORPORATION

By: /s/ Kevin J. Kilstrom

Name: Kevin J. Kilstrom

Title: Senior Vice President - Production

ANTERO WATER LLC

By: /s/ Alvyn A. Schopp

Name: Alvyn A. Schopp

Title: Chief Administrative Officer, Regional Senior
Vice President and Treasurer

ANTERO TREATMENT LLC

By: /s/ Alvyn A. Schopp

Name: Alvyn A. Schopp

Title: Chief Administrative Officer, Regional Senior
Vice President and Treasurer

*First Amended and Restated Water Services Agreement
Signature Page*

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE CONFIDENTIAL TREATMENT OF THOSE TERMS HAS BEEN REQUESTED. THE REDACTED MATERIAL HAS BEEN SEPARATELY SUBMITTED TO THE SECURITIES AND EXCHANGE COMMISSION, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH THREE ASTERISKS (***)

EXHIBIT A

INITIAL SERVICE AREA

(Attached.)

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE CONFIDENTIAL TREATMENT OF THOSE TERMS HAS BEEN REQUESTED. THE REDACTED MATERIAL HAS BEEN SEPARATELY SUBMITTED TO THE SECURITIES AND EXCHANGE COMMISSION, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH THREE ASTERISKS (***)

EXHIBIT B

INITIAL FRESH WATER FACILITIES

The following assets and facilities, in each case, excluding any Excluded Assets (as such term is defined in the Contribution Agreement):

1. All existing or imminent buried Fresh Water pipelines and associated appurtenances.
2. All existing or imminent temporary surface Fresh Water pipeline and associated appurtenances.
3. All Fresh Water pipeline and associated appurtenances contained in inventory and designated for future Fresh Water pipeline projects.
4. All existing or imminent pump stations, transfer pumps, or booster pumps that are designated for the transfer of Fresh Water up to the Producer’s receiving hydration units and working tanks.
5. All pump stations, transfer pumps, or booster pumps that are contained in inventory and designated for the future transfer of Fresh Water up to the Producer’s receiving hydration units and working tanks.
6. All existing or imminent operational equipment, tools and telemetry devices necessary for operation of the Fresh Water pipelines and associated appurtenances.
7. All existing or imminent surface use agreements for withdrawal points, access roads, impoundments, pump stations, maintenance shops, laydown or staging yards and surface feature access pads, in each case, used solely in connection with the water business of Antero Water (and, for the avoidance of doubt, not otherwise used by Producer for its exploration and production business).
8. Fresh Water Impoundments (“FWIs”)

FWIs built and in-service:

Name	State	County
ANNIE HORIZONTAL FWI	WV	Ritchie
BEE LEWIS FWI	WV	Doddridge
BONNELL FWI	WV	Doddridge
FOREMAN FWI	WV	Doddridge
HARSHBARGER NORTH FWI	WV	Ritchie
HARSHBARGER SOUTH FWI	WV	Ritchie
HEFLIN NORTH FWI	WV	Doddridge
HINTER NORTH FWI	WV	Doddridge
HINTER SOUTH FWI	WV	Doddridge

JAMES WEBB FWI	WV	Doddridge
LAKE FWI	WV	Doddridge
LEMLEY FWI	WV	Doddridge
MARSDEN FWI	WV	Doddridge
MELODY FWI	WV	Doddridge
NIMORWICZ EAST FWI	WV	Harrison
NIMORWICZ WEST FWI	WV	Doddridge
PEARL JEAN NORTH FWI	WV	Doddridge
PEARL JEAN SOUTH FWI	WV	Doddridge
PIERPOINT FWI	WV	Tyler
QUINN FWI	WV	Harrison
SPIKER FWI	WV	Doddridge
WHITEHAIR FWI	WV	Doddridge
CARPENTER PAD FWI	OH	Monroe
CHARLES IMPOUNDMENT	OH	Monroe
EAST LAW COMPLEX	OH	Noble
HILL XLFWI	OH	Noble
JUSTICE PAD FWI	OH	Noble
RICH PAD FWI	OH	Noble
SCHROEDER PAD FWI	OH	Noble
TRASKA XLFWI	OH	Noble
WAYNE PAD FWI	OH	Noble
WEBB IMPOUNDMENT	OH	Monroe
WILSON EAST IMPOUNDMENT	OH	Noble
WILSON WEST IMPOUNDMENT	OH	Noble

FWIs built and not yet in-service

Name	State	County
ESTHER FWI	OH	Belmont
HOTHEM 3 FWI	OH	Belmont

FWIs – constructing:

Name	State	County
HOTHEM 1 FWI	OH	Monroe

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE CONFIDENTIAL TREATMENT OF THOSE TERMS HAS BEEN REQUESTED. THE REDACTED MATERIAL HAS BEEN SEPARATELY SUBMITTED TO THE SECURITIES AND EXCHANGE COMMISSION, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH THREE ASTERISKS (***)

EXHIBIT C

TAKE POINTS

Location	Latitude	Longitude
OHIO		
Beaver Creek-4	39.908867	-81.316445
Buffalo Creek 4	39.811790	-81.467680
Buffalo Creek-Arnold	39.863557	-81.526403
East Fork Duck Creek-6	39.645811	-81.309128
Jordan Jones 1	39.763746	-81.200327
Opossum Run	39.869684	-81.420662
Rubel 4	39.780167	-81.196681
Rubel Pad Ground Water Withdrawal	39.833172	-81.302765
Seneca Fork Wills Creek - 2	39.931389	-81.457222
Skin Creek-1 (Rubel)	39.83223	-81.30409
Slope Creek Reservoir (Barnesville #3)	39.907492	-81.165197
South Fork (Carpenter)	39.813710	-81.307880
West Fork Duck Creek - Buckey	39.794094	-81.562736
WEST VIRGINIA		
Ohio River at Ben's Run	39.46593	-81.110781
Claywood Public Service District	39.206274	-81.497777
Middle Island Creek at Dawson	39.379292	-80.867803
Middle Island Creek at Solo	39.399094	-81.185548
Sun Valley Public Service District	39.29053	-80.518765
North Fork Hughes at Davis	39.322363	-80.936771
South Fork Hughes at Knight	39.198369	-80.870969
Arnold Creek at Davis	39.302006	-80.824561
Pennsboro Lake	39.281689	-80.925526
Buckeye Creek at Powell	39.277142	-80.690386
Meathouse Fork at Whitehair	39.211317	-80.679592
Meathouse Fork at Gagnon	39.26054	-80.720998
McElroy Creek at Forest	39.39675	-80.738197
West Fork River at GAL	39.16422	-80.45173
West Fork River at McDonald	39.16761	-80.45069
City of Salem Reservoir	39.28834	-80.54966
Middle Island Creek at Weese	39.457972	-80.839742
Pike Fork at Dotson Withdrawal	39.385933	-80.577836
Morgan's Run at Leatherman	39.285956	-80.691808
Middle Island Creek at Mees	39.43113	-81.079567
Middle Island Creek at Weekley	39.50677	-80.963058
Ohio River at Select Energy	39.346473	-81.338727

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EXHIBIT D

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE CONFIDENTIAL TREATMENT OF THOSE TERMS HAS BEEN REQUESTED. THE REDACTED MATERIAL HAS BEEN SEPARATELY SUBMITTED TO THE SECURITIES AND EXCHANGE COMMISSION, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH THREE ASTERISKS (***)

EXHIBIT E

INITIAL FRESH WATER FACILITIES PLAN

Water Map

(Attached.)

Water Pipeline Diameters

(Attached.)

Waterline Appurtenances

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
ANNIE HORIZONTAL FWI TO EDDY PIT	***	***	266.845	GATE VALVE	WV	RITCHIE	CLAY
B. LEWIS TO ADRIAN	***	***	1261.48	GATE VALVE	WV	DODDRIDGE	NEW MILTON
B. LEWIS TO ADRIAN	***	***	1118.46	GATE VALVE	WV	DODDRIDGE	NEW MILTON
B. LEWIS TO ADRIAN	***	***	1119.07	GATE VALVE	WV	DODDRIDGE	NEW MILTON
B. LEWIS TO ADRIAN	***	***	1219.19	GATE VALVE	WV	DODDRIDGE	NEW MILTON
B. LEWIS TO ADRIAN	***	***	1219.38	GATE VALVE	WV	DODDRIDGE	NEW MILTON
B. LEWIS TO ADRIAN	***	***	1262.01	GATE VALVE	WV	DODDRIDGE	NEW MILTON
B. LEWIS TO ADRIAN	***	***	1261.74	GATE VALVE	WV	DODDRIDGE	NEW MILTON
B. LEWIS TO ADRIAN	***	***	1249.67	GATE VALVE	WV	DODDRIDGE	NEW MILTON
B. LEWIS TO ADRIAN	***	***	1263.45	GATE VALVE	WV	DODDRIDGE	NEW MILTON
B. LEWIS TO ADRIAN	***	***	1268.09	AIR RELIEF	WV	DODDRIDGE	WEST UNION
B. LEWIS TO ADRIAN	***	***	977.48	AIR RELIEF	WV	DODDRIDGE	WEST UNION
B. LEWIS TO ADRIAN	***	***	1273.7	AIR RELIEF	WV	DODDRIDGE	WEST UNION
B. LEWIS TO ADRIAN	***	***	1244.8	AIR RELIEF	WV	DODDRIDGE	WEST UNION
B. LEWIS TO ADRIAN	***	***	1238.2	AIR RELIEF	WV	DODDRIDGE	WEST UNION
B. LEWIS TO ADRIAN	***	***	1246.64	AIR RELIEF	WV	DODDRIDGE	WEST UNION
B. LEWIS TO ADRIAN	***	***	1212.04	AIR RELIEF	WV	DODDRIDGE	WEST UNION
B. LEWIS TO ADRIAN	***	***	1201.65	AIR RELIEF	WV	DODDRIDGE	WEST UNION
B. LEWIS TO ADRIAN	***	***	1251.79	AIR RELIEF	WV	DODDRIDGE	WEST UNION
B. LEWIS TO ADRIAN	***	***	1226.3	AIR RELIEF	WV	DODDRIDGE	WEST UNION
B. LEWIS TO ADRIAN	***	***	1263.37	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
B. LEWIS TO ADRIAN	***	***	1317.52	AIR RELIEF	WV	DODDRIDGE	WEST UNION
B. LEWIS TO ADRIAN	***	***	1291.93	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
B. LEWIS TO ADRIAN	***	***	1117.22	GATE VALVE	WV	DODDRIDGE	NEW MILTON
B. LEWIS TO ADRIAN	***	***	1261.06	GATE VALVE	WV	DODDRIDGE	NEW MILTON
B. LEWIS TO ADRIAN	***	***	1218.78	GATE VALVE	WV	DODDRIDGE	NEW MILTON
BARNESVILLE WATERLINE	***	***	1234.29	GATE VALVE	OH	BELMONT	SOMERSET

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
BARNESVILLE WATERLINE	***	***	1295.54	AIR RELIEF	OH	BELMONT	SOMERSET
BARNESVILLE WATERLINE	***	***	1326.53	AIR RELIEF	OH	BELMONT	SOMERSET
BARNESVILLE WATERLINE	***	***	1209.98	AIR RELIEF	OH	BELMONT	SOMERSET
BARNESVILLE WATERLINE	***	***	1208.79	AIR RELIEF	OH	BELMONT	SOMERSET
BARNESVILLE WATERLINE	***	***	1231.04	AIR RELIEF	OH	BELMONT	SOMERSET
BARNESVILLE WATERLINE	***	***	1245.82	AIR RELIEF	OH	BELMONT	SOMERSET
BARNESVILLE WATERLINE	***	***	1225.93	AIR RELIEF	OH	BELMONT	SOMERSET
BARNESVILLE WATERLINE	***	***	1230.82	AIR RELIEF	OH	BELMONT	SOMERSET
BARNESVILLE WATERLINE	***	***	1238.12	AIR RELIEF	OH	BELMONT	SOMERSET
BARNESVILLE WATERLINE	***	***	1215.48	AIR RELIEF	OH	BELMONT	SOMERSET
BARNESVILLE WATERLINE	***	***	1196.29	AIR RELIEF	OH	BELMONT	SOMERSET
BARNESVILLE WATERLINE	***	***	1229.26	GATE VALVE	OH	BELMONT	SOMERSET
BARNESVILLE WATERLINE	***	***	1227.65	GATE VALVE	OH	BELMONT	SOMERSET
BARNESVILLE WATERLINE	***	***	1267.08	AIR RELIEF	OH	BELMONT	SOMERSET
BARNESVILLE WATERLINE	***	***	1211.01	AIR RELIEF	OH	BELMONT	SOMERSET
BARNESVILLE WATERLINE	***	***	1211.74	AIR RELIEF	OH	BELMONT	SOMERSET

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
BARNESVILLE WATERLINE	***	***	1246.06	AIR RELIEF	OH	MONROE	SENECA
BARNESVILLE WATERLINE	***	***	1049.19	AIR RELIEF	OH	MONROE	SENECA
BARNESVILLE WATERLINE	***	***	1153.8	GATE VALVE	OH	MONROE	SENECA
BARNESVILLE WATERLINE	***	***	1151.73	GATE VALVE	OH	MONROE	SENECA
BARNESVILLE WATERLINE	***	***	1153.36	GATE VALVE	OH	MONROE	SENECA
BARNESVILLE WATERLINE	***	***	1044.34	AIR RELIEF	OH	MONROE	SENECA
BARNESVILLE WATERLINE	***	***	1181.44	GATE VALVE	OH	MONROE	SENECA
BARNESVILLE WATERLINE	***	***	1179.3	GATE VALVE	OH	MONROE	SENECA
BARNESVILLE WATERLINE	***	***	1180.46	GATE VALVE	OH	MONROE	SENECA
BARNESVILLE WATERLINE	***	***	1184.89	AIR RELIEF	OH	MONROE	SENECA
BARNESVILLE WATERLINE	***	***	1060.15	AIR RELIEF	OH	MONROE	MALAGA
BARNESVILLE WATERLINE	***	***	1042.22	AIR RELIEF	OH	MONROE	MALAGA
BARNESVILLE WATERLINE	***	***	975.358	AIR RELIEF	OH	MONROE	MALAGA
BARNESVILLE WATERLINE	***	***	1173.73	AIR RELIEF	OH	MONROE	MALAGA
BARNESVILLE WATERLINE	***	***	1219.95	AIR RELIEF	OH	MONROE	MALAGA
BARNESVILLE WATERLINE	***	***	1257.56	AIR RELIEF	OH	MONROE	MALAGA

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
BARNESVILLE WATERLINE	***	***	1259.93	AIR RELIEF	OH	MONROE	MALAGA
BARNESVILLE WATERLINE	***	***	1256.98	GATE VALVE	OH	MONROE	MALAGA
BARNESVILLE WATERLINE	***	***	1258.25	GATE VALVE	OH	MONROE	MALAGA
BARNESVILLE WATERLINE	***	***	1258.39	GATE VALVE	OH	MONROE	MALAGA
BARNESVILLE WATERLINE	***	***	1119.78	AIR RELIEF	OH	MONROE	MALAGA
BARNESVILLE WATERLINE	***	***	1242.59	AIR RELIEF	OH	MONROE	MALAGA
BARNESVILLE WATERLINE	***	***	1019.83	GATE VALVE	OH	MONROE	SENECA
BARNESVILLE WATERLINE	***	***	1020.47	GATE VALVE	OH	MONROE	SENECA
BARNESVILLE WATERLINE	***	***	1019.53	GATE VALVE	OH	MONROE	SENECA
BARNESVILLE WATERLINE	***	***	1099.89	AIR RELIEF	OH	MONROE	SENECA
BARNESVILLE WATERLINE	***	***	1101.29	AIR RELIEF	OH	MONROE	SENECA
BARNESVILLE WATERLINE	***	***	1137.36	AIR RELIEF	OH	MONROE	SENECA
BARNESVILLE WATERLINE	***	***	1130.1	AIR RELIEF	OH	MONROE	MALAGA
BARNESVILLE WATERLINE	***	***	1068.93	AIR RELIEF	OH	MONROE	MALAGA
BARNESVILLE WATERLINE	***	***	1164.62	AIR RELIEF	OH	MONROE	MALAGA
BATESVILLE LATERAL WATERLINE	***	***	1161.18	AIR RELIEF	OH	NOBLE	BEAVER

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
BATESVILLE LATERAL WATERLINE	***	***	1122.31	AIR RELIEF	OH	NOBLE	WAYNE
BEE LEWIS RISER TO BEE LEWIS FWI	***	***	905.24	GATE VALVE	WV	DODDRIDGE	WEST UNION
BEE LEWIS RISER TO BEE LEWIS FWI	***	***	904.94	GATE VALVE	WV	DODDRIDGE	WEST UNION
BEE LEWIS RISER TO BEE LEWIS FWI	***	***	905.22	GATE VALVE	WV	DODDRIDGE	WEST UNION
BONNELL TO COASTAL	***	***	1065.91	GATE VALVE	WV	DODDRIDGE	NEW MILTON
BONNELL TO COASTAL	***	***	1065.63	GATE VALVE	WV	DODDRIDGE	NEW MILTON
BONNELL TO COASTAL	***	***	1066.01	GATE VALVE	WV	DODDRIDGE	NEW MILTON
BONNELL TO COASTAL	***	***	1066.68	GATE VALVE	WV	DODDRIDGE	NEW MILTON
BONNELL TO COASTAL	***	***	1069.18	GATE VALVE	WV	DODDRIDGE	NEW MILTON
BONNELL TO SWISHER	***	***	991.48	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
BONNELL TO SWISHER	***	***	1114.1	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
BONNELL TO SWISHER	***	***	1065.79	BALL VALVE	WV	DODDRIDGE	NEW MILTON
BONNELL TO SWISHER	***	***	1166.22	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
BONNELL TO SWISHER	***	***	1187.34	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
BONNELL TO SWISHER	***	***	876.82	GATE VALVE	WV	DODDRIDGE	NEW MILTON
BONNELL TO SWISHER	***	***	876.91	GATE VALVE	WV	DODDRIDGE	NEW MILTON
BOWYER TO CAYNOR	***	***	1353.45	AIR RELIEF	WV	HARRISON	UNION
BOWYER TO CAYNOR	***	***	1282.04	AIR RELIEF	WV	HARRISON	UNION
BOWYER TO CAYNOR	***	***	1286.86	GATE VALVE	WV	HARRISON	UNION
BOWYER/CAYNOR TEE TO BENNETT TA*	***	***	1329.24	AIR RELIEF	WV	HARRISON	UNION
BOWYER/CAYNOR TEE TO BENNETT TA*	***	***	1237.27	GATE VALVE	WV	HARRISON	UNION
CANTON LOOP AROUND	***	***	1333.1	GATE VALVE	WV	DODDRIDGE	WEST UNION
CANTON LOOP AROUND	***	***	1332.87	GATE VALVE	WV	DODDRIDGE	WEST UNION
CANTON LOOP AROUND	***	***	1279.72	GATE VALVE	WV	DODDRIDGE	GRANT
CANTON LOOP AROUND	***	***	1279.7	GATE VALVE	WV	DODDRIDGE	GRANT

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
CANTON LOOP AROUND	***	***	1279.88	GATE VALVE	WV	DODDRIDGE	GRANT
CANTON LOOP AROUND	***	***	1165.79	GATE VALVE	WV	DODDRIDGE	GRANT
CANTON LOOP AROUND	***	***	1338.86	AIR RELIEF	WV	DODDRIDGE	WEST UNION
CANTON LOOP AROUND	***	***	1333.19	GATE VALVE	WV	DODDRIDGE	WEST UNION
CANTON LOOP AROUND	***	***	810.841	AIR RELIEF	WV	DODDRIDGE	WEST UNION
CANTON LOOP AROUND	***	***	1218.68	GATE VALVE	WV	DODDRIDGE	GRANT
CANTON LOOP AROUND	***	***	1221.27	GATE VALVE	WV	DODDRIDGE	GRANT
CANTON LOOP AROUND	***	***	1219.64	GATE VALVE	WV	DODDRIDGE	GRANT
CANTON LOOP AROUND	***	***	1216.27	GATE VALVE	WV	DODDRIDGE	GRANT
CANTON LOOP AROUND	***	***	1219.29	GATE VALVE	WV	DODDRIDGE	GRANT
CANTON LOOP AROUND	***	***	1206.7	AIR RELIEF	WV	DODDRIDGE	GRANT
CANTON LOOP AROUND	***	***	1165.45	AIR RELIEF	WV	DODDRIDGE	GRANT
CANTON LOOP AROUND	***	***	1370.37	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
CANTON LOOP AROUND	***	***	1320.6	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
CANTON LOOP AROUND	***	***	1221.84	GATE VALVE	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	908.417	AIR RELIEF	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	1258.43	GATE VALVE	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	1258.6	GATE VALVE	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	1088.26	GATE VALVE	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	1086.35	GATE VALVE	WV	DODDRIDGE	GRANT

SOUTH							
CANTON NORTH-SOUTH	***	***	1256.25	GATE VALVE	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	919.755	AIR RELIEF	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	1163.25	GATE VALVE	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	1317.17	GATE VALVE	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	1317.86	GATE VALVE	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	1165.15	GATE VALVE	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	1164.76	GATE VALVE	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	1064.99	GATE VALVE	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	1067.08	GATE VALVE	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	1066.97	GATE VALVE	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	1084.74	GATE VALVE	WV	DODDRIDGE	GRANT

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
CANTON NORTH-SOUTH	***	***	1314.82	GATE VALVE	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	1324.1	AIR RELIEF	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	1142.75	GATE VALVE	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	1138.38	GATE VALVE	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	1316.11	AIR RELIEF	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	1227.41	AIR RELIEF	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	1210.24	AIR RELIEF	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	1371.01	AIR RELIEF	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	1134.38	GATE VALVE	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	1132.28	AIR RELIEF	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	1279.65	AIR RELIEF	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	1265.03	AIR RELIEF	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	1312.7	AIR RELIEF	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	780.537	GATE VALVE	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	782.778	AIR RELIEF	WV	DODDRIDGE	GRANT
CANTON NORTH-SOUTH	***	***	733.415	GATE VALVE	WV	TYLER	MCELROY
CANTON NORTH-SOUTH	***	***	736.109	GATE VALVE	WV	TYLER	MCELROY
CANTON NORTH-SOUTH	***	***	735.848	GATE VALVE	WV	TYLER	MCELROY
Carpenter Lateral	***	***	1178.97	AIR RELIEF	OH	MONROE	SENECA
Carpenter Lateral	***	***	1178.97	AIR RELIEF	OH	MONROE	SENECA
Carpenter	***	***	1206.61	AIR RELIEF	OH	MONROE	SENECA

Lateral							
CYNTHIA TO SMIERCIAK	***	***	299.572	GATE VALVE	OH	NOBLE	SENECA
CYNTHIA TO SMIERCIAK	***	***	308.708	GATE VALVE	OH	NOBLE	SENECA
CYNTHIA TO SMIERCIAK	***	***	308.684	GATE VALVE	OH	NOBLE	SENECA
DAVIS WD TO ANNIE PAD	***	***	277.057	GATE VALVE	WV	RITCHIE	CLAY
DAVIS WD TO ANNIE PAD	***	***	277.176	GATE VALVE	WV	RITCHIE	CLAY
DAVIS WD TO ANNIE PAD	***	***	281.065	AIR RELIEF	WV	RITCHIE	CLAY

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
DAVIS/ANNIE TO ANNIE HZ FWI	***	***	280.145	AIR RELIEF	WV	RITCHIE	CLAY
DAVIS/ANNIE TO ANNIE HZ FWI	***	***	277.25	GATE VALVE	WV	RITCHIE	CLAY
EAST LAW TO CYNTHIA	***	***	298.221	GATE VALVE	OH	NOBLE	SENECA
EAST LAW TO CYNTHIA	***	***	322.598	AIR RELIEF	OH	NOBLE	SENECA
EAST LAW TO MYRON	***	***	298.299	GATE VALVE	OH	NOBLE	SENECA
EAST LAW TO MYRON	***	***	298.01	GATE VALVE	OH	NOBLE	SENECA
EAST LAW TO MYRON	***	***	297.786	AIR RELIEF	OH	NOBLE	SENECA
EDWIN RISER TO EDWIN TANK PAD	***	***	328.574	GATE VALVE	WV	RITCHIE	CLAY
EDWIN RISER TO EDWIN TANK PAD	***	***	325.045	GATE VALVE	WV	RITCHIE	CLAY
ERVIN WATERLINE	***	***	1043.55	GATE VALVE	OH	MONROE	SENECA
ERVIN WATERLINE	***	***	1045.65	GATE VALVE	OH	MONROE	SENECA
ERVIN WATERLINE	***	***	1046.61	GATE VALVE	OH	MONROE	SENECA
ERVIN WATERLINE	***	***	1027.67	BALL VALVE	OH	MONROE	SENECA
ERVIN WATERLINE	***	***	1026.43	BALL VALVE	OH	MONROE	SENECA
ERVIN WATERLINE	***	***	1089.19	BUTTERFLY VALVE	OH	MONROE	SENECA
ERVIN WATERLINE	***	***	1030.13	BALL VALVE	OH	MONROE	SENECA
ERVIN WATERLINE	***	***	1175.79	AIR RELIEF	OH	NOBLE	BEAVER
ERVIN WATERLINE	***	***	888.9	GATE VALVE	OH	NOBLE	BEAVER
ERVIN WATERLINE	***	***	893.04	GATE VALVE	OH	NOBLE	BEAVER
ERVIN WATERLINE	***	***	890.25	GATE VALVE	OH	NOBLE	BEAVER
ERVIN WATERLINE	***	***	951.92	GATE VALVE	OH	NOBLE	BEAVER
ERVIN WATERLINE	***	***	952.64	GATE VALVE	OH	NOBLE	BEAVER
ERVIN WATERLINE	***	***	953.59	GATE VALVE	OH	NOBLE	BEAVER
ERVIN WATERLINE	***	***	954.46	GATE VALVE	OH	NOBLE	BEAVER
ERVIN WATERLINE	***	***	1133.92	AIR RELIEF	OH	NOBLE	BEAVER
ERVIN WATERLINE	***	***	1123.14	AIR RELIEF	OH	NOBLE	BEAVER

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
ERVIN WATERLINE	***	***	1116.28	AIR RELIEF	OH	NOBLE	BEAVER
ERVIN WATERLINE	***	***	1169.1	BUTTERFLY VALVE	OH	NOBLE	BEAVER
ERVIN WATERLINE	***	***	1154.61	AIR RELIEF	OH	NOBLE	BEAVER
ERVIN WATERLINE	***	***	1155.22	AIR RELIEF	OH	NOBLE	BEAVER
ERVIN WATERLINE	***	***	1147.08	AIR RELIEF	OH	NOBLE	BEAVER
FOREMAN FWI TO HUGHES PAD	***	***	372.389	GATE VALVE	WV	DODDRIDGE	GREENBRIER
FOREMAN RISER TO FOREMAN FWI	***	***	377.417	GATE VALVE	WV	DODDRIDGE	GREENBRIER
GRIMM TO JOHN CAMPBELL	***	***	1057.49	AIR RELIEF	WV	RITCHIE	UNION
GRIMM TO JOHN CAMPBELL	***	***	948.15	GATE VALVE	WV	RITCHIE	UNION
GRIMM TO JOHN CAMPBELL	***	***	948.6	GATE VALVE	WV	RITCHIE	UNION
GRIMM TO JOHN CAMPBELL	***	***	948.53	GATE VALVE	WV	RITCHIE	UNION
GRIMM TO JOHN CAMPBELL	***	***	992.37	AIR RELIEF	WV	RITCHIE	UNION
GRIMM TO JOHN CAMPBELL	***	***	1034.09	GATE VALVE	WV	RITCHIE	UNION
HARSHBARGER N&S FWI TO NESS	***	***	1014.73	GATE VALVE	WV	RITCHIE	UNION
HARSHBARGER N&S FWI TO NESS	***	***	1035.68	GATE VALVE	WV	RITCHIE	UNION
HARSHBARGER N&S FWI TO NESS	***	***	1035.83	BALL VALVE	WV	RITCHIE	UNION
HARSHBARGER N&S FWI TO NESS	***	***	1035.45	GATE VALVE	WV	RITCHIE	UNION
HARSHBARGER N&S FWI TO NESS	***	***	1029.57	GATE VALVE	WV	RITCHIE	UNION

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
HARSHBARGER N&S FWI TO NESS	***	***	1029	GATE VALVE	WV	RITCHIE	UNION
HARSHBARGER N&S FWI TO NESS	***	***	1029.9	GATE VALVE	WV	RITCHIE	UNION
HARTLEY RISER TO TIE IN	***	***	255.318	GATE VALVE	WV	TYLER	MEADE
HARTLEY RISER TO TIE IN	***	***	198.918	GATE VALVE	WV	TYLER	MEADE
HARTLEY RISER TO TIE IN	***	***	198.86	GATE VALVE	WV	TYLER	MEADE
HARTLEY RISER TO TIE IN	***	***	198.941	GATE VALVE	WV	TYLER	MEADE
HARTLEY RISER TO TIE IN	***	***	198.995	GATE VALVE	WV	TYLER	MEADE
HARTLEY RISER TO TIE IN	***	***	198.894	GATE VALVE	WV	TYLER	MEADE
HARTLEY RISER TO TIE IN	***	***	198.991	GATE VALVE	WV	TYLER	MEADE
HILL LATERAL WATERLINE	***	***	925.26	AIR RELIEF	OH	NOBLE	SENECA
HILL LATERAL WATERLINE	***	***	1010.43	AIR RELIEF	OH	NOBLE	SENECA
HINTER HEIRS RISER TO HINTER HE*	***	***	1099.99	GATE VALVE	WV	DODDRIDGE	NEW MILTON
HINTER HEIRS RISER TO HINTER HE*	***	***	1094.88	GATE VALVE	WV	DODDRIDGE	NEW MILTON
HINTER HEIRS RISER TO HINTER HE*	***	***	1100.25	GATE VALVE	WV	DODDRIDGE	NEW MILTON
HINTER HEIRS RISER TO HINTER HE*	***	***	1100.2	GATE VALVE	WV	DODDRIDGE	NEW MILTON
HINTER HEIRS RISER TO HINTER HE*	***	***	1100.28	GATE VALVE	WV	DODDRIDGE	NEW MILTON

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
HINTER HEIRS RISER TO HINTER HE*	***	***	1100.27	GATE VALVE	WV	DODDRIDGE	NEW MILTON
HINTER HEIRS RISER TO HINTER HE*	***	***	1099.95	GATE VALVE	WV	DODDRIDGE	NEW MILTON
HINTER HEIRS RISER TO HINTER HE*	***	***	1074.52	GATE VALVE	WV	DODDRIDGE	NEW MILTON
HINTER HEIRS RISER TO HINTER HE*	***	***	1074.85	GATE VALVE	WV	DODDRIDGE	NEW MILTON
HINTER HEIRS RISER TO HINTER HE*	***	***	1102.06	GATE VALVE	WV	DODDRIDGE	NEW MILTON
HINTER HEIRS RISER TO HINTER HE*	***	***	1101.8	GATE VALVE	WV	DODDRIDGE	NEW MILTON
HURST TO BOWYER	***	***	1253.77	GATE VALVE	WV	HARRISON	UNION
HURST TO BOWYER	***	***	1253.24	GATE VALVE	WV	HARRISON	UNION
HURST TO BOWYER	***	***	1253.82	GATE VALVE	WV	HARRISON	UNION
HURST TO BOWYER	***	***	1252.96	GATE VALVE	WV	HARRISON	UNION
HURST TO BOWYER	***	***	1253.55	GATE VALVE	WV	HARRISON	UNION
HURST TO BOWYER	***	***	1253.89	GATE VALVE	WV	HARRISON	UNION
HURST TO BOWYER	***	***	1045.44	AIR RELIEF	WV	HARRISON	UNION
HURST TO BOWYER	***	***	1408.61	GATE VALVE	WV	HARRISON	UNION
HURST TO BOWYER	***	***	1045.28	GATE VALVE	WV	HARRISON	UNION
HURST TO BOWYER	***	***	1051.55	AIR RELIEF	WV	HARRISON	UNION
HURST TO BOWYER	***	***	1286.88	GATE VALVE	WV	HARRISON	UNION
HURST TO BOWYER	***	***	1286.41	GATE VALVE	WV	HARRISON	UNION
HURST/BOWYER TO QUINN FWI	***	***	1332.66	GATE VALVE	WV	HARRISON	UNION
HURST/BOWYER TO QUINN FWI	***	***	1331.74	GATE VALVE	WV	HARRISON	UNION
HURST/BOWYER TO QUINN FWI	***	***	1391.83	GATE VALVE	WV	HARRISON	UNION
J DAVIS RISER TO VOUGT	***	***	987.54	GATE VALVE	WV	DODDRIDGE	CENTRAL

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
J DAVIS RISER TO VOUGT	***	***	1014.36	AIR RELIEF	WV	DODDRIDGE	CENTRAL
J DAVIS RISER TO VOUGT	***	***	872.39	AIR RELIEF	WV	DODDRIDGE	CENTRAL
J DAVIS RISER TO VOUGT	***	***	914.33	AIR RELIEF	WV	DODDRIDGE	CENTRAL
J DAVIS RISER TO VOUGT	***	***	1103.1	AIR RELIEF	WV	DODDRIDGE	CENTRAL
J DAVIS RISER TO VOUGT	***	***	1159.1	AIR RELIEF	WV	DODDRIDGE	CENTRAL
J DAVIS RISER TO VOUGT	***	***	1099.59	BALL VALVE	WV	DODDRIDGE	CENTRAL
J DAVIS RISER TO VOUGT	***	***	1184.68	AIR RELIEF	WV	DODDRIDGE	CENTRAL
J DAVIS RISER TO VOUGT	***	***	1008.71	GATE VALVE	WV	DODDRIDGE	CENTRAL
J DAVIS RISER TO VOUGT	***	***	1105.64	GATE VALVE	WV	DODDRIDGE	CENTRAL
J DAVIS RISER TO VOUGT	***	***	1105.9	GATE VALVE	WV	DODDRIDGE	CENTRAL
LANGFORD	***	***	961.999	GATE VALVE	WV	RITCHIE	UNION
LANGFORD	***	***	1052.94	GATE VALVE	WV	RITCHIE	UNION
LANGFORD	***	***	1155.85	AIR RELIEF	WV	RITCHIE	UNION
LANGFORD	***	***	1052.94	GATE VALVE	WV	RITCHIE	UNION
LANGFORD	***	***	1052.94	GATE VALVE	WV	RITCHIE	UNION
LANGFORD	***	***	1112.55	GATE VALVE	WV	RITCHIE	UNION
LANGFORD	***	***	1119.27	GATE VALVE	WV	RITCHIE	UNION
LANGFORD	***	***	1082.88	AIR RELIEF	WV	RITCHIE	UNION
LANGFORD	***	***	1178.9	GATE VALVE	WV	RITCHIE	UNION
LANGFORD	***	***	1176.8	GATE VALVE	WV	RITCHIE	UNION
LANGFORD	***	***	1177.87	GATE VALVE	WV	RITCHIE	UNION
LANGFORD	***	***	962.177	GATE VALVE	WV	RITCHIE	UNION

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
LANGFORD	***	***	959.304	GATE VALVE	WV	RITCHIE	UNION
LANGFORD	***	***	1123.95	GATE VALVE	WV	RITCHIE	UNION
LANGFORD	***	***	1128.05	GATE VALVE	WV	RITCHIE	UNION
LANGFORD	***	***	1127.75	GATE VALVE	WV	RITCHIE	UNION
LANGFORD	***	***	1130.06	GATE VALVE	WV	RITCHIE	UNION
LANGFORD	***	***	1130.1	GATE VALVE	WV	RITCHIE	UNION
LANGFORD	***	***	1130.79	GATE VALVE	WV	RITCHIE	UNION
LANGFORD	***	***	1114.52	GATE VALVE	WV	RITCHIE	UNION
LANGFORD	***	***	1114.53	GATE VALVE	WV	RITCHIE	UNION
LANGFORD	***	***	1112.02	BALL VALVE	WV	RITCHIE	UNION
LANGFORD	***	***	1121.47	GATE VALVE	WV	RITCHIE	UNION
MARKWEST TO NIMORWICZ	***	***	1197.94	GATE VALVE	WV	DODDRIDGE	GREENBRIER
MARKWEST TO NIMORWICZ	***	***	1315.3	AIR RELIEF	WV	DODDRIDGE	GREENBRIER
MARKWEST TO NIMORWICZ	***	***	1197.71	GATE VALVE	WV	DODDRIDGE	GREENBRIER
MARKWEST TO NIMORWICZ	***	***	1299.9	GATE VALVE	WV	HARRISON	TENMILE
MARKWEST TO NIMORWICZ	***	***	1299.58	GATE VALVE	WV	HARRISON	TENMILE
MARKWEST TO NIMORWICZ	***	***	1392.42	AIR RELIEF	WV	HARRISON	TENMILE
MARKWEST TO NIMORWICZ	***	***	1296.97	GATE VALVE	WV	HARRISON	TENMILE
MARSDEN FWI TO MARSDEN WELL PAD	***	***	980.57	GATE VALVE	WV	DODDRIDGE	GREENBRIER
MARSDEN FWI TO MARSDEN WELL PAD	***	***	952.45	GATE VALVE	WV	DODDRIDGE	GREENBRIER
MARSDEN FWI TO MARSDEN WELL PAD	***	***	954.51	GATE VALVE	WV	DODDRIDGE	GREENBRIER



WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
MARSDEN RISER TO MARSDEN FWI	***	***	918.96	GATE VALVE	WV	DODDRIDGE	GREENBRIER
MARSDEN RISER TO MARSDEN FWI	***	***	1273.78	GATE VALVE	WV	DODDRIDGE	GREENBRIER
MARSDEN RISER TO MARSDEN FWI	***	***	1273.36	GATE VALVE	WV	DODDRIDGE	GREENBRIER
MARSDEN RISER TO MARSDEN FWI	***	***	1273.75	GATE VALVE	WV	DODDRIDGE	GREENBRIER
MARSDEN RISER TO MARSDEN FWI	***	***	951.01	GATE VALVE	WV	DODDRIDGE	GREENBRIER
MARSDEN RISER TO MARSDEN FWI	***	***	951.16	GATE VALVE	WV	DODDRIDGE	GREENBRIER
MARSEDN FWI TO PLAUGHER NORTH	***	***	1228.29	AIR RELIEF	WV	DODDRIDGE	GREENBRIER
MARSEDN FWI TO PLAUGHER NORTH	***	***	1310.42	AIR RELIEF	WV	DODDRIDGE	GREENBRIER
MARSEDN FWI TO PLAUGHER NORTH	***	***	1284.65	AIR RELIEF	WV	DODDRIDGE	GREENBRIER
MARSEDN FWI TO PLAUGHER NORTH	***	***	952.74	GATE VALVE	WV	DODDRIDGE	GREENBRIER
MARSEDN FWI TO PLAUGHER NORTH	***	***	953.17	GATE VALVE	WV	DODDRIDGE	GREENBRIER
MARSEDN FWI TO PLAUGHER NORTH	***	***	952.78	BUTTERFLY VALVE	WV	DODDRIDGE	GREENBRIER
MARSEDN FWI TO PLAUGHER NORTH	***	***	952.94	BALL VALVE	WV	DODDRIDGE	GREENBRIER
MARSEDN FWI TO PLAUGHER NORTH	***	***	952.68	GATE VALVE	WV	DODDRIDGE	GREENBRIER
MARSEDN FWI TO PLAUGHER	***	***	1343.81	GATE VALVE	WV	DODDRIDGE	GREENBRIER

NORTH McGILL RISER TO McGILL PIT	***	***	1058.62	BUTTERFLY VALVE	WV	DODDRIDGE	CENTRAL
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WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
MIC @ WEESE TO PIERPOINT FWI	***	***	919.23	AIR RELIEF	WV	TYLER	CENTERVILLE
MIC @ WEESE TO PIERPOINT FWI	***	***	593.62	GATE VALVE	WV	TYLER	ELLSWORTH
MIC @ WEESE TO PIERPOINT FWI	***	***	1091.32	GATE VALVE	WV	TYLER	ELLSWORTH
MIC @ WEESE TO PIERPOINT FWI	***	***	1143.71	AIR RELIEF	WV	TYLER	ELLSWORTH
MIC @ WEESE TO PIERPOINT FWI	***	***	1101.81	AIR RELIEF	WV	TYLER	CENTERVILLE
MIDPOINT TO RICHARD GARRY	***	***	1202.95	GATE VALVE	WV	DODDRIDGE	NEW MILTON
MIDPOINT TO RICHARD GARRY	***	***	1199.68	GATE VALVE	WV	DODDRIDGE	NEW MILTON
MIDPOINT TO RICHARD GARRY	***	***	1204.08	GATE VALVE	WV	DODDRIDGE	NEW MILTON
MIDPOINT TO RICHARD GARRY	***	***	1203.97	GATE VALVE	WV	DODDRIDGE	NEW MILTON
MIDPOINT TO RICHARD GARRY	***	***	1398.01	GATE VALVE	WV	DODDRIDGE	NEW MILTON
MIDPOINT TO RICHARD GARRY	***	***	1395.72	GATE VALVE	WV	DODDRIDGE	NEW MILTON
MIDPOINT TO RICHARD GARRY	***	***	1169.17	GATE VALVE	WV	DODDRIDGE	NEW MILTON
MIDPOINT TO RICHARD GARRY	***	***	1169.78	GATE VALVE	WV	DODDRIDGE	NEW MILTON
MIDPOINT TO RICHARD GARRY	***	***	1223.51	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
MIDPOINT TO RICHARD GARRY	***	***	1473.8	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
MIDPOINT TO RICHARD GARRY	***	***	1204.5	GATE VALVE	WV	DODDRIDGE	NEW MILTON

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
MIDPOINT TO RICHARD GARRY	***	***	1221.41	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
MIDPOINT TO RICHARD GARRY	***	***	1225.75	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
MIDPOINT TO RICHARD GARRY	***	***	1169.37	GATE VALVE	WV	DODDRIDGE	NEW MILTON
MIDPOINT TO RICHARD GARRY	***	***	1397.37	GATE VALVE	WV	DODDRIDGE	NEW MILTON
MIDPOINT TO RICHARD GARRY	***	***	1206.66	GATE VALVE	WV	DODDRIDGE	NEW MILTON
MIDPOINT TO RICHARD GARRY	***	***	1180.82	GATE VALVE	WV	DODDRIDGE	NEW MILTON
MILEY INTERCHANGE TO WAYNE INTERCHANGE WATERLINE	***	***	1065.1	BUTTERFLY VALVE	OH	NOBLE	SENECA
MILEY INTERCHANGE TO WAYNE INTERCHANGE WATERLINE	***	***	1150.53	AIR RELIEF	OH	NOBLE	SENECA
MILEY INTERCHANGE TO WAYNE INTERCHANGE WATERLINE	***	***	1103.63	VALVE	OH	NOBLE	SENECA
MONROE	***	***	345.541	GATE VALVE	OH	MONROE	SENECA
MONROE	***	***	345.456	GATE VALVE	OH	MONROE	SENECA
MONROE	***	***	345.26	BALL VALVE	OH	MONROE	SENECA
MONROE	***	***	348.587	GATE VALVE	OH	MONROE	SENECA
MOORE TO NASH	***	***	1274.95	GATE VALVE	WV	DODDRIDGE	WEST UNION
MOUNTAIN	***	***	1161.43	AIR RELIEF	WV	DODDRIDGE	
MOUNTAIN	***	***	1172.28	AIR RELIEF	WV	DODDRIDGE	
MOUNTAIN	***	***	1155.83	GATE VALVE	WV	RITCHIE	

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
MOUNTAIN	***	***	1132.45	AIR RELIEF	WV	RITCHIE	
MOUNTAIN	***	***	1225.82	AIR RELIEF	WV	RITCHIE	
MOUNTAIN	***	***	1155.28	GATE VALVE	WV	RITCHIE	
MOUNTAIN	***	***	1153.25	GATE VALVE	WV	RITCHIE	
MOUNTAIN	***	***	1235	AIR RELIEF	WV	RITCHIE	
MOUNTAIN	***	***	1223.29	AIR RELIEF	WV	RITCHIE	
MOUNTAIN	***	***	1293.85	AIR RELIEF	WV	RITCHIE	
MOUNTAIN	***	***	1230.58	AIR RELIEF	WV	RITCHIE	
MOUNTAIN	***	***	1200.6	AIR RELIEF	WV	RITCHIE	
MOUNTAIN	***	***	1417.27	AIR RELIEF	WV	RITCHIE	
MOUNTAIN	***	***	1253.62	AIR RELIEF	WV	RITCHIE	
MOUNTAIN WEST	***	***	1134.45	AIR RELIEF	WV	DODDRIDGE	WEST UNION
MOUNTAIN LAKE TO SPERRY 2	***	***	1062.85	GATE VALVE	WV	HARRISON	UNION
MOUNTAIN LAKE TO SPERRY 2	***	***	1002.49	BUTTERFLY VALVE	WV	HARRISON	UNION
MOUNTAIN LAKE TO SPERRY 2	***	***	1008.39	GATE VALVE	WV	HARRISON	UNION
MYRON LATERAL WATERLINE	***	***	1124.46	VALVE	OH	NOBLE	SENECA
MYRON LATERAL WATERLINE	***	***	1192.83	AIR RELIEF	OH	NOBLE	SENECA
MYRON LATERAL WATERLINE	***	***	1235.77	AIR RELIEF	OH	NOBLE	SENECA
MYRON LATERAL WATERLINE	***	***	1166.07	AIR RELIEF	OH	NOBLE	SENECA
MYRON LATERAL WATERLINE	***	***	1122.48	VALVE BODY	OH	NOBLE	SENECA
NIMORWICZ FWI TO HUBERT PIT	***	***	1346.61	GATE VALVE	WV	HARRISON	TENMILE
NIMORWICZ FWI TO HUBERT PIT	***	***	1460.18	GATE VALVE	WV	HARRISON	TENMILE

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
NIMORWICZ FWI TO HUBERT PIT	***	***	1461.93	GATE VALVE	WV	HARRISON	TENMILE
NIMORWICZ FWI TO HUBERT PIT	***	***	1345.39	GATE VALVE	WV	HARRISON	TENMILE
OHIO RIVER TO ANNIE	***	***	1070	AIR RELIEF	WV	PLEASANTS	LAFAYETTE
OHIO RIVER TO ANNIE	***	***	929	AIR RELIEF	WV	PLEASANTS	UNION
OHIO RIVER TO ANNIE	***	***	1063	AIR RELIEF	WV	PLEASANTS	UNION
OHIO RIVER TO ANNIE	***	***	1091	AIR RELIEF	WV	PLEASANTS	UNION
OHIO RIVER TO ANNIE	***	***	1103	AIR RELIEF	WV	PLEASANTS	UNION
OHIO RIVER TO ANNIE	***	***	1096	AIR RELIEF	WV	PLEASANTS	UNION
OHIO RIVER TO ANNIE	***	***	1095	AIR RELIEF	WV	PLEASANTS	UNION
OHIO RIVER TO ANNIE	***	***	1022	AIR RELIEF	WV	PLEASANTS	UNION
OHIO RIVER TO ANNIE	***	***	1008	AIR RELIEF	WV	PLEASANTS	UNION
OHIO RIVER TO ANNIE	***	***	1005	AIR RELIEF	WV	PLEASANTS	UNION
OHIO RIVER TO ANNIE	***	***	1086	AIR RELIEF	WV	PLEASANTS	UNION
OHIO RIVER TO ANNIE	***	***	694	AIR RELIEF	WV	PLEASANTS	UNION
OHIO RIVER TO ANNIE	***	***	857	AIR RELIEF	WV	PLEASANTS	UNION
OHIO RIVER TO ANNIE	***	***	629	BALL VALVE	WV	PLEASANTS	UNION
OHIO RIVER TO ANNIE	***	***	630	BALL VALVE	WV	PLEASANTS	UNION
OHIO RIVER TO ANNIE	***	***	1019	AIR RELIEF	WV	PLEASANTS	UNION
OHIO RIVER TO ANNIE	***	***	924	AIR RELIEF	WV	PLEASANTS	UNION
OHIO RIVER TO ANNIE	***	***	1055	AIR RELIEF	WV	PLEASANTS	UNION
OHIO RIVER TO ANNIE	***	***	1002	AIR RELIEF	WV	PLEASANTS	UNION
OHIO RIVER TO ANNIE	***	***	1039	AIR RELIEF	WV	PLEASANTS	UNION
OHIO RIVER TO ANNIE	***	***	1046	AIR RELIEF	WV	PLEASANTS	UNION
OHIO RIVER TO ANNIE	***	***	1050	AIR RELIEF	WV	PLEASANTS	UNION
OHIO RIVER TO ANNIE	***	***	1045	AIR RELIEF	WV	PLEASANTS	UNION
OHIO RIVER TO ANNIE	***	***	774	AIR RELIEF	WV	PLEASANTS	UNION
OHIO RIVER TO ANNIE	***	***	854	AIR RELIEF	WV	PLEASANTS	UNION
OHIO RIVER TO ANNIE	***	***	796	AIR RELIEF	WV	PLEASANTS	UNION
OHIO RIVER	***	***	1138	AIR RELIEF	WV	PLEASANTS	LAFAYETTE

TO ANNIE							
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WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
OHIO RIVER TO ANNIE	***	***	1113	AIR RELIEF	WV	PLEASANTS	LAFAYETTE
OHIO RIVER TO ANNIE	***	***	1089	AIR RELIEF	WV	PLEASANTS	LAFAYETTE
OHIO RIVER TO ANNIE	***	***	1074	AIR RELIEF	WV	PLEASANTS	LAFAYETTE
OHIO RIVER TO ANNIE	***	***	1041	AIR RELIEF	WV	PLEASANTS	LAFAYETTE
OHIO RIVER TO ANNIE	***	***	1026	AIR RELIEF	WV	PLEASANTS	LAFAYETTE
OHIO RIVER TO ANNIE	***	***	981	AIR RELIEF	WV	PLEASANTS	LAFAYETTE
OHIO RIVER TO ANNIE	***	***	1000	AIR RELIEF	WV	PLEASANTS	LAFAYETTE
OHIO RIVER TO ANNIE	***	***	960	AIR RELIEF	WV	PLEASANTS	LAFAYETTE
OHIO RIVER TO ANNIE	***	***	966	AIR RELIEF	WV	PLEASANTS	LAFAYETTE
OHIO RIVER TO ANNIE	***	***	953	AIR RELIEF	WV	RITCHIE	CLAY
OHIO RIVER TO ANNIE	***	***	1235	AIR RELIEF	WV	RITCHIE	CLAY
OHIO RIVER TO ANNIE	***	***	1196	AIR RELIEF	WV	RITCHIE	CLAY
OHIO RIVER TO ANNIE	***	***	1078	AIR RELIEF	WV	RITCHIE	CLAY
OHIO RIVER TO ANNIE	***	***	961	AIR RELIEF	WV	RITCHIE	CLAY
OHIO RIVER TO ANNIE	***	***	1253	AIR RELIEF	WV	RITCHIE	CLAY
OHIO RIVER TO ANNIE	***	***	1116	AIR RELIEF	WV	RITCHIE	CLAY
OHIO RIVER TO ANNIE	***	***	1126	AIR RELIEF	WV	RITCHIE	CLAY
OHIO RIVER TO ANNIE	***	***	879	AIR RELIEF	WV	RITCHIE	CLAY
OHIO RIVER TO ANNIE	***	***	1148	AIR RELIEF	WV	RITCHIE	CLAY
OHIO RIVER TO ANNIE	***	***	612	AIR RELIEF	WV	TYLER	UNION
OHIO RIVER TO ANNIE	***	***	1013	AIR RELIEF	WV	TYLER	MEADE
OHIO RIVER TO ANNIE	***	***	1019	AIR RELIEF	WV	TYLER	MEADE
OHIO RIVER TO ANNIE	***	***	1011	AIR RELIEF	WV	TYLER	MEADE
OHIO RIVER TO ANNIE	***	***	1112	AIR RELIEF	WV	TYLER	MEADE
OHIO RIVER TO ANNIE	***	***	1188	AIR RELIEF	WV	TYLER	MEADE
OHIO RIVER TO ANNIE	***	***	997	AIR RELIEF	WV	TYLER	MEADE
OHIO RIVER TO ANNIE	***	***	1107	AIR RELIEF	WV	TYLER	MEADE
OHIO RIVER TO ANNIE	***	***	882	AIR RELIEF	WV	TYLER	MEADE
OHIO RIVER TO ANNIE	***	***	889	AIR RELIEF	WV	TYLER	MEADE
OHIO RIVER	***	***	1077	AIR RELIEF	WV	TYLER	MEADE

TO ANNIE							
OHIO RIVER TO ANNIE	***	***	1192	AIR RELIEF	WV	TYLER	MEADE

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
OHIO RIVER TO ANNIE	***	***	1201	AIR RELIEF	WV	TYLER	MEADE
OHIO RIVER TO ANNIE	***	***	865	AIR RELIEF	WV	TYLER	MEADE
OHIO RIVER TO ANNIE	***	***	876	AIR RELIEF	WV	TYLER	MEADE
PIERPOINT FWI TO PIERPOINT PAD	***	***	1088.29	GATE VALVE	WV	TYLER	ELLSWORTH
PIERPOINT FWI TO PIERPOINT PAD	***	***	1089.75	GATE VALVE	WV	TYLER	ELLSWORTH
PRIMM	***	***	1030.05	GATE VALVE	WV	DODDRIDGE	CENTRAL
PRIMM	***	***	1008.96	GATE VALVE	WV	DODDRIDGE	CENTRAL
PRIMM	***	***	1078.71	AIR RELIEF	WV	DODDRIDGE	CENTRAL
PRIMM	***	***	1129.22	AIR RELIEF	WV	DODDRIDGE	CENTRAL
PRIMM	***	***	1160.91	AIR RELIEF	WV	DODDRIDGE	CENTRAL
PRIMM	***	***	1301.03	GATE VALVE	WV	DODDRIDGE	CENTRAL
PRIMM	***	***	1191.37	AIR RELIEF	WV	DODDRIDGE	CENTRAL
PRIMM	***	***	1147.65	AIR RELIEF	WV	DODDRIDGE	CENTRAL
PRIMM	***	***	1327.69	AIR RELIEF	WV	DODDRIDGE	CENTRAL
PRIMM	***	***	1133.25	AIR RELIEF	WV	DODDRIDGE	CENTRAL
PRIMM	***	***	1225.95	AIR RELIEF	WV	DODDRIDGE	CENTRAL
PRIMM	***	***	1211.31	AIR RELIEF	WV	DODDRIDGE	CENTRAL
PRIMM	***	***	1117.82	AIR RELIEF	WV	DODDRIDGE	CENTRAL
PRIMM	***	***	1104.32	AIR RELIEF	WV	DODDRIDGE	CENTRAL
PRIMM	***	***	1084.78	AIR RELIEF	WV	DODDRIDGE	CENTRAL
PRIMM	***	***	1299.94	GATE VALVE	WV	DODDRIDGE	CENTRAL
PRIMM	***	***	1302.32	AIR RELIEF	WV	DODDRIDGE	CENTRAL
PRIMM	***	***	1029.4	GATE VALVE	WV	DODDRIDGE	CENTRAL
PRIMM	***	***	1030.11	GATE VALVE	WV	DODDRIDGE	CENTRAL
PRIMM	***	***	1297.51	GATE VALVE	WV	DODDRIDGE	CENTRAL
PRIMM	***	***	1175.35	GATE VALVE	WV	RITCHIE	CLAY
PRIMM	***	***	1121.77	GATE VALVE	WV	RITCHIE	CLAY
PRIMM	***	***	1054.67	AIR RELIEF	WV	RITCHIE	CLAY
PRIMM	***	***	1157.28	AIR RELIEF	WV	RITCHIE	CLAY

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
PRIMM	***	***	822.65	GATE VALVE	WV	RITCHIE	CLAY
PRIMM	***	***	827.68	AIR RELIEF	WV	RITCHIE	CLAY
PRIMM	***	***	1174.76	GATE VALVE	WV	RITCHIE	CLAY
PRIMM	***	***	1174.19	GATE VALVE	WV	RITCHIE	CLAY
PRIMM	***	***	1205.56	AIR RELIEF	WV	RITCHIE	CLAY
PRIMM RISER TO PRIMM TANK	***	***	262.334	GATE VALVE	WV	DODDRIDGE	CENTRAL
QUINN TO WASHBORNE	***	***	1329.26	GATE VALVE	WV	HARRISON	UNION
QUINN TO WASHBORNE	***	***	1388.87	AIR RELIEF	WV	HARRISON	UNION
QUINN TO WASHBORNE	***	***	1379.54	AIR RELIEF	WV	HARRISON	UNION
QUINN TO WASHBORNE	***	***	1398.21	GATE VALVE	WV	HARRISON	UNION
QUINN TO WASHBORNE	***	***	1365.13	GATE VALVE	WV	HARRISON	UNION
QUINN TO WASHBORNE	***	***	1384.2	GATE VALVE	WV	HARRISON	UNION
QUINN TO WASHBORNE	***	***	1383.57	GATE VALVE	WV	HARRISON	UNION
QUINN TO WASHBORNE	***	***	1383.75	GATE VALVE	WV	HARRISON	UNION
QUINN TO WASHBORNE	***	***	1383.64	GATE VALVE	WV	HARRISON	UNION
QUINN TO WASHBORNE	***	***	1383.66	GATE VALVE	WV	HARRISON	UNION
QUINN TO WASHBORNE	***	***	1382.89	GATE VALVE	WV	HARRISON	UNION
QUINN/WASHBORNE TO MYERS	***	***	1365.36	GATE VALVE	WV	HARRISON	UNION
QUINN/WASHBORNE TO MYERS	***	***	1363.04	GATE VALVE	WV	HARRISON	UNION
QUINN/WASHBORNE TO RISER	***	***	1399.18	GATE VALVE	WV	HARRISON	UNION
QUINN/WASHBORNE TO RISER	***	***	1431.91	GATE VALVE	WV	HARRISON	UNION
QUINN/WASHBORNE TO RISER	***	***	1431.96	GATE VALVE	WV	HARRISON	UNION
QUINN/WASHBORNE TO RISER	***	***	1432.43	AIR RELIEF	WV	HARRISON	UNION

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
QUINN/WASHBORNE TO RISER	***	***	1429.76	GATE VALVE	WV	HARRISON	UNION
QUINN/WASHBORNE TO RISER	***	***	1430.06	AIR RELIEF	WV	HARRISON	UNION
REED RISER TO REED TANK	***	***	1179.22	GATE VALVE	WV	DODDRIDGE	GREENBRIER
REED RISER TO REED TANK	***	***	1229.06	AIR RELIEF	WV	DODDRIDGE	GREENBRIER
REED TANK TO REED PAD	***	***	1255.19	GATE VALVE	WV	DODDRIDGE	GREENBRIER
REUSSER LATERAL WATERLINE	***	***	1283.92	VALVE BODY	OH	MONROE	SENECA
REUSSER LATERAL WATERLINE	***	***	1284.19	VALVE BODY	OH	MONROE	SENECA
REUSSER LATERAL WATERLINE	***	***	1246.07	BALL VALVE	OH	MONROE	SENECA
REUSSER LATERAL WATERLINE	***	***	1035.9	VALVE BODY	OH	MONROE	SENECA
REUSSER LATERAL WATERLINE	***	***	1037.52	VALVE BODY	OH	MONROE	SENECA
RICH TO ROBERT	***	***	305.24	AIR RELIEF	OH	NOBLE	SENECA
RICH TO ROBERT	***	***	235.123	GATE VALVE	OH	NOBLE	SENECA
RICH TO ROBERT	***	***	235.276	GATE VALVE	OH	NOBLE	SENECA
RICH TO ROBERT	***	***	232.09	BUTTERFLY VALVE	OH	NOBLE	SENECA
RICH TO ROBERT	***	***	338.579	BUTTERFLY VALVE	OH	NOBLE	SENECA
RICHARD GARRY RISER TO RICHARD *	***	***	1090.1	GATE VALVE	WV	DODDRIDGE	NEW MILTON
RIDDY ALT OFFLOAD TO ERWIN VALL*	***	***	1140.9	BUTTERFLY VALVE	WV	DODDRIDGE	NEW MILTON

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
RIDDY ALT OFFLOAD TO ERWIN VALL*	***	***	1140.97	GATE VALVE	WV	DODDRIDGE	NEW MILTON
SALEM CITY WD TO VARNER WEST TAN	***	***	1265.29	AIR RELIEF	WV	HARRISON	TENMILE
SALEM CITY WD TO VARNER WEST TAN	***	***	1286.7	AIR RELIEF	WV	HARRISON	TENMILE
SALEM CITY WD TO VARNER WEST TAN	***	***	1259.09	AIR RELIEF	WV	HARRISON	TENMILE
SALEM CITY WD TO VARNER WEST TAN	***	***	1391.39	GATE VALVE	WV	HARRISON	TENMILE
SALEM CITY WD TO VARNER WEST TAN	***	***	1399.61	GATE VALVE	WV	HARRISON	TENMILE
SALEM CITY WD TO VARNER WEST TAN	***	***	1451.31	AIR RELIEF	WV	HARRISON	TENMILE
SALEM CITY WD TO VARNER WEST TAN	***	***	1481.72	AIR RELIEF	WV	HARRISON	TENMILE
SALEM CITY WD TO VARNER WEST TAN	***	***	1479.02	AIR RELIEF	WV	HARRISON	TENMILE
SALEM CITY WD TO VARNER WEST TAN	***	***	1400.33	AIR RELIEF	WV	HARRISON	TENMILE
SALEM CITY WD TO VARNER WEST TAN	***	***	1403.72	AIR RELIEF	WV	HARRISON	TENMILE
SALEM CITY WD TO VARNER WEST TAN	***	***	1400.29	AIR RELIEF	WV	HARRISON	TENMILE
SALEM CITY WD TO VARNER WEST TAN	***	***	1409.73	AIR RELIEF	WV	HARRISON	TENMILE
SALEM CITY WD TO VARNER WEST TAN	***	***	1412.43	AIR RELIEF	WV	HARRISON	TENMILE
SALEM CITY WD TO VARNER	***	***	1408.96	AIR RELIEF	WV	HARRISON	TENMILE

WEST TAN							
SCHULTZ WATERLINE	***	***	1123.31	GATE VALVE	OH	NOBLE	WAYNE
SCHULTZ WATERLINE	***	***	1143.56	GATE VALVE	OH	NOBLE	BEAVER

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
SCHULTZ WATERLINE	***	***	1157.37	GATE VALVE	OH	NOBLE	BEAVER
SCHULTZ WATERLINE	***	***	1158.34	GATE VALVE	OH	NOBLE	BEAVER
SENECA LAKE	***	***	310.073	GATE VALVE	OH	NOBLE	SENECA
SENECA LAKE	***	***	310.429	BUTTERFLY VALVE	OH	NOBLE	SENECA
SENECA LAKE	***	***	315.819	AIR RELIEF	OH	NOBLE	SENECA
SENECA LAKE	***	***	306.982	GATE VALVE	OH	NOBLE	SENECA
SENECA LAKE	***	***	310.788	GATE VALVE	OH	NOBLE	SENECA
SENECA LAKE	***	***	309.563	GATE VALVE	OH	NOBLE	SENECA
SENECA LAKE	***	***	305.435	GATE VALVE	OH	NOBLE	SENECA
SENECA LAKE	***	***	315.512	AIR RELIEF	OH	NOBLE	SENECA
SENECA LAKE	***	***	314.719	AIR RELIEF	OH	NOBLE	SENECA
SENECA LAKE	***	***	308.349	AIR RELIEF	OH	NOBLE	SENECA
SENECA LAKE	***	***	220.755	GATE VALVE	OH	NOBLE	SENECA
SENECA LAKE	***	***	220.916	BALL VALVE	OH	NOBLE	SENECA
SENECA LAKE	***	***	222.807	BUTTERFLY VALVE	OH	NOBLE	SENECA
SENECA LAKE	***	***	222.555	GATE VALVE	OH	NOBLE	SENECA
SENECA LAKE	***	***	222.581	GATE VALVE	OH	NOBLE	SENECA
SENECA TEE TO RUBLE INTERCHANGE WATERLINE	***	***	1089.28	VALVE BODY	OH	MONROE	SENECA
SENECA TEE TO RUBLE INTERCHANGE WATERLINE	***	***	1091.19	VALVE BODY	OH	MONROE	SENECA
SENECA TEE TO RUBLE INTERCHANGE WATERLINE	***	***	867.583	VALVE BODY	OH	MONROE	SENECA
SENECA TEE TO RUBLE INTERCHANGE WATERLINE	***	***	869.894	VALVE BODY	OH	MONROE	SENECA

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
SENECA TEE TO RUBLE INTERCHANGE WATERLINE	***	***	868.278	VALVE BODY	OH	MONROE	SENECA
SENECA TEE TO RUBLE INTERCHANGE WATERLINE	***	***	1088.82	VALVE SHUT OFF	OH	MONROE	SENECA
SENECA TEE TO RUBLE INTERCHANGE WATERLINE	***	***	1089.25	VALVE BODY	OH	MONROE	SENECA
SENECA TEE TO RUBLE INTERCHANGE WATERLINE	***	***	1091.21	VALVE BODY	OH	MONROE	SENECA
SENECA TEE TO RUBLE INTERCHANGE WATERLINE	***	***	1089.4	VALVE BODY	OH	MONROE	SENECA
SENECA TEE TO RUBLE INTERCHANGE WATERLINE	***	***	1089.26	VALVE BODY	OH	MONROE	SENECA
SENECA TEE TO RUBLE INTERCHANGE WATERLINE	***	***	1089.27	VALVE BODY	OH	MONROE	SENECA
SENECA TEE TO RUBLE INTERCHANGE WATERLINE	***	***	1088.54	VALVE SHUT OFF	OH	MONROE	SENECA
SENECA TEE TO RUBLE INTERCHANGE WATERLINE	***	***	1088.67	VALVE SHUT OFF	OH	MONROE	SENECA
SENECA TEE TO RUBLE INTERCHANGE WATERLINE	***	***	1088.77	VALVE SHUT OFF	OH	MONROE	SENECA

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
SENECA TEE TO RUBLE INTERCHANGE WATERLINE	***	***	1089.19	VALVE BODY	OH	MONROE	SENECA
SOUTH FORK OF HUGHES @ KNIGHT T*	***	***	1015.77	GATE VALVE	WV	RITCHIE	UNION
SOUTH FORK OF HUGHES @ KNIGHT T*	***	***	1016.26	GATE VALVE	WV	RITCHIE	UNION
SOUTH FORK OF HUGHES @ KNIGHT T*	***	***	1016.45	GATE VALVE	WV	RITCHIE	UNION
SOUTH FORK OF HUGHES @ KNIGHT T*	***	***	1016.33	GATE VALVE	WV	RITCHIE	UNION
SOUTH FORK OF HUGHES @ KNIGHT T*	***	***	1010.5	GATE VALVE	WV	RITCHIE	UNION
SOUTH FORK OF HUGHES @ KNIGHT T*	***	***	1010.6	GATE VALVE	WV	RITCHIE	UNION
SOUTH FORK OF HUGHES @ KNIGHT T*	***	***	1010.67	GATE VALVE	WV	RITCHIE	UNION
SOUTH FORK OF HUGHES @ KNIGHT T*	***	***	1018.21	GATE VALVE	WV	RITCHIE	UNION
SOUTH FORK OF HUGHES @ KNIGHT T*	***	***	1017.99	GATE VALVE	WV	RITCHIE	UNION
SOUTH FORK OF HUGHES @ KNIGHT T*	***	***	1025.86	AIR RELIEF	WV	RITCHIE	UNION
SOUTH FORK OF HUGHES @ KNIGHT T*	***	***	1034.43	GATE VALVE	WV	RITCHIE	UNION
SOUTH FORK OF HUGHES @ KNIGHT T*	***	***	1029.06	GATE VALVE	WV	RITCHIE	UNION
SOUTH FORK OF HUGHES @ KNIGHT T*	***	***	1031.38	GATE VALVE	WV	RITCHIE	UNION
SOUTH FORK OF HUGHES @ KNIGHT T*	***	***	1028.55	GATE VALVE	WV	RITCHIE	UNION

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
SOUTH FORK OF HUGHES @ KNIGHT T*	***	***	997.44	AIR RELIEF	WV	RITCHIE	UNION
SOUTH FORK OF HUGHES @ KNIGHT T*	***	***	691.97	GATE VALVE	WV	RITCHIE	UNION
SOUTH FORK OF HUGHES @ KNIGHT T*	***	***	691.46	GATE VALVE	WV	RITCHIE	UNION
SOUTH FORK OF HUGHES @ KNIGHT T*	***	***	691.54	BALL VALVE	WV	RITCHIE	UNION
SOUTH FORK OF HUGHES @ KNIGHT T*	***	***	691.62	BALL VALVE	WV	RITCHIE	UNION
STEWART TANK PAD TO STEWART RIS*	***	***	1241.45	GATE VALVE	WV	DODDRIDGE	NEW MILTON
STEWART TANK PAD TO STEWART RIS*	***	***	1198.15	GATE VALVE	WV	DODDRIDGE	NEW MILTON
STEWART TANK PAD TO STEWART RIS*	***	***	1198.37	GATE VALVE	WV	DODDRIDGE	NEW MILTON
STEWART TANK PAD TO STEWART RIS*	***	***	1198.75	GATE VALVE	WV	DODDRIDGE	NEW MILTON
TICHENAL TO CORDER EAST	***	***	1297.07	GATE VALVE	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	991.42	GATE VALVE	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	991.42	GATE VALVE	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1147.03	GATE VALVE	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1152.26	GATE VALVE	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1420.9	GATE VALVE	WV	DODDRIDGE	UNION
TICHENAL	***	***	1418.85	GATE	WV	DODDRIDGE	UNION

TO CORDER							
EAST							

VALVE

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
TICHENAL TO CORDER EAST	***	***	1247.43	GATE VALVE	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1243.17	GATE VALVE	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1299.04	GATE VALVE	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1298.53	GATE VALVE	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1311.02	AIR RELIEF	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1294.57	AIR RELIEF	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1324.08	AIR RELIEF	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1292.56	GATE VALVE	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1292.59	GATE VALVE	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1282.31	GATE VALVE	WV	DODDRIDGE	UNION
TICHENAL TO CORDER EAST	***	***	1537.36	AIR RELIEF	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1534.37	GATE VALVE	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1534.47	GATE VALVE	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1266.6	GATE VALVE	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1268.84	GATE VALVE	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1198.57	GATE VALVE	WV	DODDRIDGE	GREENBRIER

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
TICHENAL TO CORDER EAST	***	***	1450.07	GATE VALVE	WV	DODDRIDGE	UNION
TICHENAL TO CORDER EAST	***	***	1450.96	GATE VALVE	WV	DODDRIDGE	UNION
TICHENAL TO CORDER EAST	***	***	1409.57	GATE VALVE	WV	DODDRIDGE	UNION
TICHENAL TO CORDER EAST	***	***	1409.57	GATE VALVE	WV	DODDRIDGE	UNION
TICHENAL TO CORDER EAST	***	***	1383.63	GATE VALVE	WV	DODDRIDGE	UNION
TICHENAL TO CORDER EAST	***	***	1381.48	GATE VALVE	WV	DODDRIDGE	UNION
TICHENAL TO CORDER EAST	***	***	1358.18	AIR RELIEF	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1244.37	AIR RELIEF	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1336.97	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
TICHENAL TO CORDER EAST	***	***	1319.36	AIR RELIEF	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1316.12	AIR RELIEF	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1287.33	AIR RELIEF	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1358.93	GATE VALVE	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1353.92	GATE VALVE	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1361.94	GATE VALVE	WV	DODDRIDGE	NEW MILTON
TICHENAL TO CORDER EAST	***	***	1355.84	GATE VALVE	WV	DODDRIDGE	NEW MILTON

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
TICHENAL TO CORDER EAST	***	***	1223.52	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
TICHENAL TO CORDER EAST	***	***	1379.49	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
TICHENAL TO CORDER EAST	***	***	1316.15	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
TICHENAL TO CORDER EAST	***	***	1353.99	GATE VALVE	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1168.28	GATE VALVE	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	991.42	GATE VALVE	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1342	GATE VALVE	WV	DODDRIDGE	NEW MILTON
TICHENAL TO CORDER EAST	***	***	1532.47	GATE VALVE	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1267.63	GATE VALVE	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1258.79	GATE VALVE	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1403.72	AIR RELIEF	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1290.78	GATE VALVE	WV	DODDRIDGE	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1281.6	GATE VALVE	WV	HARRISON	UNION
TICHENAL TO CORDER EAST	***	***	1384.43	AIR RELIEF	WV	HARRISON	GREENBRIER
TICHENAL TO CORDER EAST	***	***	1425.89	AIR RELIEF	WV	HARRISON	UNION
TICHENAL TO CORDER EAST	***	***	1373.15	AIR RELIEF	WV	HARRISON	UNION

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
TICHENAL TO CORDER EAST	***	***	1449.79	AIR RELIEF	WV	HARRISON	UNION
TICHENAL TO CORDER EAST	***	***	1375.01	AIR RELIEF	WV	HARRISON	UNION
TICHENAL TO CORDER EAST	***	***	1477	AIR RELIEF	WV	HARRISON	UNION
TICHENAL TO CORDER EAST	***	***	1445.48	AIR RELIEF	WV	HARRISON	UNION
TICHENAL TO CORDER EAST	***	***	1503.11	AIR RELIEF	WV	HARRISON	UNION
TICHENAL TO CORDER EAST	***	***	1280	GATE VALVE	WV	HARRISON	UNION
TICHENAL TO CORDER EAST	***	***	1377.31	AIR RELIEF	WV	HARRISON	UNION
TICHENAL TO CORDER EAST	***	***	1418.08	GATE VALVE	WV	HARRISON	UNION
TICHENAL TO CORDER EAST	***	***	1409.57	GATE VALVE	WV	HARRISON	UNION
TICHENAL TO CORDER EAST	***	***	1381.48	GATE VALVE	WV	HARRISON	UNION
TICHENAL TO CORDER EAST	***	***	1450.96	GATE VALVE	WV	HARRISON	UNION
TOMS FORK WATERLINE	***	***	1224.27	GATE VALVE	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1214.83	GATE VALVE	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1198.31	GATE VALVE	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1210.83	GATE VALVE	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1255.44	GATE VALVE	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1233.7	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1232.98	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1232.99	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1163.63	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1240.71	AIR RELIEF	WV	DODDRIDGE	NEW MILTON

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
TOMS FORK WATERLINE	***	***	1158.52	GATE VALVE	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1312.02	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1216.91	GATE VALVE	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1214.49	GATE VALVE	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1258.89	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1198.24	GATE VALVE	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1197.54	GATE VALVE	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1248.77	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1271.4	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1224.43	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1224.43	GATE VALVE	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1224.27	GATE VALVE	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1248.35	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1272.37	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1346.79	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1256.01	GATE VALVE	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1255.41	GATE VALVE	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1293.66	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1300.73	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1210.7	GATE VALVE	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1211.23	GATE VALVE	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1144.2	GATE VALVE	WV	DODDRIDGE	NEW MILTON
TOMS FORK WATERLINE	***	***	1236.13	AIR RELIEF	WV	DODDRIDGE	NEW MILTON
TRUCK TO JUSTICE	***	***	258.11	GATE VALVE	OH	NOBLE	SENECA
TRUCK TO JUSTICE	***	***	258.14	GATE VALVE	OH	NOBLE	SENECA
TRUCK TO JUSTICE	***	***	258.168	GATE VALVE	OH	NOBLE	SENECA
URBAN RISER TO URBAN TANK PAD	***	***	346.662	BUTTERFLY VALVE	OH	MONROE	SENECA
URBAN RISER TO URBAN	***	***	346.527	GATE VALVE	OH	MONROE	SENECA

TANK PAD							
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WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
URBAN TANK PAD TO URBAN WELL PAD	***	***	347.27	GATE VALVE	OH	MONROE	SENECA
VARNER WEST TANK PAD	***	***	1393.51	GATE VALVE	WV	HARRISON	TENMILE
VARNER WEST TANK PAD TO HUBERT P	***	***	1462.23	GATE VALVE	WV	HARRISON	TENMILE
WAYNE INTERCHANGE TO SENECA TEE WATERLINE	***	***	1127.31	VALVE	OH	NOBLE	SENECA
WAYNE INTERCHANGE TO SENECA TEE WATERLINE	***	***	1127.22	VALVE	OH	NOBLE	SENECA
WAYNE INTERCHANGE TO SENECA TEE WATERLINE	***	***	914.96	VALVE	OH	NOBLE	SENECA
WAYNE INTERCHANGE TO SENECA TEE WATERLINE	***	***	914.13	VALVE	OH	NOBLE	SENECA
WAYNE INTERCHANGE TO SENECA TEE WATERLINE	***	***	1062.29	VALVE	OH	NOBLE	SENECA
WAYNE INTERCHANGE TO SENECA TEE WATERLINE	***	***	948.71	VALVE	OH	NOBLE	SENECA
WAYNE INTERCHANGE TO SENECA TEE WATERLINE	***	***	948	VALVE	OH	NOBLE	SENECA
WAYNE INTERCHANGE TO SENECA TEE WATERLINE	***	***	948.73	VALVE	OH	NOBLE	SENECA

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
WAYNE INTERCHANGE TO SENECA TEE WATERLINE	***	***	948	VALVE	OH	NOBLE	SENECA
WAYNE INTERCHANGE TO SENECA TEE WATERLINE	***	***	1186.58	AIR RELIEF	OH	NOBLE	SENECA
WAYNE INTERCHANGE TO SENECA TEE WATERLINE	***	***	1061.74	BUTTERFLY VALVE	OH	NOBLE	SENECA
WAYNE LATERAL WATERLINE	***	***	1138.4	AIR RELIEF	OH	NOBLE	SENECA
WEST FORK	***	***	1415.18	AIR RELIEF	WV	HARRISON	UNION
WEST FORK	***	***	1365.96	AIR RELIEF	WV	HARRISON	UNION
WEST FORK	***	***	1339.2	AIR RELIEF	WV	HARRISON	UNION
WEST FORK	***	***	1518.6	AIR RELIEF	WV	HARRISON	UNION
WEST FORK	***	***	1436.77	AIR RELIEF	WV	HARRISON	UNION
WEST FORK	***	***	1491.78	AIR RELIEF	WV	HARRISON	UNION
WEST UNION LATERAL	***	***	1232.28	AIR RELIEF	WV	DODDRIDGE	
WEST UNION LATERAL	***	***	953.252	AIR RELIEF	WV	DODDRIDGE	
WEST UNION LATERAL	***	***	1237.42	AIR RELIEF	WV	DODDRIDGE	
WEST UNION LATERAL	***	***	1233.63	AIR RELIEF	WV	DODDRIDGE	
WEST UNION LATERAL	***	***	1425.71	AIR RELIEF	WV	DODDRIDGE	
WHITEHAIR RISER TO WHITEHAIR	***	***	1062.13	GATE VALVE	WV	DODDRIDGE	NEW MILTON
WHITEHAIR RISER TO WHITEHAIR	***	***	1061.33	GATE VALVE	WV	DODDRIDGE	NEW MILTON
WHITEHAIR RISER TO WHITEHAIR	***	***	1061.36	GATE VALVE	WV	DODDRIDGE	NEW MILTON
WHITEHAIR RISER TO WHITEHAIR	***	***	1141.94	GATE VALVE	WV	DODDRIDGE	WEST UNION
WHITEHAIR RISER TO WHITEHAIR	***	***	1142.07	GATE VALVE	WV	DODDRIDGE	WEST UNION

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
WHITEHAIR TO BONNELL	***	***	1066.61	GATE VALVE	WV	DODDRIDGE	NEW MILTON
WHITEHAIR TO BONNELL	***	***	1067.02	GATE VALVE	WV	DODDRIDGE	NEW MILTON
WHITEHAIR TO BONNELL	***	***	1065.68	BALL VALVE	WV	DODDRIDGE	NEW MILTON
WHITEHAIR TO BONNELL	***	***	1065.24	BALL VALVE	WV	DODDRIDGE	NEW MILTON
WHITEHAIR TO BONNELL	***	***	1064.97	GATE VALVE	WV	DODDRIDGE	NEW MILTON
WILLS CREEK WATERLINE	***	***	972.43	AIR RELIEF	OH	GUERNSEY	RICHLAND
WILLS CREEK WATERLINE	***	***	973.22	AIR RELIEF	OH	GUERNSEY	RICHLAND
WILLS CREEK WATERLINE	***	***	972.4	AIR RELIEF	OH	GUERNSEY	RICHLAND
WILLS CREEK WATERLINE	***	***	969.16	AIR RELIEF	OH	GUERNSEY	RICHLAND
WILLS CREEK WATERLINE	***	***	969.36	AIR RELIEF	OH	GUERNSEY	RICHLAND
WILLS CREEK WATERLINE	***	***	895.3	AIR RELIEF	OH	GUERNSEY	RICHLAND
WILLS CREEK WATERLINE	***	***	895.87	AIR RELIEF	OH	GUERNSEY	RICHLAND
WILLS CREEK WATERLINE	***	***	895.16	AIR RELIEF	OH	GUERNSEY	RICHLAND
WILLS CREEK WATERLINE	***	***	892.16	AIR RELIEF	OH	GUERNSEY	RICHLAND
WILLS CREEK WATERLINE	***	***	891.93	AIR RELIEF	OH	GUERNSEY	RICHLAND
WILLS CREEK WATERLINE	***	***	927.45	VALVE	OH	NOBLE	WAYNE

WATERLINE	LAT	LONG	ELEVATION	FACILITIES	STATE	COUNTY	TWP_DIST
WILLS CREEK WATERLINE	***	***	927.37	VALVE	OH	NOBLE	WAYNE
WILLS CREEK WATERLINE	***	***	922.55	AIR RELIEF	OH	NOBLE	WAYNE
WILLS CREEK WATERLINE	***	***	901.59	AIR RELIEF	OH	NOBLE	WAYNE
WILLS CREEK WATERLINE	***	***	905.42	VALVE	OH	NOBLE	WAYNE
WILLS CREEK WATERLINE	***	***	904.95	VALVE	OH	NOBLE	WAYNE
WILLS CREEK WATERLINE	***	***	893.87	AIR RELIEF	OH	NOBLE	WAYNE
WILLS CREEK WATERLINE	***	***	897.75	AIR RELIEF	OH	NOBLE	WAYNE
WILLS CREEK WATERLINE	***	***	897.9	AIR RELIEF	OH	NOBLE	WAYNE
WILLS CREEK WATERLINE	***	***	872.23	AIR RELIEF	OH	NOBLE	WAYNE
WILSON WATERLINE	***	***	867.995	VALVE	OH	MONROE	SENECA

Surface Line Launcher Receivers

	Location	Launcher/ Receiver
1	Godwin Yard	5
2	Charlene	1
3	Annie	1
4	Bee Lewis	1
5	Walnut West	2
6	McGill	1
7	John Richards	1
8	Bonnel	1
9	Harshberger	1
10	Nimorwicz	1
11	Salem	1
12	Hubert	1
13	Lemley	1
14	Foreman	1
15	Heflin	1
16	Plaughner	1

Pumps

Location	Manufacturer	Model	Type	Pump	Motor	Max Horsepower	Owned	State	County
Bens Run	Flowserve1	10EHL-8	Electric	Vertical Turbine	GE L449VP	400	Yes	WV	Tyler
	Flowserve2	10EHL-8	Electric	Vertical Turbine	GE L449VP	400	Yes	WV	Tyler
	Flowserve3	10EHL-8	Electric	Vertical Turbine	GE L449VP	400	Yes	WV	Tyler
	Flowserve4	10EHL-8	Electric	Vertical Turbine	GE L449VP	400	Yes	WV	Tyler
Annie	Gorman Rupp	VGH6E-B	Electric	Centrifugal	Gorman Rupp	250	Yes	WV	Ritchie
	Gorman Rupp	VGH6E-B	Electric	Centrifugal	Gorman Rupp	250	Yes	WV	Ritchie
Barnesville Pumphouse	Flowserve	12emm-4stage	Electric	Vertical turbine	Vertical Hollow Shaft Motor: 75 HP, 1800 RPM, 460/3/60	75	Yes	OH	Belmont
	Flowserve	12emm-4stage	Electric	Vertical turbine	Vertical Hollow Shaft Motor: 75 HP, 1800 RPM, 460/3/60	75	Yes	OH	Belmont
	Flowserve	12emm-4stage	Electric	Vertical turbine	Vertical Hollow Shaft Motor: 75 HP, 1800 RPM, 460/3/60	75	Yes	OH	Belmont
West Fork	Goulds	DI=73414	Electric	Vertical Turbine	US Motors Type: RUE	700	Yes	WV	Harrison
	Goulds	DI=73414	Electric	Vertical Turbine	US Motors Type: RUE	700	Yes	WV	Harrison

Tanks

RENT OR OWN	TANK SERIAL NO.	TANK SIZE	STATE COUNTY /	CURRENT LOCATION
OWN	593920	22,000 BBL	OH	JR Byler
OWN	595012	22,000 BBL	WV	BOWYER PAD
OWN	611562	22,000 BBL	WV	Susie Jane
OWN	645951	22,000 BBL	WV	Fritz
OWN	646590	22,000 BBL	OH	Walnut West
OWN	652924	22,000 BBL	WV	Wagner
OWN		22,000 BBL	OH	Bond
OWN		22,000 BBL	OH	Urban
OWN		22,000 BBL	OH	Roe
OWN		12,000 BBL	WV	Salem Withdrawal
OWN	607694	10,000 BBL	OH	Melvin
OWN	622888	10,000 BBL	WV	Charlene
OWN	633070	10,000 BBL	WV	Trent
OWN	622906	10,000 BBL	WV	Primm
OWN	640203	10,000 BBL	WV	Pennington South
OWN	635733	10,000 BBL	OH	Loraditch
OWN	585771	40,000 BBL	WV	Dotson Holland
OWN	581557	40,000 BBL	OH	Farnsworth

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE CONFIDENTIAL TREATMENT OF THOSE TERMS HAS BEEN REQUESTED. THE REDACTED MATERIAL HAS BEEN SEPARATELY SUBMITTED TO THE SECURITIES AND EXCHANGE COMMISSION, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH THREE ASTERISKS (***)

EXHIBIT F

FORM OF CONNECTION NOTICE

[Insert date]

Antero Water LLC and Antero Treatment LLC
1615 Wynkoop Street
Denver, Colorado 80202

Re: First Amended and Restated Water Services Agreement dated effective as of September 24, 2015, by and among Antero Resources Corporation, Antero Water LLC and Antero Treatment LLC (the “Amended Water Services Agreement”)

Ladies and Gentlemen:

This is a Connection Notice for purposes of the Amended Water Services Agreement. Capitalized terms used but not defined in this Connection Notice have the meanings given such terms in the Amended Water Services Agreement.

Antero Water is hereby notified that Producer is planning to drill, complete, and hydraulically fracture the Planned Wells at the Planned Well Pads by the Target Commencement Dates, in each case as set forth below and will require the volumes of Fresh Water stated below to be made available at the Fresh Water Delivery Points located at such Planned Well Pads for the number of days after the Target Commencement Date as set forth below:

Planned Well	Planned Well Pad	Target Commencement Date	Fresh Water Delivery Rate (BPM)

Very truly yours,

ANTERO RESOURCES CORPORATION

By: _____
Name: _____
Title: _____

Well Pad	Target Commencement Date
***	***
***	***
***	***
***	***
***	***
***	***
***	***

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE CONFIDENTIAL TREATMENT OF THOSE TERMS HAS BEEN REQUESTED. THE REDACTED MATERIAL HAS BEEN SEPARATELY SUBMITTED TO THE SECURITIES AND EXCHANGE COMMISSION, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH THREE ASTERISKS (***)

EXHIBIT H

COST OF SERVICE FEE

The Monthly Cost of Service Fee for each Contract Year shall be calculated separately for each CS Facility. The Cost of Service Fees for each CS Facility are then summed to result in the total Cost of Service Fee payable for each Month in the Contract Year. The Monthly Cost of Service Fee for each Contract Year for each CS Facility is determined as follows:

Monthly Capex Fee + Monthly O&M Fee = Monthly Cost of Service Fee.

The “Monthly Capex Fee” for each CS Facility is an amount equal to the product of the amount that, if paid to Antero Water with respect to each Month remaining in the Recovery Term for such CS Facility, when taken together with all Prior Capex Fees paid to Antero Water for such CS Facility, would result in Antero Water recovering Producer’s share of all capital expenditures for such CS Facility over a period of 84 Months commencing with the placement in service of such CS Facility (the “Recovery Term”), with a return on capital invested of 13% per annum. “Prior Capex Fees” means, with respect to any Contract Year and any CS Facility, the aggregate of the Monthly Capex Fees with respect to such CS Facility paid in all prior Contract Years. For purposes of determining the Monthly Capex Fee for any Contract Year, “Producer’s share” of the relevant capital expenditures is Producer’s Throughput Percentage for the Recovery Term, determined using actual throughput where historical throughput volumes are available and estimated throughput volumes for future periods.

The “Monthly O&M Fee” for any Contract Year is an amount equal to:

- (i) the sum of:
 - (a) (1) the operations and maintenance costs and expenses, including the costs and expenses of repairs and replacements in kind, that Antero Water estimates it will incur with respect to the CS Facility during the Contract Year multiplied by (2) Antero Water’s estimate of Producer’s Throughput Percentage for such Contract Year; plus
 - (b) the O&M True Up Amount, if any,
- (ii) divided by 12.

The “O&M True Up Amount” means, with respect to any Contract Year and any CS Facility,

- (i) the positive or negative difference resulting from the following calculation:
 - (a) the product of (x) the actual operations and maintenance costs and expenses, including the costs and expenses of repairs and replacements in kind, incurred by Antero Water in the immediately prior Contract Year with

respect to such CS Facility multiplied by (y) Producer's actual Throughput Percentage for such Contract year;

Minus

- (b) the sum of the aggregate Monthly O&M Fees paid to Antero Water with respect to such CS Facility with respect to the immediately prior Contract Year,
 - (ii) plus 13% per annum.

The Monthly O&M Fee includes Antero Water's reasonable allocation to the CS Facility of Antero Water's overhead and general and administrative expenses together with taxes payable by Antero Water with respect to the CS Facility or the Fluid Handling Services performed in connection with the CS Facility (but excluding in any event Antero Water's income taxes), to the extent not otherwise paid or reimbursed by Producer pursuant to this Agreement.

The "Throughput Percentage" for any CS Facility for any period is a fraction the numerator of which is the total volumes of Fresh Water and/or Waste Water, as applicable, put through such CS Facility under this Agreement during such period and the denominator is the total volumes of Fresh Water and or Waste Water, as applicable, put through such CS Facility (including third party volumes) during such period.

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE CONFIDENTIAL TREATMENT OF THOSE TERMS HAS BEEN REQUESTED. THE REDACTED MATERIAL HAS BEEN SEPARATELY SUBMITTED TO THE SECURITIES AND EXCHANGE COMMISSION, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH THREE ASTERISKS (***)

EXHIBIT I

ASSUMED SUBCONTRACTS

1 . Produced Water Disposal Agreement, between Antero Resources Corporation (“ARC”) and GreenHunter Water, LLC, dated as of April 8, 2015.

2 . Produced Water Treatment Services Agreement, between ARC and Fairmont Brine Processing, LLC (“FBP”), dated as of October 1, 2014, as amended by that certain First Amendment to Produced Water Treatment Services Agreement, between ARC and FBP, dated as of November 14, 2014, and as further amended by that certain Second Amendment to Produced Water Treatment Services Agreement, between ARC and FBP, dated as of February 27, 2015.

3 . Produced Water Disposal Agreement, between Antero Water LLC and Redbird Development, LLC, dated as of August 15, 2015.

4 . Produced Water Disposal Agreement, between Antero Water LLC and Central Environmental Services, LLC, dated as of August 15, 2015.

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE CONFIDENTIAL TREATMENT OF THOSE TERMS HAS BEEN REQUESTED. THE REDACTED MATERIAL HAS BEEN SEPARATELY SUBMITTED TO THE SECURITIES AND EXCHANGE COMMISSION, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH THREE ASTERISKS (***)

EXHIBIT J

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF WATER SERVICES AGREEMENT (this “Memorandum”) is entered into effective [____], 20[] (the “Effective Date”), by and among ANTERO RESOURCES CORPORATION (“Producer”), with an address of 1615 Wynkoop Street, Denver, Colorado 80202, ANTERO WATER LLC (“AW”), with an address of 1615 Wynkoop Street, Denver, Colorado 80202, and ANTERO TREATMENT LLC (“AT”, and collectively with AW, “Antero Water”), with an address of 1615 Wynkoop Street, Denver, Colorado 80202.

WHEREAS, Producer and Antero Water entered into that certain First Amended and Restated Water Services Agreement dated effective September 24, 2015 (the “Agreement”), pursuant to which Antero Water will provide certain services as therein set forth;

WHEREAS, any capitalized term used, but not defined, in this Memorandum shall have the meaning ascribed to such term in the Agreement; and

WHEREAS, the Parties desire to file this Memorandum of record in the real property records of [counties/states], to give notice of the existence of the Agreement and certain provisions contained therein;

NOW THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1 . Notice. Notice is hereby given of the existence of the Agreement and all of its terms, covenants and conditions to the same extent as if the Agreement was fully set forth herein. Certain provisions of the Agreement are summarized in Sections 2 through 3 below.

2 . Producer Commitments. Subject to the terms and conditions of the Agreement, Producer has covenanted and committed (a) to exclusively use Fresh Water made available by Antero Water to Producer under the Agreement for use in Producer’s hydraulic fracturing operations for all Wells operated by Producer on the Oil and Gas Interests now owned or hereafter acquired by Producer and located wholly or partly within the area described in Exhibit A hereto (the “Service Area”) or pooled, unitized or communitized with Oil and Gas Interests located wholly or partly within the Service Area (the “Service Area Properties”) and (b) to utilize Antero Water for the performance of the Waste Water Services for all Produced Water produced from each Well operated by Producer on the Service Area Properties and attributable to either (i) Producer’s interest in such Well or (ii) the interest of non-operating parties in such Well, to the extent that Producer (as operator) has the right to dispose of, and is responsible for the disposition of, such Produced Water, and for all Other Waste Water that is generated from Producer’s operations at Well Pads or that collects at the Well Pads or on Producer’s property adjacent to the Well Pads (the foregoing covenant and commitment being herein referred to as the “Commitment”). “Waste Water Services” includes gathering, collecting, trucking, treatment, recycling, sales for re-use, disposal, or other disposition.

3 . Covenant Running with the Land. So long as the Agreement is in effect, the Commitment shall be a covenant running with the land and, subject to the exceptions and reservations set forth in the Agreement, (a) in the event Producer sells, transfers, conveys, assigns, grants, or otherwise disposes of any or all of its interest in the Service Area Properties, then any such sale, transfer, conveyance, assignment, grant, or other disposition shall be expressly subject to the Agreement and any instrument of conveyance shall so state, and (b) in the event Antero Water sells, transfers, conveys, assigns, grants, or otherwise disposes of any or all of its interest in the Water Facilities, then any such sale, transfer, conveyance, assignment, grant, or other disposition shall be expressly subject to the Agreement and any instrument of conveyance shall so state.

4 . No Amendment to Agreement. This Memorandum is executed and recorded solely for the purpose of giving notice and shall not amend nor modify the Agreement in any way.

[Signature Page follows]

IN WITNESS WHEREOF, this Memorandum has been signed by or on behalf of each of the Parties as of the Day first above written.

ANTERO WATER LLC

By: _____
Name: _____
Title: _____

ANTERO TREATMENT LLC

By: _____
Name: _____
Title: _____

ANTERO RESOURCES CORPORATION

By: _____
Name: _____
Title: _____

SUBSIDIARIES OF ANTERO MIDSTREAM PARTNERS LP

Name of Subsidiary	Jurisdiction of Organization
Antero Midstream LLC	Delaware
Antero Water LLC	Delaware
Antero Treatment LLC	Delaware
Antero Midstream Finance Corporation	Delaware

Consent of Independent Registered Public Accounting Firm

The Board of Directors of Antero Midstream Partners GP LLC and
Unitholders of Antero Midstream Partners LP:

We consent to the incorporation by reference in the registration statements (Nos. 333-210372, 333-212283, 333-215912, and 333-220359) on Form S-3 and (No. 333-200111) on Form S-8 of Antero Midstream Partners LP and (No. 333-228156) on Form S-4 and (No. 333-217800) on Form S-8 of Antero Midstream GP LP of our report dated February 13, 2019, with respect to the consolidated balance sheets of Antero Midstream Partners LP as of December 31, 2017 and 2018, the related consolidated statements of operations and comprehensive income, partners' capital, and cash flows for each of the years in the three-year period ended December 31, 2018, and the related notes (collectively, the "consolidated financial statements"), and the effectiveness of internal control over financial reporting as of December 31, 2018, which report appears in the December 31, 2018 annual report on Form 10-K of Antero Midstream Partners LP.

/s/ KPMG LLP

Denver, Colorado
February 13, 2019

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Paul M. Rady, Chairman and Chief Executive Officer of Antero Midstream Partners LP, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2018 of Antero Midstream Partners LP (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; and
 - c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting.
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: February 13, 2019

/s/ Paul M. Rady
Paul M. Rady
Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Michael N. Kennedy, Chief Financial Officer of Antero Midstream Partners LP, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2018 of Antero Midstream Partners LP (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; and
 - c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting.
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: February 13, 2019

/s/ Michael N. Kennedy
Michael N. Kennedy
Chief Financial Officer

**CERTIFICATION OF
CHIEF EXECUTIVE OFFICER
OF ANTERO MIDSTREAM PARTNERS LP
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with this Annual Report on Form 10-K of Antero Midstream Partners LP for the year ended December 31, 2018, I, Paul M. Rady, Chief Executive Officer of Antero Midstream Partners LP, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. This Annual Report on Form 10-K for the year ended December 31, 2018 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in this Annual Report on Form 10-K for the year ended December 31, 2018 fairly presents, in all material respects, the financial condition and results of operations of Antero Midstream Partners LP for the periods presented therein.

Date: February 13, 2019

/s/ Paul M. Rady

Paul M. Rady
Chief Executive Officer

**CERTIFICATION OF
CHIEF FINANCIAL OFFICER
OF ANTERO MIDSTREAM PARTNERS LP
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with this Annual Report on Form 10-K of Antero Midstream Partners LP for the year ended December 31, 2018, I, Michael N. Kennedy, Chief Financial Officer of Antero Midstream Partners LP, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. This Annual Report on Form 10-K for the year ended December 31, 2018 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in this Annual Report on Form 10-K for the year ended December 31, 2018 fairly presents, in all material respects, the financial condition and results of operations of Antero Midstream Partners LP for the periods presented therein.

Date: February 13, 2019

/s/ Michael N. Kennedy

Michael N. Kennedy
Chief Financial Officer
