
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549
FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2018

OR

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

For the transition period from _____ to _____

Commission file number: 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)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or 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

(Do not check if a smaller reporting company)

Emerging growth company

If an emerging growth company, indicate by check mark 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 Exchange Act) Yes No

As of April 20, 2018, there were 187,033,405 common units outstanding.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some of the information in this Quarterly Report on Form 10-Q 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 Quarterly Report on Form 10-Q. 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;
- costs and outcomes associated with the ongoing review of potential transactions by the special committee of the board of directors of our general partner as described herein;
- our ability to realize the anticipated benefits of our investments in unconsolidated affiliates;
- natural gas, natural gas liquids (“NGLs”) and oil prices;
- 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 Quarterly Report on Form 10-Q 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, incidental 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 the heading “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2017 (the “2017 Form 10-K”) on file with the Securities and Exchange Commission (“SEC”).

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 Quarterly Report on Form 10-Q.

PART I—FINANCIAL INFORMATION
ANTERO MIDSTREAM PARTNERS LP
 Condensed Consolidated Balance Sheets
 December 31, 2017 and March 31, 2018
 (Unaudited)
 (In thousands)

	<u>December 31,</u> <u>2017</u>	<u>March 31,</u> <u>2018</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 8,363	8,714
Accounts receivable—Antero Resources	110,182	111,001
Accounts receivable—third party	1,170	1,245
Prepaid expenses	670	1,157
Total current assets	<u>120,385</u>	<u>122,117</u>
Property and equipment, net	2,605,602	2,678,725
Investments in unconsolidated affiliates	303,302	321,468
Other assets, net	12,920	13,792
Total assets	<u>\$ 3,042,209</u>	<u>3,136,102</u>
Liabilities and Partners' Capital		
Current liabilities:		
Accounts payable—third party	\$ 8,642	7,376
Accounts payable—Antero Resources	6,459	2,765
Accrued liabilities	106,006	70,369
Other current liabilities	209	228
Total current liabilities	<u>121,316</u>	<u>80,738</u>
Long-term liabilities:		
Long-term debt	1,196,000	1,301,280
Contingent acquisition consideration	208,014	211,888
Asset retirement obligations	—	3,080
Other	410	357
Total liabilities	<u>1,525,740</u>	<u>1,597,343</u>
Partners' capital:		
Common unitholders - public (88,059 units and 88,064 units issued and outstanding at December 31, 2017 and March 31, 2018, respectively)	1,708,379	1,716,141
Common unitholder - Antero Resources (98,870 units issued and outstanding at December 31, 2017 and March 31, 2018)	(215,682)	(205,835)
General partner	23,772	28,453
Total partners' capital	<u>1,516,469</u>	<u>1,538,759</u>
Total liabilities and partners' capital	<u>\$ 3,042,209</u>	<u>3,136,102</u>

See accompanying notes to condensed consolidated financial statements.

ANTERO MIDSTREAM PARTNERS LP

Condensed Consolidated Statements of Operations and Comprehensive Income

Three Months Ended March 31, 2017 and 2018

(Unaudited)

(In thousands, except per unit amounts)

	Three Months Ended March 31,	
	2017	2018
Revenue:		
Gathering and compression—Antero Resources	\$ 91,524	108,177
Water handling and treatment—Antero Resources	83,110	120,889
Gathering and compression—third party	135	—
Water handling and treatment—third party	—	525
Total revenue	<u>174,769</u>	<u>229,591</u>
Operating expenses:		
Direct operating	47,554	67,256
General and administrative (including \$6,286 and \$6,211 of equity-based compensation in 2017 and 2018, respectively)	14,457	14,455
Depreciation	27,536	32,432
Accretion of contingent acquisition consideration	3,526	3,874
Accretion of asset retirement obligations	—	34
Total operating expenses	<u>93,073</u>	<u>118,051</u>
Operating income	<u>81,696</u>	<u>111,540</u>
Interest expense, net	(8,836)	(11,297)
Equity in earnings of unconsolidated affiliates	2,231	7,862
Net income and comprehensive income	<u>75,091</u>	<u>108,105</u>
Net income attributable to incentive distribution rights	(11,553)	(28,453)
Limited partners' interest in net income	<u>\$ 63,538</u>	<u>79,652</u>
Net income per limited partner unit - basic and diluted	\$ 0.35	0.43
Weighted average limited partner units outstanding - basic	183,033	186,934
Weighted average limited partner units outstanding - diluted	183,447	187,173

See accompanying notes to condensed consolidated financial statements.

ANTERO MIDSTREAM PARTNERS LP
Condensed Consolidated Statements of Partners' Capital
Three Months Ended March 31, 2018
(Unaudited)
(In thousands)

	Limited Partners			Total Partners' Capital
	Common			
	Common Unitholders	Unitholder Antero Resources	General Partner	
	Public			
Balance at December 31, 2017	\$ 1,708,379	(215,682)	23,772	1,516,469
Net income and comprehensive income	37,524	42,128	28,453	108,105
Distributions to unitholders	(32,143)	(36,088)	(23,772)	(92,003)
Equity-based compensation	2,354	3,857	—	6,211
Issuance of common units upon vesting of equity-based compensation awards, net of units withheld for income taxes	32	(50)	—	(18)
Other	(5)	—	—	(5)
Balance at March 31, 2018	<u>\$ 1,716,141</u>	<u>(205,835)</u>	<u>28,453</u>	<u>1,538,759</u>

See accompanying notes to condensed consolidated financial statements.

ANTERO MIDSTREAM PARTNERS LP
Condensed Consolidated Statements of Cash Flows
Three Months Ended March 31, 2017 and 2018
(Unaudited)
(In thousands)

	Three Months Ended March	
	2017	2018
Cash flows provided by (used in) operating activities:		
Net income	\$ 75,091	108,105
Adjustment to reconcile net income to net cash provided by operating activities:		
Depreciation	27,536	32,432
Accretion of contingent acquisition consideration	3,526	3,874
Accretion of asset retirement obligations	—	34
Equity-based compensation	6,286	6,211
Equity in earnings of unconsolidated affiliates	(2,231)	(7,862)
Distributions from unconsolidated affiliates	—	7,085
Amortization of deferred financing costs	631	690
Changes in assets and liabilities:		
Accounts receivable—Antero Resources	(7,361)	(2,715)
Accounts receivable—third party	40	—
Prepaid expenses	31	(487)
Accounts payable—third party	2,504	(3,043)
Accounts payable—Antero Resources	(765)	(3,380)
Accrued liabilities	(5,540)	(6,894)
Net cash provided by operating activities	<u>99,748</u>	<u>134,050</u>
Cash flows used in investing activities:		
Additions to gathering systems and facilities	(66,559)	(93,774)
Additions to water handling and treatment systems	(36,954)	(34,197)
Investments in unconsolidated affiliates	(159,889)	(17,389)
Change in other assets	(5,874)	(1,284)
Net cash used in investing activities	<u>(269,276)</u>	<u>(146,644)</u>
Cash flows provided by (used in) financing activities:		
Distributions to unitholders	(57,633)	(92,003)
Borrowings (repayments) on bank credit facilities, net	(10,000)	105,000
Issuance of common units, net of offering costs	223,119	—
Employee tax withholding for settlement of equity compensation awards	—	(18)
Other	—	(34)
Net cash provided by financing activities	<u>155,486</u>	<u>12,945</u>
Net increase (decrease) in cash and cash equivalents	(14,042)	351
Cash and cash equivalents, beginning of period	14,042	8,363
Cash and cash equivalents, end of period	<u>\$ —</u>	<u>8,714</u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	\$ 19,668	22,348
Supplemental disclosure of noncash investing activities:		
Increase (decrease) in accrued capital expenditures and accounts payable for property and equipment	\$ 14,989	(27,284)

See accompanying notes to condensed consolidated financial statements.

ANTERO MIDSTREAM PARTNERS LP

Notes to Condensed Consolidated Financial Statements

December 31, 2017 and March 31, 2018

(1) Business and Organization

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 condensed consolidated financial statements as of March 31, 2018 include the accounts of the Partnership and its 100% owned operating subsidiaries: Antero Midstream LLC, 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 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 (the “Joint Venture”) with MarkWest Energy Partners, L.P. (“MarkWest”). See Note 13—Equity Method Investments.

The Partnership’s financial statements are consolidated with the financial statements of Antero Resources (NYSE: AR), our primary beneficiary, for financial reporting purposes.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

These condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”) applicable to interim financial information and should be read in the context of the December 31, 2017 consolidated financial statements and notes thereto for a more complete understanding of the Partnership’s operations, financial position, and accounting policies. The December 31, 2017 consolidated financial statements have been filed with the SEC in the Partnership’s 2017 Form 10-K.

These unaudited condensed consolidated financial statements of the Partnership have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial information, and, accordingly, do not include all of the information and footnotes required by GAAP for complete consolidated financial statements. In the opinion of management, these unaudited condensed consolidated financial statements include all adjustments (consisting of normal and recurring accruals) considered necessary for a fair presentation of the Partnership’s financial position as of December 31, 2017 and March 31, 2018, and the results of our operations and cash flows for the three months ended March 31, 2017 and 2018. The Partnership has no items of other comprehensive income; therefore, its net income is equal to its comprehensive income.

Certain costs of doing business incurred by Antero Resources on our behalf have been reflected in the accompanying condensed consolidated financial statements. These costs include general and administrative expenses attributed to us by Antero Resources in exchange for:

- business services, such as payroll, accounts payable and facilities management;
- corporate services, such as finance and accounting, legal, human resources, investor relations and public and regulatory policy; and
- employee compensation, including equity-based compensation.

Transactions between us and Antero Resources have been identified in the condensed consolidated financial statements (see Note 3—Transactions with Affiliates).

As of the date these condensed consolidated financial statements were filed with the SEC, we completed our 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 7—Partnership Equity and Distributions.

ANTERO MIDSTREAM PARTNERS LP

Notes to Condensed Consolidated Financial Statements

December 31, 2017 and March 31, 2018

(b) Revenue Recognition

We provide gathering and compression and water handling and treatment services under fee-based contracts primarily based on throughput or at cost plus a margin. Under these arrangements, we receive fees for gathering oil and gas products, compression services, and water handling and treatment services. The revenue we earn from these arrangements is directly related to (1) in the case of natural gas gathering and compression, the volumes of metered natural gas that we gather, compress and deliver to natural gas compression sites or other transmission delivery points, (2) in the case of oil gathering, the volumes of metered oil that we gather and deliver to other transmission delivery points, (3) in the case of fresh water services, the quantities of fresh water delivered to our customers for use in their well completion operations, (4) in the case of wastewater treatment services, the quantities of wastewater treated for our customers, or (5) in the case of flowback and produced water, the third party out-of-pocket costs we incur plus 3%. We recognize revenue when we satisfy a performance obligation by delivering a service to a customer.

(c) Use of Estimates

The preparation of the condensed 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.

(d) Cash and Cash Equivalents

We consider 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.

(e) Property and Equipment

Property and equipment primarily consists of gathering pipelines, compressor stations, fresh water delivery pipelines and facilities, and our wastewater treatment facility and related landfill to be used for the disposal of waste therefrom, stated at historical cost less accumulated depreciation and amortization. We capitalize construction-related direct labor and material costs. We also capitalize interest on capital costs during the construction phase of the water treatment facility, which is currently undergoing testing and commissioning. We capitalized interest of \$3 million for each of the three months ended March 31, 2017 and 2018. Net operating expenses incurred during commissioning are capitalized. Maintenance and repair costs are expensed as incurred.

Depreciation of property and equipment 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 our services in the areas in which we operate. 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, subsequent events could cause a change in estimates, thereby impacting future amortization amounts.

ANTERO MIDSTREAM PARTNERS LP

Notes to Condensed Consolidated Financial Statements

December 31, 2017 and March 31, 2018

Our investment in property and equipment as of the dates presented was as follows (in thousands):

	Estimated useful lives	December 31, 2017	March 31, 2018
Land	n/a	\$ 15,382	16,099
Fresh water surface pipelines and equipment	5 years	46,139	48,500
Above ground storage tanks	10 years	4,301	4,824
Fresh water permanent buried pipelines and equipment	20 years	472,810	477,536
Gathering systems and facilities	20 years	1,781,386	1,907,042
Landfill	n/a ⁽¹⁾	—	46,007
Construction-in-progress ⁽²⁾	n/a	654,904	580,469
Total property and equipment		2,974,922	3,080,477
Less accumulated depreciation		(369,320)	(401,752)
Property and equipment, net		<u>\$ 2,605,602</u>	<u>2,678,725</u>

(1) Amortization of landfill costs is recorded over the life of the landfill on a units-of-consumption basis.

(2) Construction-in-progress includes \$319 million for the construction of the wastewater treatment facility, which is currently undergoing testing and commissioning.

(f) Asset Retirement Obligations

In December 2017, we completed the construction of a landfill site to be used for the disposal of waste from our wastewater treatment facility. The landfill began accepting waste in January 2018. Our asset retirement obligations relate to our obligation to close, maintain, and monitor landfill cells and support facilities. After an entire landfill has reached capacity and is certified closed, we must continue to maintain and monitor the landfill for a post-closure period, which generally extends 30 years. We record the fair value of our landfill retirement obligations as a liability in the period in which the regulatory obligation to retire a specific asset is triggered. For our individual landfill cells, the required closure and post-closure obligations under the terms of our permits and our 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.

We are under no legal obligations, neither contractually nor under the doctrine of promissory estoppel, to restore or dismantle our gathering pipelines, compressor stations, water delivery pipelines and facilities and water treatment facility upon abandonment. Our gathering pipelines, compressor stations, fresh water delivery pipelines and facilities and water treatment facility have an indeterminate life, if properly maintained. Accordingly, we are not able to make a reasonable estimate of when future dismantlement and removal dates of our pipelines, compressor stations and facilities will occur. It has been determined by our operational management team that abandoning all other ancillary equipment, outside of the assets stated above, would require minimal costs

(g) Equity-Based Compensation

Our condensed consolidated financial statements reflect various equity-based compensation awards granted by Antero Resources, as well as compensation expense associated with our own plan. These awards include profits interests awards, restricted stock, stock options, restricted units, and phantom units. In each period, we recognize expense in an amount allocated

ANTERO MIDSTREAM PARTNERS LP

Notes to Condensed Consolidated Financial Statements

December 31, 2017 and March 31, 2018

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 us.

Under the Antero Midstream Partners LP Long-Term Incentive Plan ("Midstream LTIP"), certain non-employee directors of our general partner and certain officers, employees and consultants of our 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 us to Antero Resources. Antero Resources recognizes compensation expense for the units awarded to its employees and a portion of that expense is allocated to us. See Note 8—Equity-Based Compensation.

(h) Income Taxes

Our condensed consolidated financial statements do not include a provision for income taxes as we are 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.

(i) Fair Value Measures

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 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 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.

The carrying values on our balance sheet of our cash and cash equivalents, accounts receivable—Antero Resources, accounts receivable—third party, prepaid expenses, other assets, accounts payable, accounts payable—Antero Resources, accrued liabilities, other current liabilities, other liabilities and the revolving credit facility approximate fair values due to their short-term maturities.

(j) 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 13—Equity Method Investments.

(k) Adoption of New Accounting Principle

On May 28, 2014, 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 replaces most existing revenue recognition guidance in GAAP when it became effective and was incorporated into GAAP as Accounting Standards Codification ("ASC") Topic 606. The new standard became effective for us on January 1, 2018. The standard permits the use of either the retrospective or cumulative effect transition

ANTERO MIDSTREAM PARTNERS LP

Notes to Condensed Consolidated Financial Statements

December 31, 2017 and March 31, 2018

method. We have elected the cumulative effect method. The adoption of ASU 2014-09 did not have a material impact on our financial results. For additional information, see Note 4—Revenue.

(1) Recently Issued Accounting Standard

On February 25, 2016, the FASB issued ASU No. 2016-02, *Leases*, which requires all leasing arrangements to be presented in the balance sheet as liabilities along with a corresponding asset. The ASU will replace most existing leases guidance in GAAP when it becomes effective. The new standard becomes effective for us on January 1, 2019. Although early application is permitted, we do not plan to early adopt the ASU. The standard requires the use of the modified retrospective transition method. We are evaluating the effect that ASU 2016-02 will have on our consolidated financial statements and related disclosures. We are evaluating the standard's applicability to our various contractual arrangements with Antero Resources and have tentatively concluded that the application of the ASU to our contractual arrangements with Antero Resources could be subject to differing interpretations. The accounting treatment for these arrangements under the ASU could include (i) the recognition of our Antero contracts as leases under the ASU, (ii) characterization of our servicing revenues from gathering, compression, and water handling and treatment as revenues from leasing or financing, and (iii) derecognition of assets on our balance sheet that are used to provide services under contracts containing variable payment terms. Other interpretations and applications of the standard are also possible. We continue to monitor relevant industry guidance regarding implementation of ASU 2016-02 and will adjust our implementation of the standard as necessary. We believe that adoption of the standard will not impact our operational strategies, growth prospects, or cash flow.

(3) Transactions with Affiliates

(a) Revenues

All revenues earned in the three months ended March 31, 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 our operations are employees of Antero Resources. Direct operating expense includes allocated costs of \$1.2 million and \$1.7 million during the three months ended March 31, 2017 and 2018, respectively, related to labor charges for Antero Resources employees associated with the operation of our gathering lines, compressor stations, and water handling and treatment assets. General and administrative expense includes allocated costs of \$13.0 million and \$13.2 million during the three months ended March 31, 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 8—Equity-Based Compensation for more information). 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 gross property and equipment, capital expenditures and labor costs, as applicable. We reimburse Antero Resources directly for all general and administrative costs allocated to us, 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.

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(4) Revenue

(a) Revenue from Contracts with Customers

All of our revenues are derived from service contracts with customers, and are recognized when we satisfy a performance obligation by delivering a service to a customer. Antero Resources is our most significant customer, and we expect to derive substantially all of our revenues from Antero Resources for the foreseeable future. The following sets forth the nature, timing of satisfaction of performance obligations, and significant payment terms of our contracts with Antero Resources.

Gathering and Compression Agreement

Antero Resources has dedicated all of its current and future acreage in West Virginia, Ohio and Pennsylvania to us for gathering and compression services except for acreage attributable to 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 of \$0.30 per Mcf, a high pressure gathering fee of \$0.18 per Mcf, and a compression fee of \$0.18 per Mcf, in each case subject to CPI-based adjustments since 2014. In addition, the agreement stipulates that we receive a reimbursement for the actual cost of electricity used at our compressor stations.

We satisfy our performance obligations and recognize 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. We invoice the customer the month after each service is performed, and payment is due in the same month.

Water Handling and Treatment Agreement

In connection with Antero Resources' contribution of Antero Water and certain wastewater treatment assets to us in September 2015 (the "Water Acquisition"), we entered into a water services agreement with Antero Resources whereby we 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 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, we receive a fixed fee of \$3.685 per barrel in West Virginia and \$3.635 per barrel in Ohio and all other locations for fresh water deliveries by pipeline directly to the well site, as well as \$3.116 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 us a fixed fee of \$4.00 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, we may also contract with third parties to provide Antero Resources flow back and produced water services. Antero Resources reimburses us for third party out-of-pocket costs plus a 3% markup.

We satisfy our performance obligations and recognize 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 our wastewater treatment facility. For services contracted through third party providers, our performance obligation is satisfied when the service to be performed by the third party provider has been completed. We invoice the customer the month after each service is performed, and payment is due in the same month.

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Minimum Volume Commitments

Both the gathering and compression and water handling and treatment agreements include certain minimum volume commitment provisions, which are intended to support the stability of our cash flows. 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. 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 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 2018 and 2019. We recognize 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.

Minimum revenue amounts under the minimum volume commitments are as follows (in thousands):

	Remainder of 2018	Year Ended December 31,					Thereafter	Total
		2019	2020	2021	2022	2023		
Minimum revenue under the Gathering and Compression Agreement	\$ 113,585	150,758	151,171	150,758	150,758	150,758	462,378	1,330,166
Minimum revenue under the Water Handling and Treatment Agreement	124,740	165,564	—	—	—	—	—	290,304
Total	\$ 238,325	316,322	151,171	150,758	150,758	150,758	462,378	1,620,470

(b) Disaggregation of Revenue

In the following table, revenue is disaggregated by type of service and type of fee (in thousands). The table also identifies the reportable segment to which the disaggregated revenues relate. For more information on reportable segments, see Note 14—Reportable Segments.

Type of Service	Three months ended March 31,		Segment to which revenues relate
	2017	2018	
Gathering—low pressure	\$ 47,202	53,263	Gathering and Processing
Gathering—high pressure	26,900	30,524	Gathering and Processing
Compression	17,493	24,390	Gathering and Processing
Condensate gathering	64	—	Gathering and Processing
Fresh water delivery	49,703	75,793	Water Handling and Treatment
Other fluid handling	33,407	45,621	Water Handling and Treatment
	\$ 174,769	229,591	
Type of Contract			
Fixed Fee	\$ 141,362	183,970	Gathering and Processing; Water Handling and Treatment
Cost plus 3%	33,407	45,621	Water Handling and Treatment
	\$ 174,769	229,591	

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(c) Transaction Price Allocated to Remaining Performance Obligations

The majority of our service contracts have a term greater than one year, and as such we have 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 our service contracts, each unit of product delivered to the customer represents a separate performance obligation; therefore, future volumes are wholly unsatisfied and thus disclosure of the transaction price allocated to remaining performance obligations is not required.

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. We have utilized an additional practical expedient in ASC 606 which exempts us 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 our service contracts, we invoice customers after our performance obligations have been satisfied, at which point payment is unconditional. Accordingly, our service contracts do not give rise to contract assets or liabilities under ASC 606. At December 31, 2017 and March 31, 2018, our receivables from contracts with customers were \$110 million and \$111 million, respectively.

(5) Long-Term Debt

Long-term debt was as follows at December 31, 2017 and March 31, 2018 (in thousands):

	<u>December 31, 2017</u>	<u>March 31, 2018</u>
Credit Facility (a)	\$ 555,000	660,000
5.375% senior notes due 2024 (b)	650,000	650,000
Net unamortized debt issuance costs	(9,000)	(8,720)
	<u>\$ 1,196,000</u>	<u>1,301,280</u>

(a) Revolving Credit Facility

On October 26, 2017, we entered into an amended and restated senior revolving credit facility (our “Credit Facility” or “revolving credit facility”). The Credit Facility provides for fall away covenants and lower interest rates that are triggered if and when elect to enter into an Investment Grade Period, as described below.

Lender commitments under the Credit Facility are \$1.5 billion and the maturity date of the Credit Facility is October 26, 2022. 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 our properties, including the properties of our subsidiaries, and guarantees from our 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 our equity interests in accordance with the cash distribution policy adopted by the board of directors of our general partner in connection

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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 March 31, 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, plus an applicable margin rate. 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. During any period that is not an Investment Grade Period, the applicable margin rates range from 25 basis points to 225 basis points. During an Investment Grade Period, the applicable margin rates range from 12.5 basis points to 200 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.

At December 31, 2017 and March 31, 2018, we had borrowings under the Credit Facility of \$555 million and \$660 million, respectively, with a weighted average interest rate of 2.81% and 2.95%, respectively. No letters of credit were outstanding at December 31, 2017 or March 31, 2018 under the Credit Facility.

(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 to 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 a “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.

(6) Accrued Liabilities

Accrued liabilities as of December 31, 2017 and March 31, 2018 consisted of the following items (in thousands):

	December 31, 2017	March 31, 2018
Capital expenditures	\$ 63,286	34,538
Operating expenses	29,905	31,337
Interest expense	10,508	1,864
Other	2,307	2,630
	\$ 106,006	70,369

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(7) 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		3,046
Accretion expense		34
Asset retirement obligations - March 31, 2018	\$	<u>3,080</u>

(8) Equity-Based Compensation

Our general and administrative expenses include equity-based compensation costs allocated to us by Antero Resources for grants made pursuant to Antero Resources' long-term incentive plan and the Midstream LTIP. Equity-based compensation expense allocated to us was \$6.3 million and \$6.2 million for the three months ended March 31, 2017 and 2018, respectively. These expenses were allocated to us based on our proportionate share of Antero Resources' labor costs. Antero Resources has unamortized expense totaling approximately \$88.1 million as of March 31, 2018 related to its various equity-based compensation plans, which includes the Midstream LTIP. A portion of this will be allocated to us 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

Our general partner manages our operations and activities, and Antero Resources employs the personnel who provide support to our operations. Our general partner has adopted the Midstream LTIP, pursuant to which non-employee directors of our general partner and certain officers, employees and consultants of our 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 7,876,693 common units are available for future grant under the Midstream LTIP as of March 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 our 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.

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A summary of restricted unit and phantom unit awards activity during the three months ended March 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	9,449	\$ 31.75	
Vested	(1,491)	\$ 33.52	
Forfeited	(24,990)	\$ 28.96	
Total awarded and unvested—March 31, 2018	<u>1,025,931</u>	\$ 28.71	\$ 26,561

Intrinsic values are based on the closing price of the Partnership’s common units on the referenced dates. Midstream LTIP unamortized expense of \$20.4 million at March 31, 2018, is expected to be recognized over a weighted average period of approximately 1.9 years and our proportionate share will be allocated to us as it is recognized.

(9) Partnership Equity and Distributions

Our Minimum Quarterly Distribution

Our 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 our unitholders exceed \$0.1955 per common unit in any quarter, our unitholders and the holder of our incentive distribution rights (“IDRs”), will receive distributions according to the following percentage allocations:

Total Quarterly Distribution Target Amount	Marginal Percentage Interest in Distributions	
	Unitholders	Holder of IDRs
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

Our general partner owns a non-economic general partner interest in us, which does not entitle it to receive cash distributions. However, our 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 us and will be entitled to receive distributions on any such interests.

Cash Distributions

The board of directors of our general partner has declared a cash distribution of \$0.39 per unit for the quarter ended March 31, 2018. The distribution will be payable on May 18, 2018 to unitholders of record as of May 3, 2018.

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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 limited partner unit
			Common unitholders	Holder of IDRs	Total	
Q4 2016	February 1, 2017	February 8, 2017	\$ 50,090	7,543	57,633	\$ 0.2800
*	April 21, 2017	April 30, 2017	75	—	75	*
Q1 2017	May 3, 2017	May 10, 2017	55,753	11,553	67,306	0.3000
Q2 2017	August 3, 2017	August 16, 2017	59,695	15,328	75,023	0.3200
Q3 2017	November 1, 2017	November 16, 2017	63,454	19,067	82,521	0.3400
*	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	\$ 0.3650
	Total 2018		<u>\$ 68,231</u>	<u>23,772</u>	<u>92,003</u>	

* Distribution equivalent rights on limited partner interests that vested under the Midstream LTIP.

(10) Net Income Per Limited Partner Unit

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 holder of the incentive distribution rights. Basic and diluted net income per limited partner unit is calculated by dividing limited partners' interest in net income, less incentive distributions, by the weighted average number of outstanding limited partner units during the period.

We compute earnings per unit using the two-class method for master limited partnerships. 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.

We calculate net income available to limited partners based on the distributions pertaining to the current period's net income. After adjusting for the appropriate period's distributions, the remaining undistributed earnings or excess distributions over earnings, if any, are attributed in accordance with the contractual terms of the partnership agreement under the two-class method.

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 three months ended March 31, 2018 was calculated based on the diluted weighted average number of units outstanding of 187,172,540, including 238,799 dilutive units attributable to non-vested restricted unit and phantom unit awards. For the three months ended March 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.

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The Partnership's calculation of net income per limited partner unit for the periods indicated is as follows (in thousands, except per unit data):

	Three Months Ended March 31,	
	2017	2018
Net income	\$ 75,091	108,105
Less:		
Net income attributable to incentive distribution rights	(11,553)	(28,453)
Limited partner interest in net income	<u>\$ 63,538</u>	<u>79,652</u>
Net income per limited partner unit - basic and diluted	\$ 0.35	0.43
Weighted average limited partner units outstanding - basic	183,033	186,934
Weighted average limited partner units outstanding - diluted	183,447	187,173

(11) Sale of Common Units Under Equity Distribution Agreement

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.

The Partnership did not issue or sell any common units under the Distribution Agreement during the three months ended March 31, 2018. As of March 31, 2018, additional common units under the Distribution Agreement up to an aggregate sales price of \$157.3 million were available for issuance.

(12) Fair Value Measurement

In connection with the Water Acquisition, we have 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.

The following table provides a reconciliation of changes in Level 3 financial liabilities measured at fair value on a recurring basis for the period shown below (in thousands):

Contingent acquisition consideration - December 31, 2017	\$ 208,014
Accretion and change in fair value	3,874
Contingent acquisition consideration - March 31, 2018	<u>\$ 211,888</u>

We account for contingent consideration in accordance with applicable accounting guidance pertaining to business combinations. We are 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. We update our assumptions each reporting period based on new developments and adjust such amounts to fair value based on revised

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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 March 31, 2018, we expect to pay the entire amount of the contingent consideration amounts in 2019 and 2020. 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 March 31, 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 March 31, 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 \$651.6 million at March 31, 2018.

(13) Equity Method Investments

In the second quarter of 2016, we exercised our option to purchase a 15% equity interest in Stonewall, which operates the 67-mile Stonewall pipeline on which Antero Resources is an anchor shipper.

On February 6, 2017, we formed the Joint Venture to develop processing and fractionation assets in Appalachia with MarkWest, a wholly owned subsidiary of MPLX, LP. We and MarkWest each own a 50% equity 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.

Our net income includes our proportionate share of the net income of the Joint Venture and Stonewall. When we record our proportionate share of net income, it increases equity income in the condensed consolidated statements of operations and comprehensive income and the carrying value of that investment on its balance sheet. When distributions on our 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. We use the equity method of accounting to account for our investments in Stonewall and the Joint Venture because we exercise significant influence, but not control, over the entities. Our judgment regarding the level of influence over our equity investments includes considering key factors such as our ownership interest, representation on the board of directors and participation in policy-making decisions of Stonewall and the Joint Venture.

The following table is a reconciliation of our investments in these unconsolidated affiliates (in thousands):

	Stonewall	MarkWest Joint Venture	Total Investment in Unconsolidated Affiliates
Balance at December 31, 2017	\$ 67,128	236,174	303,302
Additional investments	—	17,389	17,389
Equity in net income of unconsolidated affiliates	2,738	5,124	7,862
Distributions from unconsolidated affiliates	(870)	(6,215)	(7,085)
Balance at March 31, 2018	\$ 68,996	252,472	321,468

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(14) 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 equity in earnings from processing and fractionation plants through our equity 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 is currently undergoing testing and commissioning, as well as other fluid handling services which includes high rate transfer, wastewater transportation, disposal and treatment. See Note 2—Summary of Significant Accounting Policies, 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. We evaluate the performance of the Partnership's business segments based on operating income. Interest expense is primarily managed and evaluated on a consolidated basis.

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Summarized financial information concerning the Partnership's segments for the periods indicated is shown in the following table (in thousands):

	Gathering and Processing	Water Handling and Treatment	Consolidated Total
Three months ended March 31, 2017			
Revenues:			
Revenue - Antero Resources	\$ 91,524	83,110	174,634
Revenue - third-party	135	—	135
Total revenues	<u>91,659</u>	<u>83,110</u>	<u>174,769</u>
Operating expenses:			
Direct operating	8,114	39,440	47,554
General and administrative (before equity-based compensation)	5,549	2,622	8,171
Equity-based compensation	4,589	1,697	6,286
Depreciation	19,700	7,836	27,536
Accretion of contingent acquisition consideration	—	3,526	3,526
Total expenses	<u>37,952</u>	<u>55,121</u>	<u>93,073</u>
Operating income	<u>\$ 53,707</u>	<u>27,989</u>	<u>81,696</u>
Equity in earnings of unconsolidated affiliates	\$ 2,231	—	2,231
Total assets	\$ 1,925,752	645,941	2,571,693
Additions to property and equipment	\$ 66,559	36,954	103,513
Three months ended March 31, 2018			
Revenues:			
Revenue - Antero Resources	\$ 108,177	120,889	229,066
Revenue - third-party	—	525	525
Total revenues	<u>108,177</u>	<u>121,414</u>	<u>229,591</u>
Operating expenses:			
Direct operating	11,382	55,874	67,256
General and administrative (before equity-based compensation)	5,704	2,540	8,244
Equity-based compensation	4,658	1,553	6,211
Depreciation	23,414	9,018	32,432
Accretion of contingent acquisition consideration	—	3,874	3,874
Accretion of asset retirement obligations	—	34	34
Total expenses	<u>45,158</u>	<u>72,893</u>	<u>118,051</u>
Operating income	<u>\$ 63,019</u>	<u>48,521</u>	<u>111,540</u>
Equity in earnings of unconsolidated affiliates	\$ 7,862	—	7,862
Total assets	\$ 2,202,193	933,909	3,136,102
Additions to property and equipment	\$ 93,774	34,197	127,971

Item 2. 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 condensed consolidated financial statements and related notes included elsewhere in this report. The information provided below supplements, but does not form part of, our condensed consolidated 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 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. For more information please refer to the Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC on February 13, 2018.

In this section, references to “the Partnership,” “we,” “us,” and “our” refer to Antero Midstream Partners LP and its subsidiaries, unless otherwise indicated or the context otherwise requires.

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 we also provide other fluid handling services for well completion and production operations in Antero Resources’ operating areas. 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 other fluid handling services consist of wastewater transportation, disposal, and treatment, including through a water treatment facility which is currently undergoing testing and commissioning. We believe that our strategically located assets and our relationship with Antero Resources has allowed us to become a leading midstream energy company serving the Marcellus and Utica shale plays.

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 on our website under the “Investors Relations” link.

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

First Quarter 2018 Developments and Highlights

Financial Results

For the three months ended March 31, 2018, we generated cash flows from operations of \$134 million, net income of \$108 million, and Adjusted EBITDA of \$161 million. This compares to cash flows from operations of \$100 million, net income of \$75 million, and Adjusted EBITDA of \$119 million for the three months ended March 31, 2017. See “—Non-GAAP Financial Measures” for a definition of Adjusted EBITDA (a non-GAAP measure) and a reconciliation of Adjusted EBITDA to net income for the three months ended March 31, 2017 and 2018

Cash Distributions

The board of directors of our general partner has declared a cash distribution of \$0.39 per unit for the quarter ended March 31, 2018. The distribution will be payable on May 18, 2018 to unitholders of record as of May 3, 2018.

2017 Capital Budget and Capital Spending

Our 2018 capital budget is approximately \$650 million, which includes \$585 million of expansion capital and \$65 million of maintenance capital. The capital budget includes \$385 million of capital for gathering and compression infrastructure, approximately 90% of which will be invested in the Marcellus Shale and the remaining 10% will be invested in the Utica Shale. The gathering and compression budget is expected to fund construction of over 51 miles of gathering pipelines in the Marcellus and Utica Shales combined. We also expect to invest \$35 million for water infrastructure capital to construct 25 miles of additional buried fresh water pipelines and surface pipelines to support Antero Resources' completion activities. Approximately 85% of the water infrastructure budget will be allocated to the Marcellus Shale and the remaining 15% will be allocated to the Utica Shale. Our 2018 budget also includes \$15 million of capital for the final completion of our advanced wastewater treatment facility, which is currently undergoing testing and commissioning, and \$215 million for our investment in the joint venture to develop processing and fractionation assets (the "Joint Venture") with MarkWest Energy Partners, L.P. ("MarkWest").

For the three months ended March 31, 2018, our capital expenditures were approximately \$145 million, including \$111 million of expansion capital, \$17 million of maintenance capital, and \$17 million of capital investment in the Joint Venture.

Credit Facility

As of March 31, 2018, lender commitments under our revolving credit facility were \$1.5 billion, with a letter of credit sublimit of \$150 million. At March 31, 2018, we had borrowings of \$660 million and no letters of credit outstanding under the revolving credit facility. See "—Debt Agreements—Revolving Credit Facility" for a description of our revolving credit facility.

Special Committee Formation

On February 26, 2018, we announced that the board of directors of our general partner formed a special committee comprised solely of independent directors in conjunction with the formation of special committees at both Antero Resources and at Antero Midstream GP LP, the sole member of our general partner. Antero Resources' ongoing efforts to explore, review and evaluate potential measures related to its valuation may include transactions involving us, and the special committee was established to consider any such transactions. The special committee has hired legal advisors and financial advisors to assist in its evaluation of potential measures that could involve us. However, as of the date of filing this Quarterly Report on Form 10-Q, no decision on any particular strategic alternative or transaction has been reached, and there is no assurance that any future agreement will be reached, or that any future strategic alternative transaction or transactions will occur.

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 four years. Accordingly, our revenues and expenses over that time reflect the significant ramp up in our operations. Similarly, Antero Resources has experienced significant changes in its production and drilling and completion schedule over that same period. Accordingly, it may be difficult to project trends from our historical financial data going forward.

Results of Operations

Three Months Ended March 31, 2017 Compared to Three Months Ended March 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 three months ended March 31, 2017 and 2018 (in thousands):

	Gathering and Processing	Water Handling and Treatment	Consolidated Total
Three months ended March 31, 2017			
Revenues:			
Revenue - Antero Resources	\$ 91,524	83,110	174,634
Revenue - third-party	135	—	135
Total revenues	<u>91,659</u>	<u>83,110</u>	<u>174,769</u>
Operating expenses:			
Direct operating	8,114	39,440	47,554
General and administrative (before equity-based compensation)	5,549	2,622	8,171
Equity-based compensation	4,589	1,697	6,286
Depreciation	19,700	7,836	27,536
Accretion of contingent acquisition consideration	—	3,526	3,526
Total expenses	<u>37,952</u>	<u>55,121</u>	<u>93,073</u>
Operating income	<u>\$ 53,707</u>	<u>27,989</u>	<u>81,696</u>
Segment and consolidated Adjusted EBITDA ⁽¹⁾	\$ 77,996	41,048	119,044
Three months ended March 31, 2018			
Revenues:			
Revenue - Antero Resources	\$ 108,177	120,889	229,066
Revenue - third-party	—	525	525
Total revenues	<u>108,177</u>	<u>121,414</u>	<u>229,591</u>
Operating expenses:			
Direct operating	11,382	55,874	67,256
General and administrative (before equity-based compensation)	5,704	2,540	8,244
Equity-based compensation	4,658	1,553	6,211
Depreciation	23,414	9,018	32,432
Accretion of contingent acquisition consideration	—	3,874	3,874
Accretion of asset retirement obligations	—	34	34
Total expenses	<u>45,158</u>	<u>72,893</u>	<u>118,051</u>
Operating income	<u>\$ 63,019</u>	<u>48,521</u>	<u>111,540</u>
Segment and consolidated Adjusted EBITDA ⁽¹⁾	\$ 98,176	63,000	161,176

(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 see “— Non-GAAP Financial Measures” below.

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The following table sets forth selected operating data for the three months ended March 31, 2017 compared to the three months ended March 31, 2018 (in thousands, except average realized fees):

	Three Months Ended March 31,		Amount of Increase (Decrease)	Percentage Change
	2017	2018		
Revenue:				
Revenue - Antero Resources	\$ 174,634	229,066	54,432	31 %
Revenue - third-party	135	525	390	289 %
Total revenue	174,769	229,591	54,822	31 %
Operating expenses:				
Direct operating	47,554	67,256	19,702	41 %
General and administrative (before equity-based compensation)	8,171	8,244	73	1 %
Equity-based compensation	6,286	6,211	(75)	(1)%
Depreciation	27,536	32,432	4,896	18 %
Accretion of contingent acquisition consideration	3,526	3,874	348	10 %
Accretion of asset retirement obligations	—	34	34	*
Total operating expenses	93,073	118,051	24,978	27 %
Operating income	81,696	111,540	29,844	37 %
Interest expense	(8,836)	(11,297)	(2,461)	28 %
Equity in earnings of unconsolidated affiliates	2,231	7,862	5,631	252 %
Net income	\$ 75,091	108,105	33,014	44 %
Adjusted EBITDA ⁽¹⁾	\$ 119,044	161,176	42,132	35 %
Operating Data:				
Gathering—low pressure (MMcf)	149,268	165,192	15,924	11 %
Gathering—high pressure (MMcf)	142,313	158,862	16,549	12 %
Compression (MMcf)	92,521	127,195	34,674	37 %
Condensate gathering (MBbl)	15	—	(15)	*
Fresh water delivery (MBbl)	13,363	19,915	6,552	49 %
Other fluid handling (MBbl)	3,199	3,979	780	24 %
Wells serviced by fresh water delivery	34	46	12	35 %
Gathering—low pressure (MMcf/d)	1,659	1,835	176	11 %
Gathering—high pressure (MMcf/d)	1,581	1,765	184	12 %
Compression (MMcf/d)	1,028	1,413	385	37 %
Fresh water delivery (MBbl/d)	148	221	73	49 %
Other fluid handling (MBbl/d)	36	44	8	24 %
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 gathering—condensate fee (\$/Bbl)	\$ 4.20	—	*	*
Average fresh water delivery fee (\$/Bbl)	\$ 3.71	3.78	0.07	2 %
Joint Venture Operating Data:				
Processing - Joint Venture (MMcf)	4,649	46,726	42,077	905 %
Fractionation - Joint Venture (MBbl)	65	555	490	754 %
Processing - Joint Venture (MMcf/d)	52	519	467	905 %
Fractionation - Joint Venture (MBbl/d)	1	6	5	754 %

* 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 measure calculated and presented in accordance with GAAP, please see “—Non-GAAP Financial Measures” below.

Sources of Water Handling and Treatment Revenue. Water handling and treatment revenues are generated from fresh water delivery and other fluid handling services. Fresh water delivery is billed at a fixed fee per barrel. Other fluid handling services include the disposal and treatment of wastewater and high rate transfer of fresh water and services provided by third parties are billed at our cost plus 3%.

Revenue - Antero Resources. Revenues from Antero Resources increased by 31%, from \$175 million for the three months ended March 31, 2017 to \$229 million for the three months ended March 31, 2018. Gathering and compression revenues increased by 18%, from \$92 million for the three months ended March 31, 2017 to \$108 million for the three months ended March 31, 2018. Water handling and treatment revenues increased by 45%, from \$83 million for the three months ended March 31, 2017 to \$121 million for the three months ended March 31, 2018. These fluctuations primarily resulted from the following:

- compression revenue increased \$7 million period over period due to an increase of throughput volumes of 35 Bcf, or 385 MMcf/d, primarily due to the addition of five new compressor stations that were placed in service since March 31, 2017, and additional wells serviced by our system;
- low pressure gathering revenue increased \$6 million period over period due to an increase of throughput volumes of 16 Bcf, or 176 MMcf/d, which was due to 115 additional wells serviced by our system since March 31, 2017;
- high pressure gathering revenue increased \$3 million period over period due to an increase of throughput volumes of 17 Bcf, or 184 MMcf/d, primarily as a result of the addition of two new high pressure gathering lines placed in service since March 31, 2017;
- fresh water delivery revenue increased \$26 million period over period due to an increase in fresh water delivery of 6,552 MBbl, or 73 MBbl/d, primarily due to an increase in the amount of water used in well completions by Antero Resources; and
- other fluid handling services revenue increased \$12 million period over period due to an increase in other fluid handling volumes of 780 MBbl, or 8 MBbl/d.

Direct operating expenses. Total direct operating expenses increased by 41%, from \$48 million for the three months ended March 31, 2017 to \$67 million for the three months ended March 31, 2018. Gathering and compression direct operating expenses increased from \$8 million for the three months ended March 31, 2017 to \$11 million for the three months ended March 31, 2018. The increase was primarily due to an increase in the number of gathering pipelines and compressor stations. Water handling and treatment direct operating expenses increased from \$40 million for the three months ended March 31, 2017 to \$56 million for the three months ended March 31, 2018. The increase was primarily due to an increase in other fluid handling volumes as well as an increase in the number of wells serviced by freshwater delivery services.

General and administrative expenses. General and administrative expenses (before equity-based compensation expense) remained relatively consistent at \$8 million for the three months ended March 31, 2017 and 2018.

Equity-based compensation expenses. Equity-based compensation expenses were \$6 million for the three months ended March 31, 2017 and 2018.

Depreciation expense. Total depreciation expense increased by 18%, from \$28 million for the three months ended March 31, 2017 to \$33 million for the three months ended March 31, 2018. The increase was primarily due to additional gathering, compression, and water handling and treatment assets placed into service.

Accretion of contingent acquisition consideration. Accretion of contingent acquisition consideration remained relatively consistent at \$4 million for the three months ended March 31, 2017 and 2018. In connection with Antero Resources' contribution of Antero Water LLC and certain wastewater treatment assets to us in September 2015 (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 in 2019 and 2020. As of March 31, 2018, we expect to pay the entire amount of the contingent consideration amounts in 2019 and 2020.

Accretion of asset retirement obligations. In the three months ended March 31, 2018, the treatment facility landfill began accepting waste, creating an asset retirement obligation to close and monitor the landfill in the future according to environmental standards. The accretion of this obligation began in January 2018.

Interest expense. Interest expense increased by 28%, from \$9 million, net of \$3 million in capitalized interest, for the three months ended March 31, 2017 to \$11 million, net of \$3 million in capitalized interest, for the three months ended March 31, 2018. The increase was primarily due to an increase in interest expense incurred on increased borrowings outstanding under the revolving credit facility.

Operating income. Total operating income increased by 37%, from \$82 million for the three months ended March 31, 2017 to \$112 million for the three months ended March 31, 2018. Gathering and compression operating income increased by 17%, from \$54 million for the three months ended March 31, 2017 to \$63 million for the three months ended March 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 by 73%, from \$28 million for the three months ended March 31, 2017 to \$49 million for the three months ended March 31, 2018. The increase was primarily due to an increase in other fluid handling volumes as well as an increase in the number of wells serviced by freshwater delivery services.

Equity in earnings of unconsolidated affiliates. Equity in earnings in unconsolidated affiliates increased by 252%, from \$2 million for the three months ended March 31, 2017 to \$8 million for the three months ended March 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 was primarily attributable to the commencement of operations of the Joint Venture in February 2017.

Adjusted EBITDA. Adjusted EBITDA increased by 35%, from \$119 million for the three months ended March 31, 2017 to \$161 million for the three months ended March 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 measure calculated and presented in accordance with GAAP, read “—Non-GAAP Financial Measures” below.

Capital Resources and Liquidity

Sources and Uses of Cash

Capital resources and liquidity are 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 twelve 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. The board of directors of our general partner has declared a cash distribution of \$0.39 per unit for the quarter ended March 31, 2018. The distribution will be payable on May 18, 2018 to unitholders of record as of May 3, 2018.

We expect our future cash requirements relating to working capital, maintenance capital expenditures and quarterly cash distributions to our partners will be funded from cash flows internally generated from our operations. Our expansion capital expenditures will be funded by borrowings under our revolving credit facility or from potential capital markets transactions.

The following table summarizes our cash flows for the three months ended March 31, 2017 and 2018:

(in thousands)	Three Months Ended March 31,		Increase/ Decrease
	2017	2018	
Operating activities	\$ 99,748	134,050	34,302
Investing activities	(269,276)	(146,644)	(122,632)
Financing activities	155,486	12,945	(142,541)
Net increase (decrease) in cash and cash equivalents	\$ (14,042)	351	

Cash Flows Provided by Operating Activities

Net cash provided by operating activities was \$100 million and \$134 million for the three months ended March 31, 2017 and 2018, respectively. The increase in cash flows from operations for the three months ended March 31, 2018 compared to the three months ended March 31, 2017 was the result of increased throughput volumes and revenues as a result of new gathering, compression and water handling systems placed in service since March 31, 2017.

Cash Flows Used in Investing Activities

During the three months ended March 31, 2017 and 2018, we used cash flows in investing activities of \$269 million and \$147 million, respectively. The period over period decrease was primarily due to the decrease in the amount invested in the Joint Venture, which was \$17 million for the three months ended March 31, 2018, compared to \$160 million during the three months ended March 31, 2017. This decrease was partially offset by an increase in our capital expenditures for gathering systems and facilities and water handling and treatment systems.

The board of directors of our general partner has approved a capital budget of \$650 million for 2018, which includes \$585 million of expansion capital and \$65 million of maintenance capital. Our capital budgets may be adjusted as business conditions warrant. The amount, timing, and allocation of capital expenditures is largely discretionary and within our control. 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 three months ended March 31, 2018 months of \$13 million consisted of (i) \$105 million in net borrowings under the Credit Facility, partially offset by \$92 million in cash distributions to our unitholders.

Net cash provided by financing activities for the three months ended March 31, 2017 of \$155 million is the result of \$223 million in net proceeds from the issuance of 6,900,000 common units in February 2017, partially offset by (i) \$58 million in quarterly cash distributions to our unitholders, and (ii) \$10 million in net repayments under our revolving credit facility.

Debt Agreements

Revolving Credit Facility

On October 26, 2017, we entered into an amended and restated senior revolving credit facility. The Credit Facility includes fall away covenants and lower interest rates that are triggered if and when we elect to enter an Investment Grade Period, as described below.

Lender commitments under the facility are \$1.5 billion and the maturity date of the facility is October 26, 2022. At March 31, 2018, we had \$660 million of borrowings and no letters of credit outstanding under the Credit Facility. Borrowings under the Credit Facility are limited by certain financial ratio covenants which may increase the interest rate we owe 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 March 31, 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 a “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

A summary of our contractual obligations by maturity date as of March 31, 2018 is provided in the following table.

(in millions)	Remainder of 2018	Year Ended December 31,					Thereafter	Total
		2019	2020	2021	2022	2023		
Credit Facility ⁽¹⁾	\$ —	—	—	—	660	—	—	660
5.375% senior notes due 2024—principal	—	—	—	—	—	—	650	650
5.375% senior notes due 2024—interest	18	35	35	35	35	35	35	228
Water treatment ⁽²⁾	27	—	—	—	—	—	—	27
Contingent acquisition consideration ⁽³⁾	—	125	125	—	—	—	—	250
Asset retirement obligations	—	—	—	1	—	—	2	3
Total⁽⁴⁾	\$ 45	160	160	36	695	35	687	1,818

- (1) Includes outstanding principal amounts on the revolving credit facility at March 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.
- (3) 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.
- (4) 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.

Non-GAAP Financial Measures

We view Adjusted EBITDA as an important indicator of our performance. We define Adjusted EBITDA as net income before interest expense, depreciation expense, and accretion, equity-based compensation expense, excluding equity in earnings of unconsolidated affiliates, and including cash distributions from unconsolidated affiliates.

We use Adjusted EBITDA to assess:

- the financial performance of our assets, without regard to financing methods in the case of Adjusted EBITDA, capital structure or historical cost basis;
- 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
- 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 ongoing maintenance capital expenditures paid. 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. 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, interest expense, depreciation expense, accretion, excluding equity in earnings of unconsolidated affiliates, and including cash distributions from 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
Three months ended March 31, 2017			
Operating income	\$ 53,707	27,989	81,696
Depreciation expense	19,700	7,836	27,536
Accretion of contingent acquisition consideration	—	3,526	3,526
Equity-based compensation	4,589	1,697	6,286
Segment and consolidated Adjusted EBITDA	<u>\$ 77,996</u>	<u>41,048</u>	<u>119,044</u>
Three months ended March 31, 2018			
Operating income	\$ 63,019	48,521	111,540
Depreciation expense	23,414	9,018	32,432
Accretion of contingent acquisition consideration	—	3,874	3,874
Accretion of asset retirement obligations	—	34	34
Equity-based compensation	4,658	1,553	6,211
Distributions from unconsolidated affiliates	7,085	—	7,085
Segment and consolidated Adjusted EBITDA	<u>\$ 98,176</u>	<u>63,000</u>	<u>161,176</u>

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

(in thousands)	Three Months Ended March 31,	
	2017	2018
Reconciliation of Net Income to Segment and Consolidated Adjusted EBITDA and Distributable Cash Flow:		
Net income	\$ 75,091	108,105
Interest expense	8,836	11,297
Depreciation expense	27,536	32,432
Accretion of contingent acquisition consideration	3,526	3,874
Accretion of asset retirement obligations	—	34
Equity-based compensation	6,286	6,211
Equity in earnings of unconsolidated affiliates	(2,231)	(7,862)
Distributions from unconsolidated affiliates	—	7,085
Segment and consolidated Adjusted EBITDA	119,044	161,176
Interest paid	(19,668)	(22,348)
Decrease in cash reserved for bond interest ⁽¹⁾	8,929	8,734
Income tax withholding upon vesting of Antero Midstream Partners LP equity-based compensation awards ⁽²⁾	(1,500)	(1,500)
Maintenance capital expenditures ⁽³⁾	(15,903)	(16,488)
Distributable cash flow	\$ 90,902	129,574

- (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) Estimate of current period portion of expected cash payment for income tax withholding attributable to vesting of Midstream LTIP equity-based compensation awards to be paid in the fourth quarter.
- (3) 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.

Critical Accounting Policies and Estimates

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 condensed 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 in our 2017 Form 10-K. We believe these accounting policies reflect our more significant estimates and assumptions used in preparation of our financial statements. Also, see note 2 of the notes to our audited consolidated financial statements, included in our 2017 Form 10-K, for a discussion of additional accounting policies and estimates made by management.

New Accounting Pronouncements

On February 25, 2016, the FASB issued ASU No. 2016-02, *Leases*, which requires all leasing arrangements to be presented in the balance sheet as liabilities along with a corresponding asset. The ASU will replace most existing leases guidance in GAAP when it becomes effective. The new standard becomes effective for us on January 1, 2019. Although early application is permitted, we do not plan to early adopt the ASU. The standard requires the use of the modified retrospective transition method. We are evaluating the effect that ASU 2016-02 will have on our consolidated financial statements and related disclosures. We are evaluating the standard's applicability to our various contractual arrangements with Antero Resources and have tentatively concluded that the application of the ASU to our contractual arrangements with Antero Resources could be subject to differing interpretations. The accounting treatment for these arrangements under the ASU could include (i) the recognition of our Antero contracts as leases under the ASU,

(ii) characterization of our servicing revenues from gathering, compression, and water handling and treatment as revenues from leasing or financing, and (iii) derecognition of assets on our balance sheet that are used to provide services under contracts containing variable payment terms. Other interpretations and applications of the standard are also possible. We continue to monitor relevant industry guidance regarding implementation of ASU 2016-02 and will adjust our implementation of the standard as necessary. We believe that adoption of the standard will not impact our operational strategies, growth prospects, or cash flows.

Off-Balance Sheet Arrangements

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

Item 3. 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 March 31, 2018, we had \$660 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 \$1.6 million increase in interest expense for the three months ended March 31, 2018.

Credit Risk

We are dependent on Antero Resources as our primary customer, and we expect to derive substantially all 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 further, 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 4. 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 Quarterly Report on Form 10-Q. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Based upon that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of March 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 March 31, 2018 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. The adoption of ASC 606, *Revenue from Contracts with Customers*, required the implementation of new controls and the modification of certain accounting processes related to revenue recognition. The impact of these changes was not material to our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. 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 1A. Risk Factors.

We are subject to certain risks and hazards due to the nature of the business activities we conduct. For a discussion of these risks, see “Item 1A. Risk Factors” in our 2017 Form 10-K. The risks described in our 2017 Form 10-K could materially and adversely affect our business, financial condition, cash flows, and results of operations. There have been no material changes to the risks described in our 2017 Form 10-K. We may experience additional risks and uncertainties not currently known to us; or, as a result of developments occurring in the future, conditions that we currently deem to be immaterial may also materially and adversely affect our business, financial condition, cash flows and results of operations.

Item 5. Other Information.

None.

Item 6. Exhibits.

- 3.1 [Certificate of Conversion of Antero Resources Midstream LLC, dated November 5, 2014 \(incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K \(Commission File No. 001-36719\) filed on November 7, 2014\).](#)
- 3.2 [Amended and Restated Certificate of Limited Partnership of Antero Midstream Partners LP, dated April 11, 2017 \(incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K \(Commission File No. 001-36719\) filed on April 11, 2017\).](#)
- 3.3 [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 the Current Report on Form 8-K \(Commission File No. 001-36719\) filed on November 17, 2014\).](#)
- 3.4 [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 the Annual Report on Form 10-K \(Commission File No. 001-36719\) filed on February 24, 2016\).](#)
- 3.5 [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 the Current Report on Form 8-K \(Commission File No. 001-36719\) filed on December 26, 2017\).](#)
- 10.1* [First Amended and Restated Gathering and Compression Agreement, dated as of February 13, 2018, by and between Antero Resources Corporation and Antero Midstream LLC.](#)
- 10.2* [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.](#)
- 31.1* [Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 \(18 U.S.C. Section 7241\).](#)
- 31.2* [Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 \(18 U.S.C. Section 7241\).](#)
- 32.1* [Certification of the Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 \(18 U.S.C. Section 1350\).](#)
- 32.2* [Certification of the Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 \(18 U.S.C. Section 1350\).](#)
- 101* The following financial information from this Form 10-Q of ANTERO MIDSTREAM PARTNERS, LP for the quarter ended March 31, 2018, formatted in XBRL (eXtensible Business Reporting Language):
 - (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations,
 - (iii) Condensed Consolidated Statements of Partners' Capital, (iv) Condensed Consolidated Statements of Cash Flows, and (v) Notes to the Condensed Consolidated Financial Statements, tagged as blocks of text.

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

SIGNATURES

Pursuant to the requirements 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: April 25, 2018

FIRST AMENDED AND RESTATED GATHERING AND COMPRESSION AGREEMENT

BY AND BETWEEN

ANTERO RESOURCES CORPORATION

AND

ANTERO MIDSTREAM LLC

DATED AS OF

FEBRUARY 13, 2018

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FIRST AMENDED AND RESTATED GATHERING AND COMPRESSION AGREEMENT

This First Amended and Restated Gathering and Compression Agreement (this “*Agreement*”), dated as of February 13, 2018 (the “*Effective Date*”), is by and between ANTERO RESOURCES CORPORATION, a Delaware corporation (“*Shipper*”), and ANTERO MIDSTREAM LLC, a Delaware limited liability company (“*Gatherer*”). Shipper and Gatherer may be referred to herein individually as a “*Party*” or collectively as the “*Parties*.”

RECITALS

A. Shipper owns Oil and Gas Interests and intends to produce Gas and/or Liquid Hydrocarbons from Wells in the Initial Dedication Area and may from time to time own Oil and Gas Interests and may produce Gas and Liquid Hydrocarbons from Wells in other areas.

B. Gatherer has acquired the Gathering System, which gathers Gas and Liquid Hydrocarbons from certain Wells of Shipper, from Shipper. Gatherer anticipates the expansion of the Gathering System to connect additional Wells of Shipper.

C. Shipper desires to contract with Gatherer to provide the Services on the Gathering System with respect to Dedicated Production, including compressing Dedicated Gas at the System Compression Stations, and Gatherer desires to provide the Services to Shipper, in each case in accordance with the terms and conditions of this Agreement.

D. Shipper and Gatherer initially were parties to that certain Gas Gathering and Compression Agreement (the “*Original Agreement*”), dated as of November 10, 2014 (the “*Original Agreement Effective Date*”).

E. 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 13.6(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 Gatherer) shall be an Affiliate of Shipper, and neither Shipper 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 Gatherer.

Agreement. As defined in the preamble hereof.

Barrel. Forty-two Gallons.

Btu. The amount of heat required to raise the temperature of one pound of pure water from 58.5 degrees Fahrenheit to 59.5 degrees Fahrenheit at a constant pressure of 14.73 psia.

Business Day. Any calendar Day that commercial banks in New York City are open for business.

Completion Deadline. As defined in Section 3.3(c).

Compression Fee. As defined in Section 5.1(a)(iii).

Condensate. Gas that condenses at the wellhead or in the Gathering System at ambient temperatures and is recovered from the Gathering System or at the wellhead as a hydrocarbon liquid.

Confidential Information. As defined in Section 18.6(a).

Conflicting Dedication. Any gathering agreement or other commitment or arrangement that would require Dedicated Production to be gathered and/or compressed on any gathering system other than the Gathering System.

Connection Notice. As defined in Section 3.3(c).

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.

Cost of Service Fee. As defined in Section 5.1(e).

CPI. As defined in Section 5.1(b).

CS Facility. As defined in Section 5.1(e).

Cubic Foot. The volume of Gas in one cubic foot of space at a standard pressure and temperature base of 14.73 psia and 60 degrees Fahrenheit, respectively.

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.

Dedicated Gas. Gas constituting Dedicated Production.

Dedicated Production. All Production that is attributable to any Dedicated Property (including all Production attributable to third parties that is produced from a Well located on such Dedicated Property) that Shipper has the right to control and deliver for gathering and that is produced on or after the Dedication Effective Date with respect to such Dedicated Property, except for Gas being produced from the wells identified in Exhibit A.

Dedicated Properties. All Oil and Gas Interests now owned or hereafter acquired by Shipper and located wholly or partly within the Dedication Area or pooled, unitized or communitized with Oil and Gas Interests located wholly or partly within the Dedication Area; provided that Dedicated Properties shall not include any Oil and Gas Interests that are unitized or pooled with the properties of third parties that are not Dedicated Properties if Shipper is not the operator of such unit.

Dedication Area. The Initial Dedication Area and any other area that becomes part of the Dedication Area pursuant to Section 2.5.

Dedication Effective Date. With respect to Dedicated Properties owned by Shipper as of the Original Agreement Effective Date, the Original Agreement Effective Date; and with respect to Dedicated Properties acquired by Shipper after the Original Agreement Effective Date, the date such Oil and Gas Interests became or become Dedicated Properties pursuant to Section 2.5.

Delay Notice. As defined in Section 3.3(f).

Delayed Well Pad. As defined in Section 3.3(f).

Delivery Point. Each point at which point Gatherer will redeliver Production to Shipper or for its account, which shall be (i) in the case of Gas, the point of interconnection of the Gathering System with the facilities of a Processing Plant or Downstream Pipeline, including those points more particularly described on Exhibit B, (ii) in the case of Liquid Hydrocarbons recovered at the wellhead, the inlet flange of the storage tank at the facilities nominated by Shipper into which such Liquid Hydrocarbons are delivered from the Gathering System or from the truck, including those points more particularly described on Exhibit B, and (iii) in the case of Condensate that is recovered from Gas gathering facilities at a System Compressor Station, the outlet flange of the storage tank at such System Compressor Station into which such Condensate is delivered.

Delivery Point Gas. A quantity of Gas having a Thermal Content equal to the total Thermal Content of the Dedicated Gas received by Gatherer from Shipper at the Receipt Points, less (i) the Thermal Content of Gas used for Fuel, (ii) the Thermal Content of Condensate recovered from the Gathering System, and (iii) the Thermal Content of Lost and Unaccounted for Gas, in each case, as allocated to Shipper in accordance with this Agreement.

Development Plan. As defined in Section 3.2(a).

Downstream Pipeline. Any Gas pipeline or any facilities of any end-user or local distribution company, in each case downstream of the Gathering System, into which Shipper's Gas is delivered from the Gathering System or a Processing Plant.

Effective Date. As defined in the preamble of this Agreement.

Emissions Charges. As defined in Section 10.5.

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 Gatherer and reasonably acceptable to Shipper.

FERC. As defined in Section 18.2.

Firm Capacity Production. Production that is accorded the highest priority on the Gathering System with respect to capacity allocations, interruptions, or curtailments, specifically including (i) Dedicated Production and (ii) Production delivered to the Gathering System from any Person for which Gatherer is contractually obligated to provide the highest priority. Firm Capacity Production will be the last Production removed from the relevant part of the Gathering System in the event of an interruption or curtailment and all Firm Capacity Production, including Dedicated Production, will be treated equally in the event an allocation is necessary.

Force Majeure. As defined in Section 14.2.

Fuel. Gas and electric power used in the operation of the Gathering System, including fuel consumed in System Compressor Stations and dehydration facilities that are part of the Gathering System.

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 Quality Specifications. As defined in Section 10.1.

Gatherer. As defined in the preamble of this Agreement.

Gathering Fee. As defined in Section 5.1(a)(i).

Gathering System. The gathering system described in Exhibit C acquired by Gatherer from Shipper as of the Original Agreement Effective Date, together with any additional System Segments constructed after the Original Agreement Effective Date, as such gathering system is expanded after the Original Agreement Effective Date, including, in each case, to the extent now in existence or constructed or installed in the future, Low Pressure Gas gathering pipelines, Liquid Hydrocarbons gathering pipelines, High Pressure Gas gathering pipelines, System

Compressor Stations, Gas dehydration facilities, Receipt Points, Delivery Points (including all interconnection facilities), Measurement Facilities, Condensate handling facilities, pig receiving facilities, slug catchers and other inlet facilities at Processing Plants, rights of way, fee parcels, surface rights, and permits, and all appurtenant facilities, in each case owned by Gatherer and its Affiliates.

Gathering System Plan. As defined in Section 3.2(b).

Gross Heating Value. The number of Btus produced by the complete combustion in air, at a constant pressure, of one Cubic Foot of Gas when the products of combustion are cooled to the initial temperature of the Gas and air and all water formed by combustion is condensed to the liquid state.

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.

High Pressure. Pipelines gathering or transporting Gas that has been dehydrated and compressed to the pressure of the Downstream Pipelines or Processing Plants at the Delivery Points.

High Pressure Gathering Fee. As defined in Section 5.1(a)(ii).

Ideal Gas Laws. The thermodynamic laws applying to perfect gases.

Imbalance. As defined in Section 9.3.

Incurred Costs. As defined in Section 3.3(f).

Index Price. For Gas produced from the Marcellus formation in West Virginia, the “Midpoint Average” price published in Platt’s Gas Daily Price Guide for “Columbia Gas/Appalachia”. For Gas produced from the Utica formation in Ohio, the “Midpoint Average” price published in Platt’s Gas Daily Price Guide for “Texas Eastern M-2 Receipts”. For other Gas production, an index price determined by Shipper and reasonably acceptable to Gatherer based on where such Gas production is being sold, or, if no appropriate index is available, a price based on a netback calculation determined by Shipper and reasonably acceptable to Gatherer.

Initial Dedication Area. For Gas, the states of Pennsylvania, West Virginia, and Ohio; for Liquid Hydrocarbons, the states of West Virginia and Ohio.

Initial Development Plan. The Development Plan attached hereto as Exhibit D.

Interruptible Production. Production that is accorded the lowest priority on the Gathering System with respect to capacity allocations, interruptions, or curtailments. Interruptible Production will be the first Production removed from the Gathering System in the event of an interruption or curtailment.

Liquids Gathering Fee. As defined in Section 5.1(a)(iv).

Liquid Hydrocarbons. Oil, Condensate, natural gasoline and all the liquid hydrocarbon production from wells, or a blend of such, in its natural form, not having been processed, other than for removal of water at the wellhead.

Lost and Unaccounted For Gas. Gas received into the Gathering System that is released or lost through piping, equipment, operations, or measurement losses or inaccuracies or that is vented, flared or lost in connection with the operation of the Gathering System.

Low Pressure. Pipelines gathering 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.

Made Available for Delivery. In connection with deliveries of Dedicated Production under this Agreement, Dedicated Production that is unable to be delivered to the applicable point as a result of Gatherer's failure to perform its obligations under this Agreement.

Maintenance. As defined in Section 7.2.

Mcf. One thousand (1,000) Cubic Feet.

Measurement Facilities. Any facility or equipment used to measure the volume of Gas or Liquid Hydrocarbons, which may include meter tubes, LACT units, isolation valves, tank strappings, recording devices, communication equipment, buildings and barriers.

Minimum Compression Volume Commitment. With respect to any Contract Year from the Contract Year in which the first System Compressor Station is placed in service through the earlier of the Contract Year in which occurs the tenth (10th) anniversary of the placement in service of the last System Compressor Station to be placed in service or the expiration or termination of the term of this Agreement, a volume of Dedicated Gas, stated in Mcf, equal to the sum of all such volumes calculated at each System Compressor Station that has been in service for ten (10) years or less, each of which shall be calculated as follows: the product of (i) the total design capacity, stated in Mcf per Day, of the relevant System Compressor Station, multiplied by (ii) subject to the immediately following sentence, the number of Days in such Contract Year, multiplied by (iii) 0.70. For purposes of the foregoing calculation the design capacity of a particular System Compressor Station shall be included (1) only to the extent that such capacity has been installed at the direction of the Shipper in accordance with Section 3.4(a) and does not represent additional capacity installed at such System Compressor Station by Gatherer as permitted by Section 3.4(a), (2) for not more than the 10 year period after it is first placed in service, (3) in the Contract Year in which it is placed in service, only for the number of Days in such Contract Year after it has been placed in service, and (4) if arising prior to the expiration or termination of the term of this Agreement, in the Contract Year in which the 10th anniversary of its placement in service occurs, only for the number of Days through such 10th anniversary.

Minimum High Pressure Volume Commitment. With respect to any Contract Year from the Contract Year in which the first System High Pressure Line is placed in service through

the earlier of the Contract Year in which occurs the tenth (10th) anniversary of the placement in service of the last System High Pressure Line to be placed in service or the expiration or termination of the term of this Agreement, a volume of Dedicated Gas, stated in Mcf, equal to the sum of all such volumes calculated at each System High Pressure Line that has been in service for ten (10) years or less, each of which shall be calculated as follows: the product of (i) the total design capacity, stated in Mcf per Day, of the relevant System High Pressure Line, as reasonably calculated by Gatherer based on the capacity of the relevant System Compressor Station and the length and diameter of such System High Pressure Line, multiplied by (ii) subject to the immediately following sentence, the number of Days in such Contract Year, multiplied by (iii) 0.75. For purposes of the foregoing calculation the design capacity of a particular System High Pressure Line shall be included (1) for not more than the 10 year period after it is first placed in service, (2) in the Contract Year in which it is placed in service, only for the number of Days in such Contract Year after it has been placed in service, and (3) if arising prior to the expiration or termination of the term of this Agreement, in the Contract Year in which the 10th anniversary of its placement in service occurs, only for the number of Days through such 10th anniversary.

MMBtu. One million (1,000,000) Btus.

MMcf. One million (1,000,000) Cubic Feet.

Monitoring Services Provider. As defined in Section 11.10(a).

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.

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 3.3(f).

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 3.2(a).

Planned Well Pad. As defined in Section 3.2(a).

Production. Gas and/or Liquid Hydrocarbons.

Processing Plant. Any Gas processing facility downstream of any portion of the Gathering System to which Shipper has dedicated Gas for processing or at which Shipper has arranged for Gas to be processed prior to delivery to a Downstream Pipeline.

psia. Pounds per square inch, absolute.

psig. Pounds per square inch, gauge.

Receipt Point. The inlet valve at the Measurement Facilities owned by Gatherer located at or nearby or assigned to a Well Pad where one or more Wells are connected to the Gathering System or, in the case of Liquid Hydrocarbons, the outlet of the pump connected to one or more of Shipper's tanks receiving Liquid Hydrocarbons from such Wells.

Remote Monitoring Data. As defined in Section 11.10(a).

Required Compressor Station. As defined in Section 3.4(a).

Required High Pressure Lines. As defined in Section 3.5.

Services. As defined in Section 3.1.

Shipper. As defined in the preamble of this Agreement.

Shipper's GHG Emissions. As defined in Section 10.5.

Six Month Deadline. As defined in Section 3.3(f)(ii).

System Compressor Station. As defined in Section 3.4(a).

System Delivery Point. Each point at which Gatherer redelivers Production from the Gathering System to or for the account of shippers, including the Delivery Points.

System High Pressure Line. As defined in Section 3.5.

System Receipt Point. Each point where Production first enters the Gathering System, including the Receipt Points.

System Segment. A physically separate segment of the Gathering System that connects one or more of Shipper's Wells to one or more Delivery Points, including all Low Pressure Gas gathering pipelines, Liquid Hydrocarbons gathering pipelines, High Pressure Gas gathering pipelines, System Compressor Stations, Gas dehydration facilities, Receipt Points, Delivery Points, Measurement Facilities owned by Gatherer, Condensate handling facilities, rights of way, fee parcels, surface rights, and permits, and all appurtenant facilities.

Target Completion Date. As defined in Section 3.3(c).

Taxes. All gross production, severance, conservation, ad valorem and similar or other taxes measured by or based upon production, together with all taxes on the right or privilege of ownership of Production, or upon the Services, including gathering, transportation, handling, transmission, compression, processing, treating, conditioning, distribution, sale, use, receipt, delivery or redelivery of Production, including, without limitation, gross receipts taxes, and including all of the foregoing now existing or in the future imposed or promulgated.

Thermal Content. For Gas, the product of (i) a volume of Gas in Cubic Feet and (ii) the Gross Heating Value of such Gas, as expressed in MMBtus. For Condensate, the product of the measured volume in Gallons multiplied by the Gross Heating Value per Gallon determined in accordance with the GPA 2145-09 Table of Physical Properties for Hydrocarbons and GPA 8173 Method for Converting Mass of Natural Gas Liquids and Vapors to Equivalent Liquid Volumes, in each case as revised from time to time; provided, however, that if sufficient data has not been obtained to make such calculation, the Thermal Content of Condensate shall be deemed to be 0.115 MMBtu per Gallon.

Third Party Production . Production produced by Persons other than Shipper and not considered Dedicated Production hereunder.

Well. A well for the production of hydrocarbons in which Shipper owns an interest that produces or is intended to produce Dedicated Production or otherwise is connected or is required to be connected to the Gathering System in accordance with this Agreement.

Well Pad. The surface installation on which one or more Wells are located.

ARTICLE 2 SHIPPER COMMITMENTS

Section 2.1 Shipper's Dedication. Subject to Section 2.2 through Section 2.4, (a) Shipper exclusively dedicates and commits to deliver to Gatherer, as and when produced, all Dedicated Production for gathering through the Gathering System under this Agreement, including (in the case of Dedicated Gas) High Pressure gathering and compression in the System Compressor Stations, and (b) Shipper agrees not to deliver any Dedicated Production to any other gathering system or compressor station.

Section 2.2 Conflicting Dedications. Shipper shall have the right to comply with each of the Conflicting Dedications set forth in Exhibit E hereto and any other Conflicting Dedication entered into by a non-Affiliated predecessor-in-interest to Shipper to which any Dedicated Property acquired by Shipper 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 Dedication is documented in an agreement binding upon such predecessor-in-interest that is assigned to and/or assumed by Shipper (fully or partially) and/or in a new agreement binding upon Shipper that replaces (fully or partially) the agreement binding upon such predecessor-in-interest, as long as neither the scope nor term of the Conflicting Dedication are extended beyond that applicable to such predecessor-in-interest at the time of the acquisition; provided, however,

that Shipper shall have the right to comply with Conflicting Dedications only until the first Day of the Month following the termination of such Conflicting Dedication and shall not take any voluntary action (including the exercise of any right to extend) to extend the term of such Conflicting Dedication beyond the minimum term provided for in the document evidencing such Conflicting Dedication. Shipper represents that, except as set forth in Exhibit E, Dedicated Production was not as of the Original Agreement Effective Date subject to any Conflicting Dedication. If Dedicated Production produced from a Well on a Well Pad is subject to a Conflicting Dedication that Shipper has the right to comply with under this Section 2.2, Shipper has the right, in complying with such Conflicting Dedication, to deliver all Dedicated Production from such Well Pad in accordance with the Conflicting Dedication, even if all Wells on such Well Pad are not subject to such Conflicting Dedication.

Section 2.3 Shipper's Reservations. Shipper reserves the following rights with respect to Dedicated Production for itself and for the operator of the relevant Dedicated Properties: (a) to operate Wells producing Dedicated Production as a reasonably prudent operator in its sole discretion, including the right, but never the obligation, to drill new Wells, to repair and rework old Wells, to renew or extend, in whole or in part, any Oil and Gas Interest covering any of the Dedicated Properties, and to cease production from or abandon any Well or surrender any such Oil and Gas Interest, in whole or in part, when no longer deemed by Shipper to be capable of producing Production in paying quantities under normal methods of operation; (b) to use Dedicated Production for operations (including reservoir pressure maintenance and drilling or fractionation fuel); (c) to deliver or furnish to Shipper's lessors and holders of other existing similar burdens on production such Production as is required to satisfy the terms of the applicable leases or other applicable instruments; (d) to acquire Wells connected to existing gathering systems and to continue to deliver to such gathering systems Production produced from such Wells, provided that, to the extent that Production from such Wells constitutes Dedicated Production, Shipper delivers a Connection Notice to Gatherer with respect to any such Well not later than 30 Days after its acquisition and thereafter delivers Production to such gathering system only until Gatherer has connected such Well to the Gathering System in accordance with Section 3.3; (e) to pool, communitize, or unitize Shipper's Oil and Gas Interests with respect to Dedicated Production, provided that the share of Production produced from such pooled, communitized, or unitized Oil and Gas Interests shall be committed and dedicated to this Agreement; and (f) to gather Liquid Hydrocarbons produced from the Marcellus formation in trucks.

Section 2.4 Covenant Running with the Land. The dedication and commitment made by Shipper under this Article 2 is a covenant running with the land. For the avoidance of doubt and in addition to that which is provided in Section 18.4, in the event Shipper sells, transfers, conveys, assigns, grants, or otherwise disposes of any or all of its interest in the Dedicated 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, Shipper shall be permitted to sell, transfer, convey, assign, grant, or otherwise dispose of Dedicated Properties free of the dedication hereunder (i) in a sale or other disposition in which a number of net acres of Dedicated Properties that, when added to the total of net acres of Dedicated Properties theretofore and, where applicable, simultaneously disposed of free of dedication hereunder pursuant to this Section 2.4, does not exceed the aggregate number of net acres of Dedicated Properties acquired by Shipper after the Original

Agreement Effective Date, including in a transaction in which Dedicated Properties are exchanged for other properties located in the Dedication Area that would be subject to dedication hereunder or (ii) in a sale of Wells located on Dedicated Properties that are pooled or unitized with the properties of third parties that are not Dedicated Properties if Shipper is not the operator of such unit; provided, however, that any such sale, transfer, conveyance, assignment, grant or other disposition of Dedicated Properties shall not include, and there shall be expressly excluded therefrom, any Well that is or has been connected to the Gathering System (whether producing, shut-in, temporarily abandoned or which has been spud or as to which drilling, completion, reworking or other well operations have commenced) or which is located on a Well Pad for which a Connection Notice has previously been delivered by Shipper (unless the completion of such Well has been delayed and Shipper has paid the costs and expenses incurred by Gatherer in connection therewith in accordance with Section 3.3(d)). At the request of Gatherer, the Parties shall execute and record an amendment to the memorandum of this Agreement previously entered into, as provided in Section 18.16, to reflect additions to the Dedicated Properties.

Section 2.5 Additional Oil and Gas Interests or Gathering Facilities.

(a) If Shipper acquires any existing gathering facilities gathering Production from any Oil and Gas Interests, it shall, by notice to Gatherer on or before the 10th Day after such acquisition, which notice shall include a reasonable description of such gathering facilities and such Oil and Gas Interests (including an update to the Development Plan reflecting such Oil and Gas Interests) and the price paid by Shipper for such gathering facilities, including any liabilities assumed by Shipper, offer to sell to Gatherer such gathering facilities, including all Low Pressure Gas gathering pipelines, High Pressure Gas gathering pipelines, Liquid Hydrocarbons gathering pipelines, compressor stations, Gas dehydration facilities, receipt points, delivery points, measurement facilities, Condensate handling facilities, rights of way, fee parcels, surface rights, and permits, and all appurtenant facilities, as well as any third party shipper contracts for Production gathered on such gathering facilities, at the same price at which such gathering facilities were acquired by Shipper, including the assumption of any liabilities with respect thereto assumed by Shipper. Gatherer shall have the right, to be exercised by notice to Shipper on or before the 60th Day after Shipper's notice of its acquisition of such gathering facilities, to acquire such gathering facilities at such price (including the assumption of such liabilities). If Gatherer does not give such notice to Shipper on or before such 60th Day, Gatherer shall be deemed to have waived its right to acquire such gathering facilities, except in the case of a third party gathering offer as provided below, and (i) Shipper shall have the right to own and operate such facilities to gather the Production from the Oil and Gas Interests described in such notice and/or (ii) Shipper shall have the right to solicit proposals from a third party gatherer to acquire, own, and operate such facilities to gather the Production from the Oil and Gas Interests described in such notice on the basis that Shipper will dedicate to such gatherer all Oil and Gas Interests owned by Shipper the Production from which is being gathered by such gathering facilities as well as the area (including all geological strata and production zones) within two miles of any such Oil and Gas Interest. If Shipper obtains any such third party proposal, it shall, by notice to Gatherer, provide Gatherer with all the terms and conditions thereof, and Gatherer shall have the right to elect, by notice to Shipper on or before the 60th Day after its receipt of Shipper's notice containing the terms and conditions of such proposal, to acquire such gathering facilities and provide such services on the same terms and conditions as those offered by the third party gatherer. If Gatherer does not

so elect on or before such 60th Day, Gatherer shall be deemed to have waived its right to acquire such gathering facilities and provide such services, and Shipper shall have the right to contract with such third party gatherer to acquire such facilities and to provide such services on such terms and conditions and to dedicate to such gatherer all Oil and Gas Interests owned by Shipper the Production from which is being gathered by such gathering facilities as well as the area (including all geological strata and production zones) within two miles of any such Oil and Gas Interest. If Gatherer elects to acquire such gathering facilities, the closing of Gatherer's purchase of such gathering facilities from Shipper shall take place as soon as reasonably practicable following Gatherer's exercise of its right to acquire such gathering facilities. From and after the closing of such purchase by Gatherer, all Oil and Gas Interests owned by Shipper the Production from which is being gathered by such gathering facilities shall be Dedicated Properties, the area (including all geological strata and production zones) within two miles of any such Dedicated Property shall become part of the Dedication Area, and such gathering facilities shall be deemed to be part of the Gathering System. In any transaction in which Shipper so acquires gathering facilities, Shipper 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 gathering facilities. 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 Gatherer to Shipper for such gathering facilities shall be equal to the Fair Market Value of such gathering facilities, and Gatherer shall assume all liabilities in respect of such gathering facilities to the extent arising from the ownership and operation of such gathering facilities and/or any occurrence from and after the closing of the purchase of such gathering facilities by Gatherer.

(b) If at any time Shipper desires to construct, own, and operate, or to have constructed and operated, gathering facilities to gather Production from Oil and Gas Interests located outside the then-existing Dedication Area, Shipper shall, by notice to Gatherer specifying (i) the facilities it desires and the receipt points and delivery points it plans to connect, (ii) the Oil and Gas Interests acquired by Shipper the Production from which will be gathered using such facilities, and (iii) a proposed update to the Development Plan reflecting the Wells to be drilled on such Oil and Gas Interests during the period of at least 18 Months after such notice, including production forecasts for all such Wells, offer to Gatherer the opportunity to construct, own, and operate such facilities as part of the Gathering System on the terms set forth in this Agreement. Gatherer shall have the right, to be exercised by notice to Shipper on or before the 60th Day after Shipper's notice, to elect to construct, own, and operate such facilities. If Gatherer exercises such right, from and after the date of Gatherer's notice of exercise, all Oil and Gas Interests owned by Shipper described in Gatherer's notice shall be Dedicated Properties, the area (including all geological strata and production zones) within two miles of any such Dedicated Property shall become part of the Dedication Area, such gathering facilities as they are constructed shall be deemed to be part of the Gathering System, and the proposed development plan included in Shipper's notice shall become part of the Development Plan. If Gatherer does not give such notice to Shipper on or before such 60th Day, Gatherer shall be deemed to have waived its right to construct, own, and operate the facilities set forth in Shipper's notice as part of the Gathering System on the terms set forth in this Agreement, except in the case of a third party gathering offer as provided below, and (1) Shipper shall have the right to construct, own, and operate such facilities to gather the Production from the Oil and Gas Interests described in such notice or (2) Shipper shall have the

right to solicit proposals from a third party gatherer to construct, own, and operate such facilities to gather the Production from the Oil and Gas Interests described in such notice on the basis that Shipper will dedicate to such gatherer all Oil and Gas Interests described in such notice as well as the area (including all geological strata and production zones) within two miles of any such Oil and Gas Interest. If Shipper obtains any such third party proposal, it shall, by notice to Gatherer, provide Gatherer with all the terms and conditions thereof, and Gatherer shall have the right to elect, by notice to Shipper on or before the 60th Day after its receipt of Shipper's notice containing the terms and conditions of such proposal, to construct, own, and operate such facilities to gather the Production from the Oil and Gas Interests described in such notice on the same terms and conditions as those offered by the third party gatherer. If Gatherer does not so elect on or before such 60th Day, Gatherer shall be deemed to have waived its right to provide such services, and Shipper shall have the right to contract with such third party gatherer to provide such services on such terms and conditions and to dedicate to such gatherer the Oil and Gas Interests described in such notice as well as the area (including all geological strata and production zones) within two miles of any such Oil and Gas Interest.

Section 2.6 Priority of Dedicated Production. Dedicated Production tendered under this Agreement shall be Firm Capacity Production.

ARTICLE 3

SERVICES; GATHERING SYSTEM EXPANSION AND CONNECTION OF WELLS

Section 3.1 Gatherer Service Commitment. Subject to and in accordance with the terms and conditions of this Agreement, Gatherer commits to providing the following services (collectively, the "*Services*") to Shipper:

- (a) receive, or cause to be received, into the Gathering System, from or for the account of Shipper, at each Receipt Point, all Dedicated Production tendered by Shipper;
- (b) compress and dehydrate Dedicated Gas received into the Gathering System at the System Compressor Stations;
- (c) deliver, or cause to be delivered, to or for the account of Shipper, at the nominated Delivery Point for Gas, Delivery Point Gas allocated to Shipper; and
- (d) make available for delivery, to or for the account of Shipper, at each Delivery Point for Liquid Hydrocarbons, the Liquid Hydrocarbons received into the Gathering System or into Gatherer's trucks and gathered to or delivered into storage tanks at such Delivery Point allocated to Shipper in accordance with Section 6.4.

Section 3.2 Development Plan; Gathering System Plan; Exchange and Review of Information.

(a) The Initial Development Plan describes the planned development, drilling, and production activities relating to the Dedicated 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 2.5(b), the “**Development Plan**”). Following the Original Agreement Effective Date, Shipper shall provide Gatherer an updated Development Plan describing the planned development, drilling, and production activities relating to the Dedicated 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 Shipper 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, the earliest date on which one or more Wells at each such Well Pad are expected to be completed, and the Delivery Points at which Production produced from such Wells is to be redelivered to Shipper and (ii) good faith and reasonable production forecasts for all Wells connected as of, and estimated to be connected to the Gathering System during the 18-Month period following, the date of such Development Plan (to the extent not previously provided or, if earlier provided, as revised in Shipper’s good faith estimation). Shipper shall make its representatives available to discuss the Development Plan from time to time with Gatherer and its representatives, in order to facilitate advance planning for expansion or improvement of the Gathering System and to address other matters relating to the construction and installation of additions to the Gathering System. Shipper may provide updated or amended Development Plans to Gatherer at any time and shall provide its then-current Development Plan to Gatherer from time to time on or prior to the fifth (5th) Business Day after Gatherer’s request therefor.

(b) Attached hereto as Exhibit F is a Gathering System plan describing and/or depicting the Gathering System as of the Original Agreement Effective Date, including all pipelines, all Receipt Points and Delivery Points, and all compression and dehydration facilities 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 “**Gathering System Plan**”). Based on the Development Plans and such other information about the expected development of the Dedicated Properties as shall be provided to Gatherer by or on behalf of Shipper, Gatherer shall periodically update the Gathering System Plan. Without limiting the generality of the foregoing, Gatherer shall ensure that the Gathering System Plan reflects each Monthly Development Plan not later than 30 Days after such Development Plan is delivered. Gatherer shall make the Gathering System Plan available for inspection by Shipper and its representatives from time to time and shall make representatives of Gatherer available to discuss the Gathering System Plan from time to time with Shipper and its representatives. Gatherer shall provide Shipper updates not less frequently than monthly on the progress of work on all facilities necessary to connect Planned Wells to the Gathering System and to connect the Gathering System to the Delivery Points as set forth in the then-current Gathering System Plan.

(c) The Parties recognize that the plans for the development of the Dedicated Properties set forth in the Development Plans, as well as all information provided by Shipper to Gatherer regarding its intentions with respect to the development of the Dedicated Properties, are subject to change and revision at any time at the discretion of Shipper, and that such

changes may impact the timing, configuration, and scope of the planned activities of Gatherer. 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 Gatherer shall determine at its own risk the time at which it begins to work on and incur costs in connection with particular Gathering System expansion projects, including the acquisition of rights of way, equipment, and materials. Without limiting the generality of the foregoing, Shipper has no obligation to Gatherer under this Agreement to develop or produce any hydrocarbons from the Dedicated Properties or to pursue or complete any drilling or development on the Dedicated Properties, whether or not envisioned in the Development Plan.

Section 3.3 Expansion of Gathering System; Connection of Well Pads; Delivery Points .

(a) The Gathering System shall be designed, developed, and constituted for the purpose of providing Services as and when needed to support the upstream development of the Dedicated Properties, and Gatherer 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 Gathering System so as to timely connect the Planned Wells to the Gathering System, connect the Gathering System to Delivery Points on the Downstream Pipelines, at the Processing Plants, or other facilities specified by Shipper, and timely commence providing the full scope of Services, with respect to all Dedicated Production produced from the Planned Wells from and after their completion, all in accordance with this Section 3.3; *provided*, that the foregoing shall not preclude Gatherer from also designing, developing and constituting the Gathering System to accommodate Third Party Production.

(b) In planning the Gathering System, Gatherer shall use its discretion in determining when to construct and install separate and segregated facilities in the same geographical area for the purposes of handling Production with different characteristics (for example, hydrocarbon-dry versus hydrocarbon-wet Gas); provided, however, that if Shipper requests that Gatherer construct and install separate facilities, Gatherer shall, subject to all of the terms and conditions of this Agreement, do so.

(c) Gatherer shall be obligated to connect Wells at a particular Well Pad to the Gathering System only if Gatherer has received from Shipper a notice in the form of Exhibit G hereto (or in such form as Shipper and Gatherer shall otherwise agree from time to time) stating that Shipper intends to drill and complete such Wells at such Well Pad (as it may be amended as contemplated in Section 3.3(f), a “**Connection Notice**”) and setting forth the target completion date for drilling and completion of such Wells (such date, as it may be amended as contemplated in Section 3.3(f), the “**Target Completion Date**”), and the expected production from such Well Pad over the next eighteen (18) months. Following receipt of a Connection Notice, Gatherer shall cause the necessary facilities to be constructed to connect the Planned Wells referred to in such Connection Notice to the Gathering System and to commence the Services with respect to Dedicated Production produced from such Planned Wells. Such facilities shall be available to receive Dedicated Production from Planned Wells on the Planned Well Pad on which such Planned Wells are to be located as soon as reasonably practicable following the Connection Notice and in any event on or before the later to occur of (1) the Target Completion Date with respect to such Planned Well Pad, (2) the date that is 180 Days

after the Connection Notice, and (3) the date on which the initial Planned Well(s) at such Planned Well Pad has reached its projected depth and is ready for completion (the later of such dates, with respect to such Planned Well Pad, the “**Completion Deadline**”). Gatherer shall provide Shipper notice promptly upon Gatherer’s becoming aware of any reason to believe that it may not be able to connect a Planned Well Pad to the Gathering System by the Target Completion Date therefor or to otherwise complete all facilities necessary to provide the full scope of Services with respect to all Dedicated Production from Wells on such Planned Well Pad by the Target Completion Date therefor. If and to the extent Gatherer is delayed in completing and making available such facilities by a Force Majeure event or any action of Shipper that is inconsistent with the cooperation requirements of Section 3.9, then the Completion Deadline for such connection shall be extended for a period of time equal to that during which Gatherer’s completion and making available of such facilities was delayed by such events or actions. If such facilities are not completed and made available by the Completion Deadline, as Shipper’s sole and exclusive remedies for such delay,

(i) the Dedicated Production from such Planned Well Pad shall be temporarily released from dedication hereunder until such time as such Planned Well Pad is connected to the Gathering System and the Gathering System is ready to receive Dedicated Production produced from such Planned Well Pad and to commence the Services with respect thereto; and

(i i) Shipper shall have the right to complete the procurement, construction and/or installation of any rights or facilities necessary to connect the relevant Planned Well Pad to the Gathering System, to connect the Gathering System to the relevant Delivery Point, and/or to permit Dedicated Production from Planned Wells at the Planned Well Pad to be received into the Gathering System and delivered to the relevant Delivery Point, in which case Gatherer shall pay to Shipper an amount equal to 115% of all reasonable costs and expenses incurred by Shipper in so procuring, constructing, and/or installing such rights and facilities, and Shipper shall convey all such rights and facilities to Gatherer and such rights and facilities shall thereafter be part of the Gathering System.

The remedies set forth in clauses (i) and (ii) above shall be applicable to Wells with Completion Deadlines that are 180 Days or more after the Original Agreement Effective Date.

(d) If the actual completion of the initial Planned Well at a particular Planned Well Pad is delayed more than 30 Days after the Target Completion Date for such Planned Well Pad and the Gathering System is connected to such Planned Well Pad and available to commence providing the Services with respect to all Dedicated Production from such Planned Well prior to the date such initial Planned Well has reached its projected depth and is ready for completion, Gatherer 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 Gatherer to procure, construct and install the relevant rights and facilities to connect to such Planned Well Pad and to cause such facilities to be available to commence providing Services thereto for the number of Days after the Target Completion Date until the Day that the first Well at such Planned Well Pad is completed; provided, however, that if such first Well has not been completed by the date that is six months after the Target Completion Date for such Well or, as of an earlier date,

Shipper notifies Gatherer that it has elected not to complete any Planned Wells at such Planned Well Pad, Shipper shall pay to Gatherer an amount equal to 115% of all reasonable incremental costs and expenses incurred by Gatherer in procuring, constructing and installing such rights and facilities to connect the Gathering System to such Planned Well Pad and to cause such facilities to be available to commence providing Services thereto, and Gatherer shall assign, transfer, and deliver to Shipper all rights and facilities (including equipment, materials, work in progress, and completed construction) the costs and expenses of which have so been paid by Shipper, to Shipper. If Shipper so pays Gatherer and later completes a Well at such Planned Well Pad, or if such facilities are later used to connect a completed Well at a different Planned Well Pad or for a third party, Gatherer shall refund to Shipper such amount paid by Shipper, and Shipper shall retransfer such rights and facilities to Gatherer.

(e) A Connection Notice shall be deemed to have been given for the Planned Wells set forth on Exhibit H hereto, the Target Completion Date for which shall be as set forth on Exhibit H. Such Connection Notice shall be deemed to have been given for each such Planned Well 180 Days prior to such Target Completion Date.

(f) Without limiting the rights and obligations of the Parties under Section 3.3(d), with respect to any Well Pad for which Shipper 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), Shipper may, by notice to Gatherer (a “**Delay Notice**”), inform Gatherer that the expected completion date for drilling and completion of the Wells on the Delayed Well Pad has been extended beyond the Target Completion Date for the Delayed Well Pad stated in the Original Connection Notice and that Shipper elects either to (1) amend the Original Connection Notice for the Delayed Well Pad by changing the Target Completion Date to a date specified in such Delay Notice, in which case the Completion Deadline shall be determined as set forth in Section 3.3(c) based on the date of delivery of the Original Connection Notice but utilizing the Target Completion Date as so amended, or (2) withdraw the Original Connection Notice. If Shipper elects to withdraw the Original Connection Notice, and if a new Connection Notice is later delivered with respect to the Delayed Well Pad, Gatherer shall cause the necessary facilities to be constructed to connect Wells to the Gathering System and to commence the Services with respect Dedicated Production from such Wells 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 Completion 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 Completion Date with respect to the Delayed Well Pad as set forth in the Original Connection Notice, Shipper shall pay Gatherer 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 Gatherer as contemplated under Section 3.3(f)(ii) and (B) the date on which the

initial Well on the Delayed Well Pad has been completed pursuant to an applicable Connection Notice.

(ii) 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 Completion Date with respect to the Delayed Well Pad as set forth in the Original Connection Notice (the “**Six Month Deadline**”), or (b) Shipper gives notice to Gatherer that it has determined to permanently cancel all Planned Wells at the Delayed Well Pad, Shipper shall pay to Gatherer 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 Shipper to Gatherer at any time on or after the date such payment is made, Gatherer shall assign, transfer, and deliver to Shipper all rights and facilities (including equipment, materials, work in progress, and completed construction) the costs and expenses of which have so been paid by Shipper as part of the Incurred Costs, to Shipper. If Shipper so pays Gatherer and later completes a Well at such Well Pad, or if such facilities are later used to connect and provide Services to a Well at a different Planned Well Pad or to provide services for a third party, Gatherer shall refund to Shipper such amount paid by Shipper, and Shipper shall upon receipt of payment therefor, if applicable, retransfer such rights and facilities to Gatherer.

“**Incurred Costs**” means, 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 Gatherer 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 Gathering System and to cause such facilities to be available to commence providing Services thereto.

(g) Shipper shall have right to specify in the Development Plan or in a Connection Notice that Dedicated Production produced from a particular Well be redelivered to Shipper at a particular Delivery Point, including a Delivery Point on any Downstream Pipeline. Gatherer shall be obligated, at Gatherer’s cost, to provide connections to the Delivery Points set forth on Exhibit B. If Shipper specifies that Shipper’s Production is to be delivered to a Delivery Point not described on Exhibit B that is not at such time connected to the Gathering System, Gatherer shall, at Shipper’s sole cost, risk, and expense, provide a connection to such Delivery Point. All such Delivery Points shall be provided with all interconnection facilities and other Delivery Point facilities (including any Measurement Facilities), and with sufficient capacities, necessary to permit Shipper’s Production to be redelivered at such Delivery Point in accordance with this Agreement (with all expansions of capacity at such Delivery Points, including the Delivery Points described on Exhibit B, being at Shipper’s sole, cost, risk, and expense). Subject to the foregoing, Gatherer shall connect each Well to the Gathering System such that Production from such Well can be redelivered to the Delivery Point described in the Development Plan.

Section 3.4 Compression.

(a) The Gathering System Plan will describe the compression facilities that will be required to compress Dedicated Gas upstream of the Delivery Points or any System High Pressure Line in order for the Gathering System to be operated at the pressures specified in Section 8.1 and to permit Dedicated Gas to enter the facilities of the Downstream Pipelines or Processing Plants, as applicable (“**Required Compressor Stations**”). Gatherer shall install each such Required Compressor Station as directed by Shipper and shall operate and maintain each Required Compressor Station (each such Required Compressor Station so installed by Gatherer, a “**System Compressor Station**”). Notwithstanding the foregoing, Gatherer shall not be obligated to install any Required Compressor Station during the ten year period immediately prior to the scheduled termination of this Agreement unless Shipper agrees that this Agreement shall remain in effect beyond the scheduled termination thereof as to such Required Compressor Station only and the amount determined under Section 5.1(d)(ii)(A) with respect thereto until the 10th anniversary of the placement in service of such Required Compressor Station. To the extent that Shipper does not direct Gatherer to install any Required Compressor Station as, when, and where described in the Gathering System Plan and as a consequence the Gathering System is not capable of operating in accordance with the obligations of Gatherer with respect to pressures that are set forth in Sections 8.1 and 8.2, Gatherer shall be relieved from such obligations. For the avoidance of doubt, Gatherer shall have the right at any time to add additional compressor stations to the Gathering System, and to add compression capacity at any System Compressor Station in addition to the capacity that Shipper has directed to be installed at such System Compressor Station, as it deems necessary or appropriate to provide the Services and such services as it is providing in respect of Third Party Production. Shipper must pay the Compression Fee with respect to all its Gas that is compressed using such additional compressor stations or using such additional capacity, but such additional compressor stations or additional capacity shall not be included for purposes of calculating the Minimum Compression Volume Commitment, and the Compression Fee paid by Gatherer for its Gas compressed using such additional compressor stations or additional capacity shall not count toward the amount determined under Section 5.1(d)(ii)(A).

(b) The Parties acknowledge that inlet Measurement Facilities and a slug catcher have not been installed at the System Compressor Station referred to in the Initial Gathering Plan as the Bluestone Compressor Station. Shipper agrees that if it sells or otherwise transfers any Well upstream of the Bluestone Compressor Station such that Gas owned by a third party is being gathered to the Bluestone Compressor Station, Gatherer will install such Measurement Facilities and a slug catcher at the Bluestone Compressor Station, and Shipper will reimburse Gatherer’s reasonable costs of doing so.

Section 3.5 High Pressure Services. The Gathering System Plan will describe the High Pressure gathering pipelines that Gatherer determines are necessary or appropriate to connect the Gathering System to the Gas Delivery Points required by Shipper and to redeliver the volumes of Dedicated Gas to be redelivered at such Delivery Points in the most efficient manner (“**Required High Pressure Lines**”). Gatherer shall install each such Required High Pressure Line, together with the associated Required Compressor Stations, as directed by Shipper and shall operate and maintain each Required High Pressure Line (each such Required High Pressure Line so installed by Gatherer, a “**System High Pressure Line**”). Notwithstanding the foregoing, Gatherer shall not be obligated to install any Required High Pressure Line during the ten year period immediately prior to the scheduled termination of this Agreement unless Shipper

agrees either that this Agreement shall remain in effect beyond the scheduled termination thereof as to such Required High Pressure Line only and the amount determined under Section 5.1(d)(i)(A) with respect thereto until the 10th anniversary of the placement in service of such Required High Pressure Line. To the extent that Shipper does not direct Gatherer to install any Required High Pressure Line as, when, and where described in the Gathering System Plan and as a consequence the Gathering System is not capable of operating in accordance with the obligations of Gatherer with respect to pressures that are set forth in Sections 8.1 and 8.2, Gatherer shall be relieved from such obligations. For the avoidance of doubt, Gatherer shall have the right at any time to add additional High Pressure gathering pipelines to the Gathering System as it deems necessary or appropriate to provide the Services and such services as it is providing in respect of Third Party Production. Shipper must pay the High Pressure Gathering Fee with respect to all its Gas that is gathered through such additional High Pressure gathering pipelines, but such additional High Pressure Gathering Pipelines shall not be included for purposes of calculating the Minimum High Pressure Volume Commitment, and the High Pressure Gathering Fee paid by Gatherer for its Gas gathered through such additional High Pressure gathering pipelines shall not count toward the amount determined under Section 5.1(d)(i)(A).

Section 3.6 Liquids Gathering. Shipper is responsible for the construction, ownership, and operation of (a) all facilities for the separation and/or collection of Liquid Hydrocarbons at the wellhead and the Well site storage of such liquids and (b) the pumps located at each Receipt Point to transfer Liquid Hydrocarbons from such storage into the Gathering System or into Gatherer's trucks. Shipper shall ensure that pumps have sufficient capacity and are operated in a manner sufficient to cause the Liquid Hydrocarbons received into the Gathering System to be redelivered into the tanks located at the Liquid Hydrocarbons Delivery Points. Shipper shall cause Liquid Hydrocarbons to be received into the Gathering System at reasonably uniform rates of flow and to provide Gatherer reasonable notice of material increases or decreases in such rates of flow. To the extent that any facilities for the stabilization of such Liquid Hydrocarbons are required at the Liquid Hydrocarbons Delivery Points, Gatherer will provide such facilities and required stabilization services to Shipper on a cost-of-service basis as provided in Section 5.1(e).

Section 3.7 Production Removed for Lease Operations. Gatherer shall use commercially reasonable efforts to accommodate, at the cost and expense of Shipper, any request by Shipper to redeliver to Shipper any Production that has been received into the Gathering System that Shipper desires to use in lease operations, including for drilling and fractionation fuel. Shipper shall be responsible for the construction, ownership, and operation of facilities to transport such Production from the point of redelivery of such production from the Gathering System to the lease sites where such Production will be used.

Section 3.8 Right of Way and Access. Gatherer is responsible for the acquisition of rights of way, crossing permits, licenses, use agreements, access agreements, leases, fee parcels, and other rights in land right necessary to construct, own, and operate the Gathering System, and all such rights in land shall be solely for use by Gatherer and shall not be shared with Shipper, except as otherwise agreed by Gatherer; provided that Shipper hereby grants, without warranty of title, either express or implied, to the extent that it has the right to do so without the incurrence of material expense, an easement and right of way upon all lands covered by the Dedicated Properties, for the purpose of installing, using, maintaining, servicing, inspecting, repairing,

operating, replacing, disconnecting, and removing all or any portion of the Gathering System, including all pipelines, meters, and other equipment necessary for the performance of this Agreement; provided, further, that the exercise of these rights by Gatherer shall not unreasonably interfere with Shipper's lease operations or with the rights of owners in fee, and will be subject to Shipper's safety and other reasonable access requirements applicable to Shipper's personnel. Shipper shall not have a duty to maintain the underlying agreements (such as leases, easements, and surface use agreements) that such grant of easement or right of way to Gatherer is based upon, and such grants of easement or right of way will terminate if Shipper loses its rights to the property, regardless of the reason for such loss of rights. Notwithstanding the foregoing, (i) Shipper will assist Gatherer to secure replacements for such terminated grants of easement or right of way, in a manner consistent with the cooperation requirements of Section 3.9, (ii) to the extent that Shipper agrees that Gatherer's Measurement Facilities may be located on Shipper's Well Pad sites, Shipper shall be responsible for obtaining any necessary rights to locate such Measurement Facilities on such Well Pad sites, and (iii) Shipper shall use reasonable efforts to involve Gatherer in Shipper's negotiations with the owners of lands covered by the Dedicated Properties so that Shipper's surface use agreements and Gatherer's rights of way with respect to such lands can be concurrently negotiated and obtained.

Section 3.9 Cooperation. Because of the interrelated nature of the actions of the Parties required to obtain the necessary permits and authorizations 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 Gathering System to each Planned Well Pad, the Parties agree to work together in good faith to obtain such permits, 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 permits, authorizations, consents and rights of way.

ARTICLE 4 TERM

Section 4.1 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 5 FEES AND CONSIDERATION

Section 5.1 Fees.

(a) Subject to the other provisions of this Agreement, including Section 5.1(d), Shipper shall pay Gatherer each Month in accordance with the terms of this Agreement,

for all Services provided by Gatherer during such Month, an amount equal to the sum of the following:

(i) The product of (A) the aggregate volume of Gas, stated in Mcf, received by Gatherer from Shipper or for Shipper's account at each Receipt Point during such Month multiplied by (B) \$0.30 (provided that such fee shall be discounted by fifty percent (50%) for Gas removed from the Gathering System for use lease operations fuel in accordance with Section 3.7) (as such fee may be increased or decreased in accordance with Section 5.1(b), the "**Gathering Fee**");

(ii) The product of (A) the aggregate volume of Gas, stated in Mcf, received from Shipper or for Shipper's account entering any System High Pressure Line during such Month multiplied by (B) \$0.18 (as may be increased or decreased in accordance with Section 5.1(b), the "**High Pressure Gathering Fee**");

(iii) The product of (A) the aggregate volume of Gas, stated in Mcf, received from Shipper or for Shipper's account and compressed and dehydrated at each System Compressor Station during such Month multiplied by (B) \$0.18 (as may be increased or decreased in accordance with Section 5.1(b), the "**Compression Fee**"); and

(iv) The product of (A) the aggregate volume of Liquid Hydrocarbons, stated in Barrels, received from Shipper or for Shipper's account entering the Gathering System or loaded into Gatherer's trucks during such Month multiplied by (B) \$4.00 (as may be increased or decreased in accordance with Section 5.1(b), the "**Liquids Gathering Fee**").

(b) Effective on January 1 of each of 2014, 2015, 2016, 2017, and 2018, one hundred percent (100%), and on January 1, 2019, and each January 1 thereafter, fifty-five percent (55%), of the Gathering Fee, High Pressure Gathering Fee, Compression Fee, and Liquids Gathering Fee 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 Gathering Fee, High Pressure Gathering Fee, Compression Fee, and Liquids Gathering Fee shall never be less than the initial fees stated in Section 5.1(a); nor shall such fees be increased or decreased by more than 3% in any given year.

(c) Subject to the other provisions of this Agreement, including Section 5.1(d), Shipper shall pay Gatherer the actual cost of electricity used as Fuel and allocated to Shipper in accordance with Section 6.2.

(d) Notwithstanding the foregoing provisions of this Section 5.1; regardless of whether Shipper has any Firm Capacity Production:

(i) If, with respect to any Contract Year in which there is a Minimum High Pressure Volume Commitment, Shipper shall pay to Gatherer, on or before the 30th

Day after receipt of Gatherer's invoice therefor (which shall be delivered not more than sixty (60) Days after the end of the relevant Contract Year), an amount equal to the excess, if any, of:

(A) the product of the Minimum High Pressure Volume Commitment for such Contract Year multiplied by the High Pressure Gathering Fee in effect for such Contract Year, over

(B) the product of the High Pressure Gathering Fee in effect for such Contract Year multiplied by the aggregate of the volumes of Dedicated Production, stated in Mcf, delivered or Made Available for Delivery at each System High Pressure Line during such Contract Year.

(i i) If, with respect to any Contract Year in which there is a Minimum Compression Volume Commitment, Shipper shall pay to Gatherer, on or before the 30th Day after receipt of Gatherer's invoice therefor (which shall be delivered not more than sixty (60) Days after the end of the relevant Contract Year), an amount equal to the excess, if any, of:

(A) the product of the Minimum Compression Volume Commitment for such Contract Year multiplied by the Compression Fee in effect for such Contract Year, over

(B) the product of the Compression Fee in effect for such Contract Year multiplied by the aggregate of the volumes of Dedicated Production, stated in Mcf, delivered or Made Available for Delivery at each System Compressor Station during such Contract Year.

(e) All Services for which specific prices are not set forth in Section 5.1(a), including any required treating of Production, the handling and treatment of Condensate recovered from the Gathering System, and the stabilization of Liquid Hydrocarbons, shall be priced on a cost of service basis as set forth in this Section 5.1(e). In addition, notwithstanding the foregoing provisions of this Section 5.1 or any other provision to the contrary in this Agreement, Gatherer shall have the right to elect to be paid for some or all Services, on a cost of service basis to the extent set forth in this Section 5.1(e). Gatherer shall have the right to elect to be paid on a cost of service basis (i) for any Services other than Services offered in respect of the Wells and Planned Wells set forth in the Initial Development Plan, all of which Services shall be performed for the volumetric fees, subject to the minimum volumes, set forth in Section 5.1(a) and Section 5.1(d), and (ii) any compression services in respect of the Wells and Planned Wells set forth in the Initial Development Plan if Gatherer determines in good faith that, if such services were to be performed for the volumetric fees, and subject to the minimum volumes, set forth in Section 5.1(a) and Section 5.1(d), it would receive a rate of return on its capital expenditures for such System Compressor Station of less than 13% over the period of 84 months after such System Compressor Station is placed into service. With respect to such Services, Gatherer may elect, by notice to Shipper at least three (3) Months prior to the placement in service of the relevant facilities or parts of the Gathering System, or, in the case of any gathering facilities by Gatherer acquired pursuant to Section 2.5(a), in the

notice given by Gatherer in accordance with such Section that Gatherer will acquire such gathering facilities, to be paid on a cost of service basis for the Services specified in such notice commencing with their placement in service 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 and/or discrete parts of the Gathering System (each, a “*CS Facility*”) that are placed into service after such notice. The Services specified in such notice may be of any scope determined by Gatherer in its sole discretion and may include all eligible Services or any part thereof and may include, by way of example only, gathering Services with respect to a particular Well or group of Wells, compression Services and/or High Pressure Services with respect to a particular System Compressor Station and/or System High Pressure Line, all Services of a particular type, and any other subset of the Services determined by Gatherer, in each case subject to the foregoing sentence. All 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 I attached hereto.

ARTICLE 6 ALLOCATIONS

Section 6.1 Allocation of Lost and Unaccounted For Gas. Lost and Unaccounted For Gas shall be allocated, on a Monthly basis, among all Receipt Points on each System Segment pro rata based upon the Thermal Content of all Gas received at all System Receipt Points on such System Segment during such Month. Total Lost and Unaccounted For Gas with respect to each System Segment shall be determined by subtracting from the sum of the total Thermal Content of Gas received at all System Receipt Points on such System Segment during such Month the sum of (i) the Thermal Content of Gas actually delivered to all System Delivery Points on such System Segment during such Month, (ii) the Thermal Content of Condensate recovered from such System Segment during such Month (other than Condensate vaporized and reinjected into the Gas stream), and (iii) the Thermal Content of Gas used for Fuel on such System Segment, if any, during such Month. Lost and Unaccounted For Gas shall be allocated, on a Monthly basis, to each Receipt Point based upon a fraction, the numerator of which is the total Thermal Content of Gas measured at such Receipt Point during such Month, and the denominator of which is the total Thermal Content of Gas measured at all System Receipt Points on the System Segment on which such Receipt Point is located during such Month.

Section 6.2 Allocation of Fuel. Gatherer shall allocate Fuel (included Gas used as Fuel and the cost of electricity used as Fuel), on a Monthly basis, to each Receipt Point upstream of a System Compressor Station on a pro rata basis, based upon a fraction, the numerator of which is the total volume of Gas measured at such Receipt Point during such Month, and the denominator of which is the total volume of Gas measured at all System Receipt Points upstream of such System Compressor Station during such Month. Gas consumed for Fuel shall be determined based actual measurements of Fuel consumption.

Section 6.3 Allocation of Condensate Recovered from the Gathering System. Gatherer shall allocate the volume of Condensate collected from any System Segment (or from facilities at compressor stations downstream of System Delivery Points on such System Segment and allocated to the Gathering System by the operator of such compressor station) to each

System Receipt Point on such System Segment during the applicable Month based on a fraction, the numerator of which is the theoretical volume of Condensate attributable to such System Receipt Point during such Month and the denominator of which is the total theoretical volume of Condensate for all such System Receipt Points on such System Segment during such Month. The theoretical volume of Condensate at each System Receipt Point shall be determined by multiplying the total volume of Gas (in Mcf) received at the applicable System Receipt Point during the applicable Month by the Gallons per Mcf of pentanes and heavier components in such Gas determined at the relevant System Receipt Point on such System Segment.

Section 6.4 Allocation of Liquid Hydrocarbons.

(a) Subject to Section 6.4(b), Gatherer shall allocate the volume of Liquid Hydrocarbons gathered to or delivered into storage tanks at each Delivery Point to each System Receipt Point upstream of such Delivery Point during the applicable Month based on a fraction, the numerator of which is the volume of Liquid Hydrocarbons received at such System Receipt Point and the denominator of which is the total volumes of Liquid Hydrocarbons received at all such System Receipt Points during such Month.

(b) Gatherer shall not commingle Shipper's Liquid Hydrocarbons received at the Receipt Points with Liquid Hydrocarbons constituting Third Party Production if the resulting commingled stream would have a market value that is materially less than the market value a stream composed solely of Shipper's Liquid Hydrocarbons would have, unless Gatherer has provided by notice to Shipper a written allocation methodology that ensures that Shipper is allocated a portion of the commingled stream that would enable it to realize a market value that reasonably approximates the market value of such stream composed solely of Shipper's Liquid Hydrocarbons. From and after the delivery of such notice, Gatherer shall have the right to commingle such Liquid Hydrocarbons and shall apply such allocation methodology to such commingled stream.

ARTICLE 7
CERTAIN RIGHTS AND OBLIGATIONS OF PARTIES

Section 7.1 Operational Control of Gatherer's Facilities. Gatherer shall design, construct, own, operate, and maintain the Gathering System at its sole cost and risk. Gatherer shall be entitled to full and complete operational control of its facilities and shall be entitled to schedule deliveries and to operate and reconfigure its facilities in a manner consistent with its obligations under this Agreement.

Section 7.2 Maintenance. Gatherer shall be entitled, without liability, to interrupt its performance hereunder to perform necessary or desirable inspections, pigging, maintenance, testing, alterations, modifications, expansions, connections, repairs or replacements to its facilities as Gatherer deems necessary ("**Maintenance**"), with reasonable notice provided to Shipper, except in cases of emergency where such notice is impracticable or in cases where the operations of Shipper will not be affected. Before the beginning of each calendar year, Gatherer shall provide Shipper 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, Gatherer shall provide Shipper with its projected maintenance schedule for the following Month.

Section 7.3 Firm Capacity Production; Capacity Allocations on the Gathering System. Subject to the capacity allocations set forth in this Section 7.3, Gatherer has the right to contract with other Persons for the delivery of Third Party Production to the Gathering System, including the delivery of Firm Capacity Production. If the volume of Gas or Liquid Hydrocarbons, as applicable, available for delivery into any System Segment exceeds the capacity of such System Segment at any point relevant to Gatherer's service to Shipper hereunder, then Gatherer shall interrupt or curtail receipts of Production in accordance with the following:

(a) *First*, Gatherer shall curtail all Interruptible Production prior to curtailing Firm Capacity Production.

(b) *Second*, if additional curtailments are required beyond Section 7.3(a) above, Gatherer shall curtail Firm Capacity Production. In the event Gatherer curtails some, but not all Firm Capacity Production on a particular Day, Gatherer shall allocate the capacity of the applicable point on the relevant System Segment available to such shippers of Firm Capacity Production, including Dedicated Production, on a pro rata basis based upon Shipper's and the other shippers' of Firm Capacity Production average of the confirmed nominations for the previous fourteen (14) Day period of Firm Capacity Production prior to the event causing the curtailment.

Section 7.4 Arrangements After Redelivery. It shall be Shipper's obligation to make any required arrangements with other parties for delivery of Shipper's Production to the Receipt Points and Delivery Point Gas and Liquid Hydrocarbons following delivery by Gatherer at the Delivery Points.

Section 7.5 Line Pack. To the extent that it is necessary, in order for Gatherer to commence operations of new segments of the Gathering System, for Production to be used as line fill, Shipper shall provide such line fill to Gatherer.

ARTICLE 8 PRESSURES AT RECEIPT POINTS AND DELIVERY POINTS

Section 8.1 Pressures at Receipt Points. Gatherer shall not operate the Gas Gathering System in such a manner as to cause the average pressure at any Receipt Point in any Month to exceed the lower of (a) two hundred (200) psig and (b) fifty (50) psig above the average suction pressure, as measured at the first separator or slug catcher upstream of any compression suction valve or any other valve that can be partially closed, at the nearest System Compressor Station downstream of such Receipt Point during such Month. Subject to the foregoing, Shipper shall deliver or cause to be delivered Gas to each Receipt Point at sufficient pressure to enter the Gathering System against its operating pressure.

Section 8.2 Pressures at Delivery Points. All System Compressor Stations (a) shall be designed for a suction pressure of from one hundred (100) psig to one hundred forty (140) psig and (b) shall be designed for and shall be operated at a discharge pressure sufficient to effect delivery to the relevant Downstream Pipeline or Processing Plant.

Section 8.3 Shipper Facilities. Shipper, at its own expense, shall construct, equip, maintain, and operate all facilities (including separation, line heaters, and/or compression equipment) necessary to deliver Dedicated Production to Gatherer at the Receipt Points. Shipper shall install and maintain sufficient pressure regulating equipment upstream of the Receipt Points in order to keep the pressure of the Gas delivered to Gatherer at the Receipt Points from exceeding the maximum allowable operating pressure at the applicable Receipt Point. Gatherer shall design the Gas Gathering System to ANSI 300 standards or higher such that the maximum allowable operating pressure at each Receipt Point shall be not less than 740 psig.

ARTICLE 9 NOMINATION AND BALANCING

Section 9.1 Gatherer Notifications. On or before the fifth (5th) Day prior to the end of each Month, Gatherer shall provide written notice to Shipper of Gatherer's good faith estimate of any capacity allocations or curtailments for the any System Segment, if any, that, based on then currently available information, Gatherer anticipates will be required or necessary during the next Month, including as a result of any Maintenance. Gatherer shall use all reasonable efforts to provide 48 hours advance notice of any actual event requiring allocation or curtailment, including Maintenance.

Section 9.2 Nominations. On or before the second (2nd) Day prior to the end of each Month, Shipper shall provide to Gatherer nominations for deliveries of Dedicated Production to the Receipt Points and the delivery of Delivery Point Gas and Liquid Hydrocarbons to the specified Delivery Points during the next Month. Shipper shall have the right to change such nominations at any time subject to the requirements of the Persons receiving Delivery Point Gas or Liquid Hydrocarbons at or downstream of the Delivery Points and subject to changes in wellhead volumes being delivered into the system.

Section 9.3 Balancing. Gatherer will maintain records of any Daily and Monthly variances ("*Imbalances*") between the volume of Dedicated Gas received at the Receipt Points and the volumes of Delivery Point Gas, plus Lost and Unaccounted for Gas, Fuel, and Condensate allocated to Shipper. Shipper shall make such changes in its nominations as Gatherer may from time to time reasonably request to maintain Daily and Monthly balances or to correct an Imbalance. Shipper shall reimburse Gatherer for any cost, penalty, or fee arising from any Imbalance assessed against Gatherer by any Person receiving Dedicated Production downstream of the Delivery Points, except to the extent such Imbalance was caused by Gatherer. Upon the termination of this Agreement or at such other time as the Parties agree the Parties shall cash out any cumulative Imbalance using the applicable Index Price for the prior Month.

ARTICLE 10 QUALITY

Section 10.1 Receipt Point Gas Quality Specifications. Gas delivered by Shipper to the Receipt Points shall meet the following specifications (collectively, the "*Gas Quality Specifications*"):

(a) The Gas shall not contain any of the following in excess of: one-quarter (1/4) grain of hydrogen sulfide per hundred (100) cubic feet; one (1) grain of total sulfur per hundred (100) cubic feet; two one-hundredths of one percent (0.02%) by volume of oxygen; or two percent (2%) by volume of nitrogen.

(b) The total of all non-hydrocarbon gases shall not exceed three percent (3%) by volume.

(c) The temperature of the Gas at the Receipt Point shall not be in excess of one hundred twenty (120) degrees Fahrenheit.

(d) The Gas shall be free of solids, sand, salt, dust, gums, crude oil, and hydrocarbons in the liquid phase, and other objectionable substances which may be injurious to pipelines or which may interfere with the measurement, transmission or commercial utilization of said Gas.

Except for items (a) through (d) above, such Gas shall meet the most restrictive quality specifications required from time to time by the Downstream Pipelines receiving Delivery Point Gas, except for water vapor content, for which there shall be no specification applicable at the Receipt Points.

Section 10.2 Non-Conforming Gas. If any Gas delivered by Shipper fails at any time to conform to the Gas Quality Specifications, then Gatherer will have the right to immediately discontinue receipt of such non-conforming Gas so long as such Gas continues to be non-conforming. Shipper agrees to undertake commercially reasonable measures to eliminate the cause of such non-conformance. If Shipper fails to remedy such non-conformance, but such Gas conforms to all specifications other than hydrocarbon dew point and/or Gross Heating Value, then Gatherer agrees to (i) use commercially reasonable efforts to blend and commingle such Gas with other Gas in the Gathering System so that it meets the applicable specifications and (ii) if such Gas cannot be brought into compliance with such blending will continue to accept and redeliver such Gas to the Delivery Points that will accept such non-conforming Gas as long as (A) no harm is done to the Gathering System, (B) no harm is done to other shippers or their Gas, and (C) other shippers are not prevented from nominating Gas to their preferred Delivery Point. In the event that Gatherer takes receipt of non-conforming Gas, Shipper agrees to be responsible for, and to defend, indemnify, release, and hold Gatherer 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 Gas.

Section 10.3 Delivery Point Gas Quality Specifications. Gatherer shall redeliver the Delivery Point Gas that it is required to redeliver to Shipper at the Delivery Points meeting the Gas Quality Specifications, provided that Shipper delivers Gas to Gatherer at the Receipt Points which meets the Gas Quality Specifications.

Section 10.4 Liquid Hydrocarbons Quality Requirements. Liquid Hydrocarbons delivered by Shipper to the Receipt Points shall have gravity, viscosity, and other properties such that it is readily susceptible to gathering and handling through Gatherer's existing facilities and such that it will not adversely affect the quality of Liquid Hydrocarbons received from other

shippers or cause any material disadvantage to other shippers or Gatherer. If any Liquid Hydrocarbons delivered by Shipper fails at any time to conform to the foregoing requirements, then Gatherer will have the right to immediately discontinue receipt of such non-conforming Liquid Hydrocarbons so long as such Liquid Hydrocarbons continues to be non-conforming. Shipper agrees to undertake commercially reasonable measures to eliminate the cause of such non-conformance. Gatherer shall ensure that the Liquid Hydrocarbons of other shippers are also required to meet the foregoing standards.

Section 10.5 Greenhouse Gas Emissions. Notwithstanding anything contained in this Agreement to the contrary, in the event there is an enactment of, or change in, any law after the Original Agreement Effective Date which, in Gatherer's reasonable determination, results in (a) a Governmental Authority requiring Gatherer to hold or acquire emission allowances or their equivalent related to the carbon dioxide content or emissions or the greenhouse gas content or emissions attributable to Shipper's Production and/or the gathering, or transportation of such Production (collectively, "***Shipper's GHG Emissions***") or (b) Gatherer incurring any costs or expenses attributable to Shipper's Production, including any costs or expenses for disposal or treating of carbon dioxide attributable to such Production, or any other additional economic burden being placed on Gatherer in connection with or related to Shipper's GHG Emissions, including any tax, assessment, or other cost or expense (collectively, "***Emissions Charges***"), then (i) Shipper will use reasonable efforts to provide any required emissions allowances or their equivalent to Gatherer in a timely manner (and shall indemnify and hold harmless Gatherer from against any Losses, including any expenses incurred by Gatherer in acquiring such allowances in the marketplace, arising out of Shipper's failure to so provide such allowances) and (ii) Shipper shall be fully responsible for such Emissions Charges and shall reimburse Gatherer for any Emissions Charges paid by Gatherer within ten (10) Days of receipt of Gatherer's invoice.

ARTICLE 11 MEASUREMENT EQUIPMENT AND PROCEDURES

Section 11.1 Equipment. Gatherer shall install, own, operate, and maintain Measurement Facilities to measure Production at all the System Receipt Points and shall ensure that the relevant Downstream Pipeline or Processing Plant installs, owns, operates, and maintains Measurement Facilities at the System Delivery Points (but downstream of any slug catcher) for Gas. Measurement Facilities owned by Gatherer at the Receipt Points shall meet current industry standards for custody transfer measurement. For Gas measurement, unless the Parties agree otherwise, with respect to all Well Pads initially connected after September 1, 2017, Gatherer shall install Measurement Facilities with a single orifice meter for each Well Pad, and Shipper shall install, own, and operate flow lines from the Wells on each such Well Pad to such Measurement Facilities. Shipper shall have the right to install check Measurement Facilities at each Receipt Point, including the right to install check measurement equipment on Gatherer's meter tubes and orifice unions.

Section 11.2 Gas Measurement Standards. The following standards shall apply to the measurement of Gas hereunder:

- (a) Where measurement is by orifice meter, all fundamental constants, observations, records, and procedures involved in the determination and/or verification of the

quantity and other characteristics of the Gas delivered hereunder shall be in accordance with the standards prescribed in the latest edition of A.G.A. Report No. 3 (ANSI/API 2530) "Orifice Metering of Natural Gas" with any revisions, amendments or supplements as may be mutually acceptable to the Parties.

(b) Where measurement is by ultrasonic meter, all fundamental constants, observations, records, and procedures involved in the determination and/or verification of the quantity and other characteristics of the Gas delivered hereunder shall be in accordance with the standards prescribed in the latest edition of A.G.A. Report No. 9 "Measurement of Gas by Multi Path Ultrasonic Meters" with any revisions, amendments or supplements as may be mutually acceptable to the Parties.

(c) The changing and integration of the charts (if utilized for measurement purposes hereunder) and calibrating and adjusting of meters shall be performed by Gatherer.

Section 11.3 Liquid Hydrocarbons Measurement Standards. The following standards shall apply to the measurement of Liquid Hydrocarbons hereunder:

(a) Measurement Devices used in the measurement of Liquid Hydrocarbons shall be designed, installed, and operated in accordance with specifications of the American Petroleum Institute Manual of Petroleum Measurement Standards or other applicable industry standards, as amended from time to time.

(b) The quality and gravity of Liquid Hydrocarbons shall be determined from laboratory analyses of representative samples following the calculation procedures in American Petroleum Institute Manual of Petroleum Measurement Standards or other applicable industry standards

Section 11.4 Gas Measurement.

(a) The unit of volume for measurement of Gas delivered hereunder shall be one Mcf at a base temperature of 60 degrees Fahrenheit and at an absolute pressure of 14.73 psia and without adjustment for water vapor content. It is agreed that for the purposes of measurement and computations hereunder, (a) the atmospheric pressure shall be based on the atmospheric pressure determined and used by Downstream Pipelines at the Delivery Point(s) regardless of the atmospheric pressure at which the Gas is measured and (b) all measurements and testing performed hereunder shall all be made by Gatherer in accordance with applicable rules, regulations, and orders.

(b) Gatherer's Measurement Facilities at the System Receipt Points shall be spot samplers, continuous samplers, or gas chromatographs, as Gatherer shall in its discretion determine, subject to the minimum requirements set forth in the following three sentences. Gatherer shall at least take monthly spot samples at all Measurement Facilities located at System Receipt Points where Gas is received into the Gathering System from a single Well. At all Measurement Facilities located at System Receipt Points where Gas is received into the System from more than one Well, Gatherer shall at least (i) take monthly spot samples if such Measurement Facilities measure less than five thousand (5,000) Mcf per Day, (ii) use continuous samplers if such Measurement Facilities measure from five thousand (5,000) to

twenty thousand (20,000) Mcf per Day, and (iii) use gas chromatographs if such Measurement Facilities measure more than twenty thousand (20,000) Mcf per Day. Measurement at the System Delivery Points shall be done using continuous samplers (for Measurement Facilities metering less than twenty thousand (20,000) Mcf per Day) and online gas chromatographs (for Measurement Facilities metering twenty thousand (20,000) Mcf or more per Day). Gatherer shall procure or cause to be procured a sample of Gas at each System Delivery Point and analyze the samples by chromatographic analysis to determine the component content (mole percent), specific gravity, and the Thermal Content thereof. These determinations shall be made utilizing the following standards: (i) Gas Processors Association Obtaining Natural Gas Samples for Analysis by Gas, Publication No. 2166 as amended or supplemented from time to time and (ii) Gas Processors Association Analysis for Natural Gas and Similar Gaseous Mixtures by Gas Chromatography, Publication No. 2161 as amended or supplemented from time to time, or (iii) any other tests that are mutually agreed by Shipper and Gatherer.

(c) The specific gravity of Gas shall be measured by a standard gravity balance in accordance with the provisions of the Natural Gas Processors Association Publication No. 3130, entitled "Standard Method for Determining the Specific Gravity of Gas", or by a gravitometer employing the "Momentum Method" as described in Chapter VII, "Determination of Specific Gravity", of the American Gas Association Gas Measurement Manual, 1963, in each case, as such may be amended from time to time. The specific gravity will be determined and calculated to the nearest one-thousandth (0.001).

(d) The temperature of Gas shall be determined by means of a recording thermometer recording the temperature of such Gas flowing through each measurement meter. The average temperature to the nearest one degree (1°) Fahrenheit, obtained while Gas is being delivered, will be the applicable flowing Gas temperature for the period under consideration.

(e) The deviation of the Gas from Ideal Gas Laws shall be determined in accordance with the A.G.A. Par Research Project NX-19 Report "Manual for the Determination of Supercompressibility Factors for Natural Gas", Reprinted 1976, if the composition of the Gas is such to render this procedure applicable.

(f) Physical constants required for making calculations hereunder shall be taken from the Gas Processors Association Table of Physical Properties for Hydrocarbons and Other Compounds of Interest to the Natural Gas Industry, Publication No. 2145 as amended or supplemented from time to time. Physical constants for the hexanes and heavier hydrocarbons portion of hydrocarbon mixtures shall be assumed to be the same as the physical constants for hexane.

Section 11.5 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 used in measuring or checking the measurement of receipts or deliveries of Production 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 shall remain the property of the Measurement Facilities' owner, but

copies of such records shall, upon written request, be submitted, together with calculations and flow computer configurations therefrom, to the requesting Party for inspection and verification.

Section 11.6 Measurement Accuracy Verification.

(a) Each Party shall verify the accuracy of all Measurement Facilities owned by such Party at intervals based upon the following schedule:

(i) semi-annually for Gas Measurement Facilities metering less than one thousand (1,000) Mcf per Day;

(ii) quarterly for Gas Measurement Facilities metering between one thousand (1,000) and five thousand (5,000) Mcf per Day;

(iii) monthly for Gas Measurement Facilities metering more than five thousand (5,000) Mcf per Day; and

(iv) quarterly for Liquid Hydrocarbons Measurement Facilities.

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 11.7.

(b) If, during any test of the Measuring 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 one percent (1%) 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 11.8. 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 one percent (1%) error.

(c) If, during any test of any 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 one percent (1%) of the adjusted flow rate, all prior recordings and electronic flow computer data shall be considered to be accurate for quantity determination purpose.

Section 11.7 Special Tests. In the event a Party desires a special test (a test not scheduled by a Party under the provisions of Section 11.6) of any Measurement Facilities, 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 the Measurement Facilities tested are found to be within the range of accuracy set forth in Section 11.6(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 the Measurement Facilities tested are found to be outside the range of accuracy set forth in Section 11.6(b), then the Party that owns such

Measurement Facilities shall pay such costs and perform the corrections according to Section 11.8.

Section 11.8 Metered Flow Rates in Error. If, for any reason, any Measurement Facilities 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 by an amount of the magnitude described in Section 11.6, the total quantity of Production delivered 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 11.6);

(b) Where multiple meter runs exist in series, by calculation using the registration of such meter run equipment; provided that they are measuring Production from upstream and downstream headers 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 charts, or by straightforward application of a correcting factor to the quantities recorded for the period (if the net percentage of error is ascertainable by calibration, tests or mathematical calculation); or

(d) By estimating the quantity, based upon deliveries made during periods of similar conditions when the meter was registering accurately.

Section 11.9 Record Retention. The Party owning the Measurement Facilities shall retain and preserve all test data, charts, 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 or regulation requires a longer time period or the Party has received written notification of a dispute involving such records, in which case records shall be retained until the related issue is resolved.

Section 11.10 Access.

(a) Gatherer shall contract with eLynx Technologies or a provider of comparable services reasonably satisfactory to Shipper (the “**Monitoring Services Provider**”) for remote monitoring of Gas Measurement Facilities, including monitoring of measurement data on an hourly (or more frequent) basis for flow rate, meter pressures, meter temperature, orifice diameter, Gross Heating Value, and composition for importation into PRAMS Plus production software or comparable production software (“**Remote Monitoring Data**”).

(b) Gatherer shall (i) provide the Monitoring Services Provider access to all of Gatherer’s radio and telephone infrastructure to access and gather all Remote Monitoring Data and (ii) cause the Monitoring Services Provider to allow Shipper to view and access all Remote Monitoring Data on the Monitoring Service Provider’s system, including the ability to poll for Remote Monitoring Data through the Monitoring Services Provider’s system.

(c) Gatherer shall provide Shipper 120 Days’ notice of any termination by Gatherer of its contract with any Monitoring Services Provider.

ARTICLE 12
NOTICES

Section 12.1 Notices. Unless otherwise provided herein, any notice, request, invoice, statement, or demand which either Party desires to serve upon the other 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, if sent by email after normal business hours or if receipt of a facsimile transmission is confirmed after normal business hours, receipt shall be deemed to be 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 Shipper desires to serve upon Gatherer a Connection Notice, the delivery of such notice shall be considered effective under this Section 12.1 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 written notice to the other:

Shipper: 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 gas control, nominations & balancing:
Manager of Gas Marketing
Phone: (303) 357-7310
Fax Number: (303) 357-7315

For accounting, financial, and legal:
Controller
Phone: (303) 357-7310
Fax Number: (303) 357-7315

Gatherer: ANTERO MIDSTREAM LLC
1615 Wynkoop
Denver, Colorado 80202

Attn: Chief Financial Officer
Phone: (303) 357-7310
Fax Number: (303) 357-7315

For gas control, nominations & balancing:
Manager of Gas Marketing
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 13 PAYMENTS

Section 13.1 Invoices. Not later than the tenth (10th) Day following the end of each Month, Gatherer shall provide Shipper with a detailed statement setting forth the volume and Thermal Content of Gas and, if applicable, the volume of Liquid Hydrocarbons received by Gatherer at the Receipt Points in such Month, the volume and Thermal Content of Delivery Point Gas allocated to Shipper and, if applicable, the volume of Liquid Hydrocarbons redelivered to Shipper in such Month, the quantity of Gas and the cost of electricity used as Fuel allocated to Shipper in such Month, the volume and Thermal Content of Lost and Unaccounted For Gas for such Month, and the Gathering Fee, the High Pressure Gathering Fee, the Compression Fee, the Liquids Gathering Fee, and the Cost of Service Fee with respect to such Month, together with measurement summaries and the amount of any Imbalances and all relevant supporting documentation, to the extent available on such tenth (10th) Day (with Gatherer being obligated to deliver any such supporting documentation that is not available on such tenth (10th) Day as soon as it becomes available). Shipper shall make payment to Gatherer 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 Gatherer to Shipper 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, Gatherer shall refund any amount of overcharge, and Shipper shall pay any amount of undercharge, within thirty (30) Days after final determination thereof, 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 13.2 Right to Suspend on Failure to Pay. If any undisputed amount due hereunder remains unpaid for sixty (60) Days after the due date, Gatherer shall have the right to suspend or discontinue Services hereunder until any such past due amount is paid.

Section 13.3 Audit Rights. Either Party, on not less than thirty (30) Days prior written 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 transactions affecting Dedicated Production and Delivery Point Gas hereunder and 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 13.4 Payment Disputes. In the event of any dispute with respect to any payment hereunder, Shipper shall make timely payment of all undisputed amounts, and Gatherer and Shipper 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 13.5 Interest on Late Payments. In the event that Shipper 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 13.6 Credit Assurance. Gatherer shall apply consistent evaluation practices to all similarly situated shippers to determine the new Shipper's financial ability to perform its payment obligations under this Agreement.

(a) If Gatherer has reasonable grounds for insecurity regarding the performance of any obligation by Shipper under this Agreement (whether or not then due), Gatherer may demand Adequate Assurance of Performance from Shipper, which Adequate Assurance of Performance shall be provided to Gatherer within five (5) Days after written request. If Shipper fails to provide such Adequate Assurance of Performance within such time, then Gatherer may suspend its performance under this Agreement until such Adequate Assurance of Performance is provided. However, any action by Gatherer shall not relieve Shipper of its payment obligations. The exercise by Gatherer of any right under this Section 13.6 shall be without prejudice to any claims for damages or any other right under this Agreement. As used herein, "*Adequate Assurance of Performance*" means any of the following, in Gatherer's reasonable discretion:

(i) an irrevocable standby letter of credit in an amount not to exceed an amount that is equal to sixty (60) Days of Shipper'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 satisfactory to Gatherer;

(ii) cash collateral in an amount not to exceed an amount that is equal to sixty (60) Days of Shipper's payment obligations hereunder to be deposited in an escrow account as designated by Gatherer; Gatherer is hereby granted a security interest in and right of set-off against all 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 Shipper's payment obligations hereunder reasonably acceptable to Gatherer.

(b) The term of any security provided under this Section 13.6 shall be as reasonably determined by Gatherer, but it shall never exceed sixty (60) Days, after which the

security shall terminate (or in the case of cash collateral, be immediately returned by Gatherer to Shipper without further action by either Party). Nothing shall prohibit Gatherer, 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 13.6 exist.

(c) Should Shipper fail to provide Adequate Assurance of Performance within five (5) Days after receipt of written demand for such assurance (which shall include reasonable particulars for the demand and documentation supporting the calculation of such amount demanded), then Gatherer shall have the right (notwithstanding any other provision of this Agreement) to suspend performance under this Agreement until such time as Shipper furnishes Adequate Assurance of Performance.

Section 13.7 Excused Performance. Gatherer will not be required to perform or continue to perform services hereunder, and Shipper shall not be obligated to deliver Dedicated Production to the Gathering System (or make any payments required under Section 5.1(d)(i) and Section 5.1(d)(ii)) in the event:

(a) the other Party has voluntarily filed for bankruptcy protection under any chapter of the United States Bankruptcy Code;

(b) the other Party is the subject of an involuntary petition of bankruptcy under any chapter of the United States Bankruptcy Code, and such involuntary petition has not been settled or otherwise dismissed within ninety (90) Days of such filing; or

(c) the other Party otherwise becomes insolvent, whether by an inability to meet its debts as they come due in the ordinary course of business or because its liabilities exceed its assets on a balance sheet test; and/or however such insolvency may otherwise be evidenced.

ARTICLE 14 FORCE MAJEURE

Section 14.1 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 in writing 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 14.2 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 government authorizations, 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 applicable laws, rules, regulations, or orders), and, in the case of Gatherer as the claiming party, any breach of any representation or warranty of Shipper or any failure by Shipper to perform any obligation of Shipper under that certain Contribution Agreement dated November 10, 2014, by and between Shipper and Gatherer.

Section 14.3 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 14.4 Payments for Production Delivered. 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 Shipper's obligation to make payment for quantities of Production delivered prior to such event of Force Majeure.

ARTICLE 15 INDEMNIFICATION

Section 15.1 Gatherer. Subject to the terms of this Agreement, including Section 18.8, Gatherer shall release, indemnify, defend, and hold harmless Shipper and its Affiliates, directors, officers, employees, agents, consultants, representatives, and invitees from and against all claims and losses arising out of or relating to (i) the operations of Gatherer and (ii) any breach of this agreement by Gatherer.

Section 15.2 Shipper. Subject to the terms of this Agreement, including Section 18.8, Shipper shall release, indemnify, defend, and hold harmless Gatherer and its Affiliates, directors, officers, employees, agents, consultants, representatives, and invitees from and against all claims and losses arising out of or relating to (i) the operations of Shipper and (ii) any breach of this agreement by Shipper.

ARTICLE 16 CUSTODY AND TITLE

Section 16.1 Custody. As among the Parties, Shipper shall be in custody, control and possession of (i) Shipper's Production hereunder until such Production is delivered to the Receipt Points and (ii) the Delivery Point Gas and Liquid Hydrocarbons after they are delivered to Shipper at the Delivery Points, including any portion of any Delivery Point Gas which

accumulates as liquids. As among the Parties, Gatherer shall be in custody, control and possession of all Production in the Gathering System at all other times, including any portion thereof which accumulates as liquids. The Party having custody and control of Production under the terms of this Agreement shall be responsible for, and shall defend, indemnify, release and hold the other Party and its 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 Production when such Production is in its custody and control, including losses resulting from any negligent acts or omissions of any indemnified party, but excluding any losses to the extent caused by or arising out of the negligence, gross negligence, or willful misconduct of the indemnified party.

Section 16.2 Shipper Warranty. Shipper represents and warrants that it owns, or has the right to deliver to the Gathering System, all Production delivered under this Agreement, free and clear of all liens, encumbrances and adverse claims. If the title to Production delivered by Shipper hereunder is disputed or is involved in any legal action, Gatherer shall have the right to cease receiving such Production, to the extent of the interest disputed or involved in legal action, during the pendency of the action or until title is freed from the dispute, or until Shipper furnishes, or causes to be furnished, indemnification to save Gatherer harmless from all claims arising out of the dispute or action, with surety acceptable to Gatherer. Shipper hereby indemnifies Gatherer against and holds Gatherer harmless from any and all claims and losses arising out of or related to any breach of the foregoing representation and warranty..

Section 16.3 Title. Title to all Production delivered under this Agreement, including all constituents thereof, shall remain with and in Shipper or its customers at all times; provided, however, title to Production used as Fuel and Lost and Unaccounted For Gas shall pass from Shipper or its customer to Gatherer immediately downstream of the Receipt Point. Title to Condensate that is recovered from Shipper's Gas in the Gathering System shall remain with Shipper. Title to water (i) that is removed from Shipper's Gas in Gatherer's dehydration facilities shall pass to Gatherer immediately downstream of the point of recovery, and (ii) that condenses from Shipper's Gas in the Gathering System shall pass to Gatherer immediately downstream of the Receipt Point.

ARTICLE 17 TAXES; ROYALTIES

Section 17.1 Taxes. Shipper shall pay or cause to be paid and agrees to hold Gatherer harmless as to the payment of all excise, gross production, severance, sales, occupation and all other Taxes, charges or impositions of every kind and character required by statute or by order of Governmental Authorities and levied against or with respect to Shipper's Production, Delivery Point Gas or the Services provided under this Agreement. Gatherer shall not become liable for such Taxes, unless designated to remit those Taxes on behalf of Shipper by any duly constituted jurisdictional agency having authority to impose such obligations on Gatherer, in which event the amount of such Taxes remitted on Shipper's behalf shall be (i) reimbursed by Shipper upon receipt of invoice, with corresponding documentation from Gatherer setting forth such payments, or (ii) deducted from amounts otherwise due Gatherer under this Agreement. Gatherer 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 the Gathering System. Except as

provided in Exhibit I 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.

Section 17.2 Royalties. As between the Parties, Shipper shall have the sole and exclusive obligation and liability for the payment of all Persons due any proceeds derived from Shipper's Production or Delivery Point Gas (including all constituents and products thereof) delivered under this Agreement, including royalties, overriding royalties, and similar interests, in accordance with the provisions of the leases or agreements creating those rights to proceeds. In no event will Gatherer have any obligation to those Persons due any of those proceeds of production attributable to any such Production (including all constituents and products thereof) delivered under this Agreement. Although Shipper shall retain title to Production as provided in this Section 16.3, Gatherer shall have the right to commingle Production delivered by Shipper with Third Party Production.

ARTICLE 18 MISCELLANEOUS

Section 18.1 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 18.2 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. The Parties hereby agree that, in the event that (i) Gatherer's facilities, or any part thereof, become subject to regulation by the Federal Energy Regulatory Commission, or any successor agency thereto ("**FERC**"), or any other Governmental Authority of the rates, terms and conditions for service, (ii) Gatherer becomes obligated by FERC or any other Governmental Authority to provide Services or any portion thereof on an open access, nondiscriminatory basis as a result of Gatherer's execution, performance or continued performance of this Agreement or (iii) FERC or any other Governmental Authority seeks to modify any rates under, or terms or conditions of, this Agreement, then:

(a) to the maximum extent permitted by law, it is the intent of the Parties that the rates and terms and conditions established by the FERC Governmental Authority having jurisdiction shall not alter the rates or terms and conditions set forth in this Agreement, and the Parties agree to vigorously defend and support in good faith the enforceability of the rates and terms and conditions of this Agreement;

(b) in the event that FERC or the Governmental Authority having jurisdiction modifies the rates or terms and conditions set forth in this Agreement, the Parties hereby agree to negotiate in good faith to enter into such amendments to this

Agreement and/or a separate arrangement in order to give effect, to the greatest extent possible, to the rates and other terms and conditions set forth herein; and

(c) in the event that the Parties are not successful in accomplishing the objectives set forth in (a) or (b) above such that the Parties are in substantially the same economic position as they were prior to any such regulation, then either Party may terminate this Agreement upon the delivery of written notice of termination to the other Party.

Section 18.3 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 18.4 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. Except as set forth in Section 18.4(b) and Section 18.4(c), 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 (which such consent shall not be unreasonably withheld, conditioned or delayed), and any assignment or attempted assignment made otherwise than in accordance with this Section 18.4 shall be null and void *ab initio*.

(b) Notwithstanding the foregoing clause (a), Gatherer may perform all services under this Agreement itself using its own gathering, compression, and other facilities and/or perform any or all such services through third parties, in which case references herein to the Gathering System shall be deemed to be references to such facilities of the relevant third party.

(c) Notwithstanding the foregoing clause (a):

(i) Gatherer shall have the right to assign its rights under this Agreement, in whole or in part, as applicable, without the consent of Shipper if such assignment is made to any Person to which the Gathering System or any part thereof has been or will be transferred that assumes in writing all of Gatherer's obligations hereunder (if applicable, to the extent that part of the Gathering System being transferred to such

Person) and is (A) an Affiliate of Gatherer or (B) a Person to which the Gathering System has been or will be transferred who (1) hires (or retains, as applicable) operating personnel who are then operating the Gathering System (or has similarly experienced operating personnel itself), (2) has operated for at least two (2) years prior to such assignment systems similar to the Gathering System, or (3) contracts for the operation of the Gathering System with another Person that satisfies either of the foregoing conditions (1) or (2) in this clause (B), provided in the case of an assignment pursuant to this clause (B), the assignee has creditworthiness as reasonably determined by Shipper that is equal to the higher of Gatherer's creditworthiness as of the Original Agreement Effective Date and Gatherer's creditworthiness as of the date of the assignment.

(ii) Gatherer 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 Gatherer.

(iii) Shipper shall have the right to assign its rights under this Agreement, in whole or in part, as applicable, without the consent of Gatherer, to any Person to which it sells, assigns, or otherwise transfers all or any portion of the Dedicated Properties and who (A) who assumes in writing all of Shipper's obligations hereunder (if applicable, to the extent of the Dedicated Properties being transferred to such Person) and (B) whose credit rating is equal to or greater than the greater of Shipper's credit rating as of the Original Agreement Effective Date and Shipper's credit rating as of the date of the assignment.

(d) Upon an assignment by Gatherer in accordance with Section 18.4(c)(i)(B) Gatherer shall be released from its obligations under this Agreement to the extent of such assignment. Upon an assignment by Shipper in accordance with Section 18.4(c)(ii), Shipper shall be released from its obligations under this Agreement to the extent of such assignment.

Section 18.5 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 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 18.6 Confidentiality.

(a) Confidentiality. Except as otherwise provided in this Section 18.6, 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, Gathering System Plans, and all data relating to the production of Shipper, including well data,

production volumes, volumes gathered, transported, or compressed, and gas quality) (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 express written consent of the other Party.

(b) Permitted Disclosures. Notwithstanding Section 18.6(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 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 18.6; (v) to its own directors, officers, employees, agents and representatives; (vi) to an Affiliate; (vii) to financial advisors, attorneys, and banks, provided that such Persons are subject to a confidentiality undertaking consistent with this Section 18.6(b), or (viii) except for information disclosed pursuant to Article 3 of this Agreement, to a royalty, overriding royalty, net profits or similar owner burdening Dedicated Production, provided such royalty, overriding royalty, net profits or similar owner, agrees in writing to be bound by the terms of this Section 18.6.

(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 18.6(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 18.6.

(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 18.6, 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 18.6 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 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 18.6 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 18.7 Entire Agreement, Amendments and Waiver; Amendment and Restatement of Original Agreement.

(a) This Agreement, including all exhibits hereto, integrates the entire understanding between the Parties with respect to the subject matter covered and supersedes all prior understandings, drafts, discussions, or statements, whether oral or in writing, expressed or implied, dealing with the same subject matter. This Agreement may not be amended or modified in any manner except by a written document signed by the Parties that expressly amends this Agreement. No waiver by either Party of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless expressly provided. No waiver shall be effective unless made in writing and signed by the Party to be charged with such waiver.

(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 18.8 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 18.9 Headings. The headings and captions in this Agreement have been inserted for convenience of reference only and shall not define or limit any of the terms and provisions hereof.

Section 18.10 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 law.

Section 18.11 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 18.1 2 Rules of Construction. In construing this Agreement, the following principles shall be followed:

- (a) no consideration shall be given to the fact or presumption that one Party had a greater or lesser hand in drafting this Agreement;
- (b) examples shall not be construed to limit, expressly or by implication, the matter they illustrate;
- (c) the word “includes” and its syntactical variants mean “includes, but is not limited to,” “includes without limitation” and corresponding syntactical variant expressions;
- (d) the plural shall be deemed to include the singular and vice versa, as applicable; and
- (e) references to Section shall be references to Sections of this Agreement.

Section 18.13 No Third Party Beneficiaries. This Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns, 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 18.14 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 18.1 5 Counterpart Execution. This Agreement may be executed in any number of counterparts, each of which shall be considered an original, and all of which shall be considered one and the same instrument.

Section 18.1 6 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 Dedicated Properties are located. Further such memoranda shall be executed and delivered by Shipper as Gatherer from time to time requests to evidence the dedication 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 MIDSTREAM LLC

By: /s/ Alwyn A. Schopp
Name: Alwyn A. Schopp
Title: Chief Administrative Officer & Regional
Senior Vice President

*First Amended and Restated Gathering and Compression Agreement
Signature Page*

EXHIBIT A

EXCLUDED WELLS

All gathering to Bluestone and ExCo vertical wells and all gathering to Davis Well and McKinley 1 & 2H Wells.

EXHIBIT B
DELIVERY POINTS

Low Pressure Delivery Points

West Virginia

1. Antero Mountain Compressor Station
2. Antero Pennington Compressor Station
3. Antero Monroe Compressor Station
4. Antero North Canton Compressor Station
5. Antero White Oak Compressor Station
6. Crestwood Appalachia Pipeline LLC (Crestwood) West Union Compressor Station
7. Crestwood Victoria Compressor Station

Ohio

1. EnLink Crum Compressor Station
2. EnLink Miller Compressor Station
3. EnLink Appalachian Compression, LLC, (EnLink) Upper Hill Compressor Station
4. EnLink Batesville Compressor Station
5. EnLink Reusser Compressor Station

High Pressure Delivery Points

West Virginia

Receipt Points	Delivery Points
Antero Mountain Compressor Station	MarkWest Sherwood Plant
Antero Monroe Compressor Station	Magnum Hunter or MarkWest Sherwood Plant

Antero North Canton Compressor Station	Summit Pike Fork lateral
Antero White Oak Compressor Station	MarkWest Sherwood Plant
Crestwood West Union Compressor Station	MarkWest Sherwood Plant
Crestwood Victoria Compressor Station	Summit Pike Fork lateral
Antero New Milton Compressor Station	MarkWest Sherwood Gas Processing Plant
Antero Midstream Pike Fork Compressor	Columbia Gas Transmission

Ohio

Receipt Points	Delivery Points
Antero Sanford well gathering line	Dominion East Ohio
EnLink Crum Compressor Station	MarkWest Seneca Plant
EnLink Miller Compressor Station	MarkWest Seneca Plant
EnLink Upper Hill Compressor Station	MarkWest Seneca Plant
EnLink Batesville Compressor Station	MarkWest Seneca Plant
EnLink Reusser Compressor Station	MarkWest Seneca Plant

Liquid Hydrocarbons Receipt and Delivery Points

Receipt Points	Delivery Points
Robert Pad, Ardith Pad, Miley Pad, Rich Pad, Wayne Pad, Myron Pad, Cynthia Pad, Smierciak Pad, Justice Pad	E2 Upper Hill Stabilizer
Roe Pad, Ervin Pad, J.R. Tyler Pad, Price Pad, Schultz Pad	E2 Batesville Station
Krupa Pad, Bond Pad, Roosen Pad, Bates Pad	E2Crum Stabilizer

EXHIBIT C

GATHERING SYSTEM

Any Low Pressure and High Pressure Gathering Systems gathering Gas from Shipper in the following counties and states:

Washington, PA;

Doddridge, WV;

Harrison, WV;

Tyler, WV;

Ritchie, WV;

Noble, OH;

Monroe, OH;

Guernsey, OH; and

Belmont, OH,

excluding facilities owned by Summit, Crestwood, ETC, M3, EQT, and MarkWest.

EXHIBIT D

INITIAL DEVELOPMENT PLAN

[attached]

EXHIBIT E

CONFLICTING DEDICATIONS

1. Second Amended and Restated Gas Gathering Agreement between Shipper and M3 Appalachia Gathering, LLC, dated July 1, 2013
2. Gathering and Compression Agreement between Shipper and Crestwood Marcellus Midstream LLC dated effective as of January 1, 2012.
3. Gas Gathering Agreement between Shipper and ETC Northeast Pipeline, LLC, dated January 1, 2010, as amended through the Effective Date.

EXHIBIT F

INITIAL GATHERING SYSTEM PLAN

[attached]

EXHIBIT G

FORM OF CONNECTION NOTICE

Antero Midstream LLC
1615 Wynkoop Street
Denver, Colorado 80202

Re: First Amended and Restated Gathering and Compression Agreement dated February 13, 2018, between Antero Resources Corporation and Antero Midstream LLC (the “*Gathering Agreement*”)

Ladies and Gentlemen:

This is a Connection Notice for purposes of the Gathering Agreement. Capitalized terms used but not defined in this Connection Notice have the meanings given such terms in the Gathering Agreement.

Gatherer is hereby notified that Shipper is planning to drill and complete the Planned Wells at the Planned Well Pads by the Target Completion Dates, in each case as set forth below:

Planned Well	Planned Well Pad	Target Completion Date

Very truly yours,

ANTERO RESOURCES CORPORATION

By: _____
Name: _____
Title: _____

EXHIBIT H

DEEMED CONNECTION NOTICES

[attached]

EXHIBIT I

COST OF SERVICE FEE

The Monthly Cost of Service Fee shall be calculated separately for each CS Facility for each Contract Year or, in the case of a CS Facility that is placed into service or acquired during a Contract Year, for the period from the first Day of the Month following the Month in which such CS Facility is placed into service or acquired through the end of such Contract Year, and for each Contract Year thereafter. The Cost of Service Fees for all CS Facilities for each Month shall be summed to result in the total Cost of Service Fee payable for such Month. The Monthly Cost of Service Fee for each Contract Year (or portion thereof, if applicable) 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 (i) the amount that, if paid to Gatherer with respect to each Month remaining in the Recovery Term for such CS Facility, when taken together with all Prior Capex Fees paid to Gatherer for such CS Facility, would result in Gatherer recovering all of Gatherer’s capital expenditures for such CS Facility (including the cost of acquisition of such CS Facility from Shipper, if applicable) over a period of 84 Months commencing with the placement in service or acquisition 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 CS Facility, if such CS Facility is specified or sized to gather, compress, or otherwise handle volumes of Production in excess of those volumes of Dedicated Production projected in the Development Plan to be put through such CS Facility, only such portion of such capital expenditures that would be required to build facilities specified and sized to gather, compress, or otherwise the volumes of Dedicated Production projected in the Development Plan to be put through such CS Facility shall be considered.

The “**Monthly O&M Fee**” for any Contract Year (or portion thereof, if applicable) is an amount equal to:

- (i) the sum of:
 - (a) the operations and maintenance costs and expenses, including the costs and expenses of repairs and replacements in kind, that Gatherer estimates it will incur with respect to the CS Facility during such Contract Year (or such portion thereof, if applicable); plus
 - (b) the O&M True Up Amount, if any,
- (i i) divided by 12 (or by the number of Months in such portion of such Contract Year, if applicable).

The “*O&M True Up Amount*” means, with respect to any Contract Year (or portion thereof, if applicable) and any CS Facility,

- (i) the positive or negative difference resulting from the following calculation:
 - (a) the actual operations and maintenance costs and expenses, including the costs and expenses of repairs and replacements in kind, incurred by Gatherer in the immediately prior Contract Year with respect to such CS Facility;
- Minus
- (b) the sum of the aggregate Monthly O&M Fees paid to Gatherer 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 Gatherer’s allocation to the CS Facility of Gatherer’s overhead and general and administrative expenses together with Taxes payable by Gatherer with respect to the CS Facility or the Services performed in connection with the CS Facility (but excluding in any event Gatherer’s income taxes), to the extent not otherwise paid or reimbursed by Shipper pursuant to this Agreement. For purposes of determining the Monthly O&M Fee for any CS Facility, if such CS Facility also used to gather, compress, or otherwise handle Third Party Production, only the portion of such operating expenses that are fairly allocable to gathering Dedicated Production shall be considered.

EXHIBIT J

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF GATHERING AGREEMENT (this “Memorandum”) is entered into effective [_____], 201[___], by and between **ANTERO RESOURCES CORPORATION** (“Shipper”), with an address of 1615 Wynkoop Street, Denver, Colorado 80202, and **ANTERO MIDSTREAM LLC**, with an address of 1615 Wynkoop Street, Denver, Colorado 80202 (“Gatherer”).

WHEREAS, Shipper and Gatherer entered into that certain First Amended and Restated Gathering and Compression Agreement effective February 13, 2018 (the “Agreement”), pursuant to which Gatherer will provide certain gathering and other 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. Dedication. Subject to the exceptions, exclusions, and reservations set forth in the Agreement and the other terms and conditions of the Agreement, (a) Shipper has exclusively dedicated and committed to deliver to Gatherer, as and when produced, all Production produced on or after the date of the Agreement that is attributable to the Oil and Gas Interests now owned or hereafter acquired by Shipper and located wholly or partly within the states of Pennsylvania, West Virginia, and Ohio, and certain other areas, or on lands pooled, unitized or communitized wholly or partly within any portion of the Dedication Area (the “Dedicated Properties”), together with all Production attributable to third parties that is produced from a Well located on the Dedicated Properties, which Production Shipper has the right to control and deliver for gathering (“Dedicated Production”), for gathering through the Gathering System under the Agreement, and (b) Shipper agrees not to deliver any Dedicated Production to any other gathering system (the foregoing dedication and commitment being herein referred to as the “Dedication”).

3 . Covenant Running with the Land. So long as the Agreement is in effect, Dedication shall be a covenant running with the land and, subject to the exceptions and reservations set forth in the Agreement, (a) in the event Shipper sells, transfers, conveys, assigns, grants, or otherwise disposes of any or all of its interest in the Dedicated 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, and (b) in the event Gatherer sells, transfers, conveys, assigns, grants, or otherwise disposes of any or all of its interest in the Gathering

System, 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.

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.

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 MIDSTREAM LLC

By: _____
Name: _____
Title: _____

ANTERO RESOURCES CORPORATION

By: _____
Name: _____
Title: _____

ACKNOWLEDGEMENTS

STATE OF COLORADO §
 §
CITY AND COUNTY OF DENVER §

The foregoing instrument was acknowledged before me on the _____ Day of _____, _____, by
[_____] , [_____] of Antero Midstream LLC, a Delaware limited liability company, on
behalf of said entity.

Notary Public in and for _____

Printed or Typed Name of Notary

STATE OF COLORADO §
 §
CITY AND COUNTY OF DENVER §

The foregoing instrument was acknowledged before me on the _____ Day of _____, _____, by
[_____] , [_____] of Antero Resources Corporation, a Delaware corporation, on behalf
of said entity.

Notary Public in and for _____

Printed or Typed Name of Notary

SECOND AMENDED AND RESTATED RIGHT OF FIRST OFFER AGREEMENT

BY AND BETWEEN

ANTERO RESOURCES CORPORATION

AND

ANTERO MIDSTREAM LLC

DATED AS OF

FEBRUARY 13, 2018

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SECOND AMENDED AND RESTATED RIGHT OF FIRST OFFER AGREEMENT

This Second Amended and Restated Right of First Offer Agreement (this “*Agreement*”), dated as of February 13, 2018 (the “*Effective Date*”), is by and between ANTERO RESOURCES CORPORATION, a Delaware corporation (“*Producer*”), and ANTERO MIDSTREAM LLC, a Delaware limited liability company (“*Midstream*”). Producer and Midstream 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 produce Gas (and/or liquid hydrocarbons) from wells on such Oil and Gas Interests.

B. Producer and Midstream desire that Midstream should have certain rights to provide Services in respect of Producer Gas as set forth in this Agreement.

C. Producer and Midstream initially were parties to that certain Right of First Offer Agreement (the “*Original Agreement*”), dated as of November 10, 2014 (the “*Original Agreement Effective Date*”). The Original Agreement was amended and restated in its entirety pursuant to the First Amended and Restated Right of First Offer Agreement (the “*Prior Agreement*”) entered into by Producer and Midstream on February 6, 2017, but effective as of January 1, 2017 (the “*Prior Agreement Effective Date*”).

D. The Parties desire to amend and restate the Prior 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 in this Agreement shall have the respective meanings given to such terms set forth below.

Accepted Midstream Bid. As defined in Section 3.2(c).

Accepted Third Party Bid. As defined in Section 3.2(c).

Acquired Facility. As defined in Section 3.1(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 Midstream) 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 Midstream.

Agreement. As defined in the preamble hereof.

Bid. As defined in Section 3.2(a).

Bid Request. As defined in Section 3.1(a).

Confidential Information. As defined in Section 6.6(a).

Conflicting Dedication. Any processing agreement or other commitment or arrangement that would require Services to be provided with respect to Producer Gas by any Person other than Midstream.

Cubic Foot. The volume of Gas in one cubic foot of space at a standard pressure and temperature base of 14.73 pounds per square inch absolute and 60 degrees Fahrenheit, respectively.

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.

Dedication Area. As defined in Section 3.1(a)(vi).

Delivery Fee. As defined in Section 3.2(a)(iv).

Effective Date. As defined in the preamble of this Agreement.

Execution Date. As defined in the preamble of this Agreement.

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 Midstream and reasonably acceptable to Producer.

Fee. Any of the Processing Fee, Fractionation Fee, Marketing Fee, Delivery Fee or Other Fee, as the context may require.

Firm Capacity. The volume of Producer's Gas that is to be entitled to Services that are accorded the highest priority with respect to capacity allocations, interruptions, or curtailments.

Fractionated Products. Finished liquid products fractionated from an undifferentiated stream of Plant Products, including ethane, propane, isobutane, normal butane and natural gasoline.

Fractionation Fee. As defined in Section 3.2(a)(iv).

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.

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.

Marketing Fee. As defined in Section 3.2(a)(iv).

Mcf. One thousand (1,000) Cubic Feet.

MMcf. One million (1,000,000) Cubic Feet.

Midstream. As defined in the preamble of this Agreement.

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.

New Services. As defined in Section 3.1(a).

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.

Other Fee. As defined in Section 3.2(a)(v).

Original Agreement. As defined in the recitals of this Agreement.

Original Agreement Effective Date. As defined in the recitals of this Agreement.

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.

Plant Products. Propane, ethane, iso-butane, normal butane, iso-pentane, normal pentane, hexanes plus, any other liquid hydrocarbon product except for a liquefied methane product, or any mixtures thereof, and any incidental methane and incidental ethane included in any such plant products, which are separated, extracted, recovered or condensed, and saved, from Producer Gas.

Prior Agreement. As defined in the recitals of this Agreement.

Prior Agreement Effective Date. As defined in the recitals of this Agreement.

Processing Agreement. A gas processing and fractionation agreement in substantially the form set forth in Exhibit C to this Agreement, completed as set forth in Section 3.3(a)(i)(A) or Section 3.4(a).

Processing Fee. As defined in Section 3.2(a)(iii).

Processing Services. The processing of Producer Gas for the removal of Plant Products and the delivery of the resulting residue Gas and Plant Products to or for the account of Producer.

Producer. As defined in the preamble of this Agreement.

Producer Gas. All Gas that Producer has the right to control and deliver for processing.

Services. (i) The Processing Services, (ii) the fractionation of Plant Products and, to the extent Producer requires such services from a third party in connection with the services described in clauses (i) and (ii) above, (iii) any marketing and/or delivery of Fractionated Products or other services with respect to transportation, marketing or delivery of Plant Products.

Services Agreement. Any Processing Agreement or any other agreement entered into in accordance with this Agreement for the provision of any Services.

Third Party Bid. As defined in Section 3.1(c).

Third Party Bidder. As defined in Section 3.1(c).

Withdrawn Bid Request. As defined in Section 3.2(c).

ARTICLE 2 DEDICATION

Section 2.1 Dedication. Subject to Section 2.2 through Section 2.4, Producer covenants and commits not to obtain any Services in respect of Producer Gas from any third party.

Section 2.2 Conflicting Dedications. Producer shall have the right to comply with each of the Conflicting Dedications set forth in Exhibit A and any other Conflicting Dedication (a) entered into by a non-Affiliated predecessor-in-interest to Producer to which any Oil and Gas Interest 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 Producer or any of its Affiliates in connection with such acquisition, but subject to the remainder of this Section 2.2), whether such Conflicting Dedication 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 Dedication are extended beyond that applicable to such predecessor-

in-interest at the time of the acquisition, or (b) entered into pursuant to a Third Party Bid in accordance with Section 3.4; provided, however, that Producer shall have the right to comply with Conflicting Dedications only until the first Day of the Month following the termination of such Conflicting Dedication and shall not take any voluntary action (including the exercise of any right to extend) to extend the term of such Conflicting Dedication beyond the minimum term provided for in the document evidencing such Conflicting Dedication. Producer represents that, except as set forth in Exhibit A, Producer Gas was not as of the Original Agreement Effective Date subject to any Conflicting Dedication. If Producer Gas produced from a well on a well pad is subject to a Conflicting Dedication that Producer has the right to comply with under this Section 2.2, Producer has the right, in complying with such Conflicting Dedication, to deliver all Producer Gas from such well pad in accordance with the Conflicting Dedication, even if all wells on such well pad are not subject to such Conflicting Dedication.

Section 2.3 Reservations. Producer reserves the following rights with respect to Producer Gas for itself and for the operator of the properties covered by Producer's Oil and Gas Interests: (a) to operate wells producing Producer Gas as a reasonably prudent operator in its sole discretion, including the right, but never the obligation, to drill new wells, to repair and rework old wells, to renew or extend, in whole or in part, any Oil and Gas Interest, and to cease production from or abandon any well or surrender any such Oil and Gas Interest, in whole or in part, when no longer deemed by Producer to be capable of producing Gas in paying quantities under normal methods of operation; (b) to use Producer Gas for operations (including reservoir pressure maintenance and drilling or fractionation fuel); (c) to deliver or furnish to Producer's lessors and holders of other existing similar burdens on production such Gas and other production as is required to satisfy the terms of the applicable leases or other applicable instruments; and (d) to pool, communitize, or unitize Producer's Oil and Gas Interests with respect to Producer Gas, provided that Producer's share of Gas produced from such pooled, communitized, or unitized Oil and Gas Interests shall be committed and dedicated to this Agreement.

Section 2.4 Covenant Running with the Land. The covenant and commitment made by Producer under this Article 2 is a covenant running with the land. For the avoidance of doubt, in the event Producer sells, transfers, conveys, assigns, grants, or otherwise disposes of any or all of its interest in any property covered by any Oil and Gas Interest, 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 any property free of the covenant and commitment made under this Article 2 in a sale or other disposition involving a number of net acres covered by any Oil and Gas Interest that, when added to the total of net acres covered by any Oil and Gas Interest theretofore and, where applicable, simultaneously disposed of free of dedication hereunder pursuant to this Section 2.4, does not exceed the aggregate number of net acres covered by any Oil and Gas Interest acquired by Producer after the Original Agreement Effective Date. At the request of Midstream, the Parties shall execute and record an amendment to the memorandum of this Agreement previously entered into, as provided in Section 6.16, to reflect any such addition to or release of acreage.

ARTICLE 3
RIGHT OF FIRST OFFER

Section 3.1 Bid Request.

(a) Subject to Section 2.2 through Section 2.3, if Producer requires any Services in respect of any Producer Gas that are not the subject of a Services Agreement then in effect and are not otherwise already being provided by Midstream (“*New Services*”), including any such New Services to be provided through any existing facility acquired or proposed to be acquired by Producer (an “*Acquired Facility*”), Producer shall promptly (and, in the case of the acquisition of any Acquired Facility, on or before the 10th Day after the acquisition of such Acquired Facility) provide notice to Midstream of such desired New Services, which notice (the “*Bid Request*”) shall include, to the extent applicable:

(i) confirmation that the New Services include all Services with respect to Producer Gas produced from the Dedication Area described in the Bid Request, or a description of any Conflicting Dedication and the Services being excluded from the Bid Request as a result of such Conflicting Dedication;

(i i) a description of the initial required delivery points to which Producer’s residue Gas is to be redelivered to Producer (including any existing delivery points to which residue Gas is to be delivered from the Acquired Facility);

(iii) Producer’s required Firm Capacity in MMcf per Day;

(i v) in the case of an Acquired Facility, a reasonable description of the Acquired Facility and the price paid or proposed to be paid by Producer for the Acquired Facility, including any liabilities assumed by Producer, and details of any third party contracts for processing at the Acquired Facility;

(v) a description of any new facilities Producer desires, including the capacity thereof;

(v i) a description of the area that will constitute the “Dedication Area” for purposes of any Processing Agreement or other Services Agreement entered into pursuant to such Bid Request with respect to the New Services (the “*Dedication Area*”);

(v i i) the Oil and Gas Interests located in the Dedication Area with respect to which the New Services are required, including a description of any existing wells and a proposed development plan for the wells to be drilled on such Oil and Gas Interests during the period of at least 18 Months after such notice, including production forecasts for all such wells; and

(viii) if the New Services do not include Processing Services, a form of Services Agreement covering the New Services.

(b) Notwithstanding Section 3.1(a), if from time to time any Processing Agreement is in effect, Producer shall not be required to issue a Bid Request in connection with

any desired expansion of the Processing Plant (as defined in such Processing Agreement) to provide Increased Capacity (as defined in such Processing Agreement).

(c) Concurrently with or following its delivery of a Bid Request to Midstream, Producer may seek bids from third parties (each, a “**Third Party Bidder**”, and each bid received from a Third Party Bidder a “**Third Party Bid**”) to provide the New Services set forth in the Bid Request on the same terms and conditions as are set forth in the Bid Request (which, if the New Services include Processing Services, shall be substantially the terms and conditions set forth in the Processing Agreement or, if the New Services do not include Processing Services, shall be substantially the terms and conditions set forth in the form of Services Agreement delivered by Producer with the relevant Bid Request). Any such Third Party Bid shall only be considered if it is received by Producer on or before the 30th Day after Midstream’s receipt of the Bid Request, and only if such Third Party Bid (i) includes itemized fees for each of the New Services that are the subject of the Bid Request, as well as details of all other proposed charges and costs applicable to such Third Party Bid, and (ii) does not propose any changes to the Processing Agreement or proposed form of Services Agreement (as applicable).

Section 3.2 Bid; Bid Award.

(a) If Midstream desires to provide any or all of the New Services set forth in a Bid Request, Midstream shall deliver a notice on or before the 30th Day after such Bid Request, which notice (the “**Bid**”) shall include, in each case on the basis that such New Services shall be provided on substantially the terms and conditions set forth in the Processing Agreement or, if the New Services do not include Processing Services, the form of Services Agreement included in the Bid Request:

(i) confirmation as to whether Midstream desires to provide the New Services, including to acquire the Acquired Facility from Producer, or construct and operate the required new facilities, as applicable;

(ii) in each case, the scope of the New Services Midstream would be willing to provide (upon completion of the acquisition of the Acquired Facility or construction of the new facilities, if applicable);

(iii) if the Services Midstream would be willing to provide include Processing Services, Midstream’s proposed processing fee per Mcf (the “**Processing Fee**”);

(iv) if the Services Midstream would be willing to provide include fractionation services, Midstream’s proposed fractionation fee per gallon of Plant Products to be exchanged for Fractionated Products (the “**Fractionation Fee**”), and, to the extent applicable and part of the Services Midstream would be willing to provide, Midstream’s proposed (A) delivery fee per gallon of Plant Products (the “**Delivery Fee**”), and (B) marketing fee per gallon of Plant Products (the “**Marketing Fee**”); and

(v) for any other Services described in clause (iii) of the definition of Services that Midstream would be willing to provide, Midstream’s proposed fees with respect to such services (any such fee, the “**Other Fee**”).

(b) Producer shall provide copies of all Third Party Bids to Midstream within 5 Days of receipt. On or before the 45th Day after Midstream's receipt of the Bid Request, Midstream may submit to Producer a revised Bid in respect of all or any portion of the original Bid.

(c) On or before the 60th Day after a Bid Request, Producer shall inform Midstream, with respect to each of the New Services requested in the Bid Request, that (i) it is accepting Midstream's Bid for such Service (such Bid, as it relates to Services for which such Bid was accepted, an "**Accepted Midstream Bid**"), (ii) it is accepting a Third Party Bid for such Service on the basis that the Fee proposed in such Third Party Bid for such Service was lower than the Fee proposed in Midstream's Bid for such Service or on the basis that Midstream did not deliver a Bid or propose a Fee for such Service (such Third Party Bid, as it relates to Services for which such Third Party Bid was accepted, an "**Accepted Third Party Bid**"), or (iii) it has elected not to acquire such Service and not to carry out such Service itself and is accordingly withdrawing the Bid Request with respect to such Services (such Bid Request, as it relates to Services with respect to which it is being withdrawn, a "**Withdrawn Bid Request**"). For purposes of the foregoing, each New Service covered by each Bid and also covered by a Third Party Bid shall be evaluated separately, and awarded separately, based on the Fee for such Service stated in such Bid and such Third Party Bid.

Section 3.3 Accepted Bid.

(a) Upon a Bid becoming an Accepted Midstream Bid:

(i) if the Services to which the Accepted Midstream Bid relates include Processing Services:

(A) the Parties shall promptly execute and deliver to each other a Processing Agreement in respect of such Services, completed based upon the Accepted Bid, with such changes or modifications as shall be agreed by the Parties, and:

(1) depending upon the Services the subject of the Accepted Bid: the Processing Fees (as defined in the Processing Agreement) shall be the Processing Fees set forth in the Accepted Bid (if applicable), the Fractionation Fees (as defined in the Processing Agreement) shall be the Fractionation Fees set forth in the Accepted Bid (if applicable), the Delivery Fees (as defined in the Processing Agreement) shall be the Delivery Fees set forth in the Accepted Bid (if applicable), the Marketing Fees (as defined in the Processing Agreement) shall be the Marketing Fees set forth in the Accepted Bid (if applicable) and the Other Fees (as defined in the Processing Agreement) shall be the Other Fees set forth in the Accepted Bid (if applicable);

(2) the Dedication Area described in the Bid Request shall be the Dedication Area for purposes of the Processing Agreement;

(3) in the case of a Bid Request relating to an Acquired Facility, the Processing Agreement shall be revised to the extent reasonably necessary to take account of the Services being provided at an existing processing facility rather than a newly-built facility;

(B) in the case of a Bid Request relating to an Acquired Facility, Producer shall as soon as reasonably practicable transfer to Midstream the Acquired Facility and all appurtenant equipment and facilities, as well as any third party contracts for Services at such Acquired Facility;

(ii) if the Services to which the Accepted Midstream Bid relates do not include Processing Services, the Parties shall promptly negotiate, execute and deliver to each other a Services Agreement in respect of such Services in the form provided by Producer in the Bid Request, completed based on the Accepted Midstream Bid, with such changes or modifications as shall be agreed by the Parties or, if no such form was required to be provided in the Bid Request, such form as shall be agreed by the Parties.

(b) In respect of any Acquired Facility, Producer shall use reasonable efforts to cause the transaction documents for the acquisition thereof to state a separate purchase price (and separately state any assumed liabilities) for such Acquired Facility. If, pursuant to Section 3.3(a), Midstream is to acquire from Producer an Acquired Facility, such acquisition shall be made at the same price at which the Acquired Facility was acquired by Producer, including the assumption of any liabilities with respect thereto assumed by Producer. If the transaction documents for Producer's acquisition of the Acquired Facility did not state a separate purchase price for the Acquired Facility, the purchase price to be paid by Midstream to Producer for the Acquired Facility shall be equal to the Fair Market Value of the Acquired Facility, and Midstream shall assume all liabilities in respect of the Acquired Facility to the extent arising from the ownership and operation of the Acquired Facility and/or any occurrence from and after the closing of the purchase of the Acquired Facility by Midstream.

Section 3.4 Accepted Third Party Bid. With respect to any Services requested in a Bid Request as to which a Third Party Bid is accepted as provided in Section 3.2(c) above, Producer shall be entitled, for a period of 90 days after such Third Party Bid is accepted, (a) to enter into a Processing Agreement or a Services Agreement in the form provided by Producer in the Bid Request (or, if no such form was required to be provided in the Bid Request, such form as shall be agreed by Producer and the Third Party Bidder), in either case completed based on the Accepted Third Party Bid, for Fees that are no more than the Fees proposed in such Accepted Third Party Bid, in which case such Processing Agreement or Services Agreement shall constitute a Conflicting Dedication, and (b) if such Bid Request related to an Acquired Facility, transfer to the Third Party Bidder the Acquired Facility and all appurtenant equipment and facilities, as well as any third party contracts for Services at such Acquired, on the same basis as the Acquired Facility would have been required to be transferred to Midstream pursuant to Section 3.3(b).

Section 3.5 Midstream Rights Unaffected.

(a) Any Services covered by any Bid Request (i) with respect to which a Third Party Bid is accepted but with respect to which Producer does not enter into a Processing

Agreement or other Services Agreement in accordance with Section 3.4 within the 90-Day period provided for in such section or (ii) that is a Withdrawn Bid Request shall continue to be subject to this Agreement, and, if Producer thereafter desires such Services, it shall comply with the provisions of this Agreement with respect thereto.

(b) If Midstream does not provide a Bid in response to a Bid Request, or provides a Bid (or revised Bid) that does not become an Accepted Bid, the rights of Midstream under this Agreement shall be unaffected, and Producer shall remain obligated to provide a Bid Request in accordance with Section 3.1 if at any time Producer requires any Services, until termination or expiry of this Agreement in accordance with its terms.

ARTICLE 4 TERM

Section 4.1 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.

ARTICLE 5 NOTICES

Section 5.1 Notices. Unless otherwise provided herein, any notice, request, invoice, statement, or demand which either Party desires to serve upon the other 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, if sent by email after normal business hours or if receipt of a facsimile transmission is confirmed after normal business hours, receipt shall be deemed to be the next Business Day. Notwithstanding the foregoing, if a Party desires to serve upon the other a notice of default under this Agreement, the delivery of such notice shall be considered effective under this Section 5.1 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 written 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 gas control, nominations & balancing:
Manager of Gas Marketing
Phone: (303) 357-7310
Fax Number: (303) 357-7315

For accounting, financial, and legal:
Controller
Phone: (303) 357-7310
Fax Number: (303) 357-7315

Midstream: ANTERO MIDSTREAM LLC
1615 Wynkoop Street
Denver, Colorado 80202

Attn: Chief Financial Officer
Phone: (303) 357-7310
Fax Number: (303) 357-7315

With copy to: For gas control, nominations & balancing:
Manager of Gas Marketing
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 6 MISCELLANEOUS

Section 6.1 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 6.2 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.

Section 6.3 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 6.4 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. To the extent any Affiliate of Producer acquires any Oil and Gas Interests of Producer, Producer shall cause such Affiliate to comply with the obligations of Producer under this Agreement in the event such Affiliate requires Services relating to such Oil and Gas Properties. Except as set forth in Section 6.4(b) and Section 6.4(c), 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 (which such consent shall not be unreasonably withheld, conditioned or delayed), and any assignment or attempted assignment made otherwise than in accordance with this Section 6.4 shall be null and void *ab initio*.

(b) Notwithstanding the foregoing clause (a), Midstream may elect that, rather than Midstream itself, any subsidiary of Midstream may enter into any Processing Agreement or Services Agreement pursuant to this Agreement.

(c) Notwithstanding the foregoing clause (a):

(i) Midstream shall have the right to assign its rights under this Agreement, in whole or in part, as applicable, without the consent of Producer to any Person to which all or substantially all of the midstream business of Midstream has been or will be transferred.

(ii) Midstream 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 Midstream.

(d) Upon an assignment by Midstream in accordance with Section 6.4(c)(i) Midstream shall be released from its obligations under this Agreement to the extent of such assignment.

Section 6.5 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 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 this Agreement prior to such modification.

Section 6.6 Confidentiality.

(a) Confidentiality. Except as otherwise provided in this Section 6.6, 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 all data relating to the production of Producer, including well data, production volumes, volumes gathered, transported, or compressed, and gas quality) (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 express written consent of the other Party.

(b) Permitted Disclosures. Notwithstanding Section 6.6(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 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 6.6; (v) to its own directors, officers, employees, agents and representatives; (vi) to an Affiliate; (vii) to financial advisors, attorneys, and banks, provided that such Persons are subject to a confidentiality undertaking consistent with this Section 6.6(b), or (viii) to a royalty, overriding royalty, net profits or similar owner burdening Producer Gas, provided such royalty, overriding royalty, net profits or similar owner, agrees in writing to be bound by the terms of this Section 6.6.

(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 6.6(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 6.6.

(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 6.6, 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 6.6 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 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 6.6 shall survive any expiration or termination of this Agreement for a period of one (1) year.

Section 6.7 Entire Agreement, Amendments and Waiver; Amendment and Restatement of Prior Agreement. This Agreement, including all exhibits hereto, integrates the entire understanding between the Parties with respect to the subject matter covered and supersedes all prior understandings, drafts, letters, discussions, or statements, whether oral or in writing, expressed or implied, dealing with the same subject matter. This Agreement may not be amended or modified in any manner except by a written document signed by the Parties that expressly amends this Agreement. No waiver by either Party of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless expressly provided. No waiver shall be effective unless made in writing and signed by the Party to be charged with such waiver. This Agreement amends, restates and supersedes the Prior Agreement in its entirety (but such amendment and restatement does not affect the rights and obligations of the Parties accruing under the Original Agreement or the Prior Agreement prior to the Effective Date). Except as otherwise expressly provided, all references to the Original Agreement or the Prior Agreement in any document, instrument, agreement or writing delivered pursuant to this Agreement shall hereafter be deemed to refer to this Agreement.

Section 6.8 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 6.9 Headings. The headings and captions in this Agreement have been inserted for convenience of reference only and shall not define or limit any of the terms and provisions hereof.

Section 6.10 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 law.

Section 6.11 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 6.1 2 Rules of Construction. In construing this Agreement, the following principles shall be followed:

- (a) no consideration shall be given to the fact or presumption that one Party had a greater or lesser hand in drafting this Agreement;
- (b) examples shall not be construed to limit, expressly or by implication, the matter they illustrate;
- (c) the word “includes” and its syntactical variants mean “includes, but is not limited to,” “includes without limitation” and corresponding syntactical variant expressions;
- (d) the plural shall be deemed to include the singular and vice versa, as applicable; and
- (e) references to Section shall be references to Sections of this Agreement.

Section 6.13 No Third Party Beneficiaries. This Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns, 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 6.14 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 6.1 5 Counterpart Execution. This Agreement may be executed in any number of counterparts, each of which shall be considered an original, and all of which shall be considered one and the same instrument.

Section 6.1 6 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 a form substantially similar to Exhibit B, which shall be placed of record in each state and county in which the properties covered by Producer’s Oil and Gas Interests are located, and further memoranda in substantially similar form shall be recorded in additional counties as may be required upon any future acquisition by Producer of Oil and Gas Interests.

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 MIDSTREAM LLC

By: /s/ Alvn A. Schopp
Name: Alvyn A. Schopp
Title: Chief Administrative Officer & Regional
Senior Vice President

Second Amended and Restated Right of First Offer Agreement
Signature Page

EXHIBIT A

Conflicting Dedications

1. Second Amended and Restated Gas Processing Agreement between Producer and MarkWest Liberty Midstream & Resources LLC, entered into on February 6, 2017, but effective as of the Prior Agreement Effective Date
 2. Second Amended and Restated Natural Gas Liquids Exchange Agreement (Sherwood) between Producer and MarkWest Liberty Midstream & Resources, entered into on February 6, 2017, but effective as of the Prior Agreement Effective Date
 3. Gas Processing Agreement between Producer and MarkWest Utica EMG, LLC, dated October 30, 2012
 4. Natural Gas Liquids Exchange and Marketing Agreement (Seneca) between Producer and MarkWest Utica EMG, LLC, dated October 30, 2012
 5. Gas Gathering, Processing and Liquids Handling Agreement between Williams Ohio Valley Midstream LLC, Appalachia Midstream Services, L.L.C. and Antero Resources Corporation
 6. Interruptible Gas Processing Agreement (Mobley) between MarkWest Liberty Midstream & Resources, L.L.C. and Antero Resources Corporation
 7. Interruptible Natural Gas Liquids Exchange and Marketing Agreement (Mobley) between MarkWest Liberty Midstream & Resources, L.L.C. and Antero Resources Corporation
-

EXHIBIT B

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF GAS PROCESSING (RIGHT OF FIRST OFFER) AGREEMENT (this “Memorandum”) is entered into effective [_____], by and between **ANTERO RESOURCES CORPORATION** (“Producer”), with an address of 1615 Wynkoop Street, Denver, Colorado 80202, and **ANTERO MIDSTREAM LLC** (“Midstream”), with an address of 1615 Wynkoop Street, Denver, Colorado 80202.

WHEREAS, Producer and Midstream entered into that certain Second Amended and Restated Right of First Offer Agreement effective February 13, 2018 (as may be amended from time to time, the “Agreement”), pursuant to which Midstream has a right of first offer in respect of the provision of certain gas processing and other 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. Dedication. Subject to the exceptions, exclusions, and reservations set forth in the Agreement and the other terms and conditions of the Agreement, Producer has covenanted that, other than as permitted by the Agreement, it will not obtain from any third party any processing and fractionation services in respect of any Gas that is attributable to any Oil and Gas Interests of Producer or to any property pooled, unitized or communitized with the property covered by such Oil and Gas Interests (the “Oil and Gas Interests”), together with all Gas attributable to third parties that is produced from a well located on the property covered by the Oil and Gas Interests, which Gas Producer has the right to control and deliver for processing (“Producer Gas”), other than as permitted by the Agreement (the foregoing dedication and commitment being herein referred to as the “Dedication”).
 3. Covenant Running with the Land. So long as the Agreement is in effect, the Dedication shall be a covenant running with the land and, subject to the exceptions and reservations set forth in the Agreement, in the event Producer sells, transfers, conveys, assigns, grants, or otherwise disposes of any or all of its interest in the Oil and Gas Interests, 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.
-

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.

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 MIDSTREAM LLC

By: _____
Name: _____
Title: _____

ANTERO RESOURCES CORPORATION

By: _____
Name: _____
Title: _____

Acknowledgements

STATE OF COLORADO §
 §
CITY AND COUNTY OF DENVER §

The foregoing instrument was acknowledged before me on the _____ Day of _____, _____, by [_____] , [_____] of Antero Midstream LLC, a Delaware limited liability company, on behalf of said entity.

Notary Public in and for _____

Printed or Typed Name of Notary

STATE OF COLORADO §
 §
CITY AND COUNTY OF DENVER §

The foregoing instrument was acknowledged before me on the _____ Day of _____, _____, by [_____] , [_____] of Antero Resources Corporation, a Delaware corporation, on behalf of said entity.

Notary Public in and for _____

Printed or Typed Name of Notary

EXHIBIT C
FORM OF GAS PROCESSING AGREEMENT

GAS PROCESSING AGREEMENT
BY AND BETWEEN
ANTERO RESOURCES CORPORATION
AND
ANTERO MIDSTREAM LLC
DATED AS OF
[_____]

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GAS PROCESSING AGREEMENT

This Gas Processing Agreement (this “*Agreement*”), dated as of [_____] (the “*Effective Date*”), is by and between ANTERO RESOURCES CORPORATION, a Delaware corporation (“*Producer*”), and ANTERO MIDSTREAM LLC, a Delaware limited liability company (“*Processor*”). Producer and Processor may be referred to herein individually as a “*Party*” or collectively as the “*Parties*.”

RECITALS

A. Producer owns the Dedicated Properties and intends to produce Gas (and/or liquid hydrocarbons) from wells thereon.

B. [On [_____] , 2014, Producer and Processor entered into an agreement for, among other things, the gathering and compression of Dedicated Gas (the “*Gathering Agreement*”), pursuant to which Processor agrees to redeliver Dedicated Gas to the delivery points set forth in the Gathering Agreement, which include the Receipt Points hereunder.]¹

C. Producer desires to contract with Processor to provide the Services with respect to Dedicated Gas, and Processor desires to provide the Services to Producer with respect to Dedicated Gas, in each case in accordance with the terms and conditions of this Agreement.

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 13.6(a).

Additional Processing Facilities. As defined in Section 3.3.

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.

¹ References to the Gathering Agreement will not be needed for any Processing Agreement that relates to Oil and Gas Interests not connected to the gathering system. References have been square bracketed for ease of identification in the event they are to be deleted.

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 Processor) 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 Processor.

Agreement. As defined in the preamble hereof.

Btu. The amount of heat required to raise the temperature of one pound of pure water from 58.5 degrees Fahrenheit to 59.5 degrees Fahrenheit at a constant pressure of 14.73 psia.

Business Day. Any calendar Day that commercial banks in New York City are open for business.

Bypass Gas. Gas delivered by Producer or by a third party to the Plant Receipt Points that is bypassed around the Processing Plant and is therefore not processed.

Bypass Point. A point at the Processing Plant where Gas is redirected to bypass the Processing Plant.

Confidential Information. As defined in Section 18.6(a).

Conflicting Dedication. Any processing agreement or other commitment or arrangement that would require Dedicated Gas to be processed other than at the Processing Plant [and/or would require the resulting Plant Products to be fractionated other than under this Agreement]².

Contract Year. Each of (i) the period from the Processing Effective Date to the last Day of the Month in which the first anniversary of the Processing Effective Date occurs and (ii) each period of twelve (12) Months thereafter.

CPI. As defined in Section 5.1(b).

Cubic Foot. The volume of Gas in one cubic foot of space at a standard pressure and temperature base of 14.73 psia and 60 degrees Fahrenheit, respectively.

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.

Dedicated Gas. All Gas that is attributable to any Dedicated Property (including all Gas attributable to third parties that is produced from a well located on such Dedicated Property) that Producer has the right to control and deliver for processing and that is produced on or after the Processing Effective Date with respect to such Dedicated Property, except for Gas being produced from the wells identified in Exhibit D.

² To be deleted if fractionation services are not to be provided under this Agreement.

Dedicated Properties. All Oil and Gas Interests now owned or hereafter acquired by Producer and located wholly or partly within the Dedication Area or pooled, unitized or communitized with Oil and Gas Interests located wholly or partly within the Dedication Area, provided that Dedicated Properties shall not include any Oil and Gas Interests that are unitized or pooled with the properties of third parties that are not Dedicated Properties if Producer is not the operator of such unit.

Dedication Area. The Dedication Area set forth in Exhibit E.

[***Delivery Fee.*** As defined in Section 5.1(a)(iii).]

Delivery Point. Each point identified in Exhibit A at which Residue Gas allocated to Producer is delivered to a Downstream Pipeline by Processor, and any additional delivery points that, from time to time after the Effective Date, are added at the request of Producer (at Producer's expense) to permit delivery to Downstream Pipelines.

Design Recoveries. As defined in Section 3.2(a).

Downstream Pipeline. Any Gas pipeline or any facilities of any end-user or local distribution company, in each case downstream of the Processing Plant, into which Residue Gas allocated to Producer is delivered.

Effective Date. As defined in the preamble of this Agreement.

Emissions Charges. As defined in Section 10.4.

Ethane Nomination. As defined in Section 3.4(a).

Ethane Recovery Mode. The operation of the Processing Plant in such a way as to maximize the recovery and delivery of ethane from Producer Gas.

Ethane Rejection Mode. The operation of the Processing Plant in such a way as to minimize the recovery and delivery of ethane from Producer Gas, subject to the minimum ethane recovery rate required to meet the then-applicable Residue Gas specifications of the Downstream Pipelines.

Fees. Together, the Processing Fee, [the Delivery Fee], [the Fractionation Fee], [the Marketing Fee] and [the Other Fee].

Firm Capacity. The volume of Producer's Gas delivered to the Receipt Points that is entitled to Firm Service, as designated in Section 2.5, together with any Increased Capacity that is added to the Firm Capacity in accordance with Section 3.3.

Firm Service. Services that are accorded the highest priority in the Processing Plant with respect to capacity allocations, interruptions, or curtailments, specifically including (i) the Services provided to Producer hereunder with respect to Producer's Firm Capacity and (ii) services to any Person for which Processor is contractually obligated to give the highest priority.

Force Majeure. As defined in Section 14.2.

[***Fractionated Products.*** Finished liquid products fractionated from the undifferentiated stream of Plant Products extracted in the Processing Plant, including ethane, propane, isobutane, normal butane and natural gasoline.]

[***Fractionation Fee.*** As defined in Section 5.1(a)(ii).]

Fuel. Gas and electric power used in the operation of the Processing Plant.

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 Quality Specifications. As defined in Section 10.1.

[***Gathering Agreement.*** As defined in the recitals.]

[***Gathering Receipt Point.*** Each “Receipt Point” as defined in the Gathering Agreement.]

Gross Heating Value. The number of Btus produced by the complete combustion in air, at a constant pressure, of one Cubic Foot of Gas when the products of combustion are cooled to the initial temperature of the Gas and air and all water formed by combustion is condensed to the liquid state.

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.

Imbalance. As defined in Section 9.3.

Increased Capacity. As defined in Section 3.3.

Index Price. For Gas produced from the Marcellus formation in West Virginia, the “Midpoint Average” price published in Platt’s Gas Daily Price Guide for “Columbia Gas/Appalachia”. For Gas produced from the Utica formation in Ohio, the “Midpoint Average” price published in Platt’s Gas Daily Price Guide for “Texas Eastern M-2 Receipts”. For other Gas production, an index price determined by Producer and reasonably acceptable to Processor based on where such Gas production is being sold, or, if no appropriate index is available, a price based on a netback calculation determined by Producer and reasonably acceptable to Processor.

Interruptible Gas. Gas that is accorded the lowest priority in the Processing Plant with respect to capacity allocations, interruptions, or curtailments. In accordance with Section 7.4,

Interruptible Gas will be the first Gas removed from the Processing Plant in the event of an interruption or curtailment.

Interruptible Gas Plant Receipt Points . As defined in Section 6.3(a).

Lost and Unaccounted For Gas . Gas received into the Processing Plant that is released or lost through piping, equipment, operations, or measurement losses or inaccuracies or that is vented, flared or lost in connection with the operation of the Processing Plant.

Made Available for Delivery . In connection with deliveries of Dedicated Gas under this Agreement, Dedicated Gas that meets the Gas Quality Specifications and is unable to be delivered to the applicable point as a result of Processor's failure to perform its obligations under this Agreement [or the Gathering Agreement].

Maintenance. As defined in Section 7.3.

[***Marketing Fee***. As defined in Section 5.1(a)(iv).]

Mcf. One thousand (1,000) Cubic Feet.

Measurement Facilities. Any facility or equipment used to measure the volume of Gas, which may include meter tubes, recording devices, communication equipment, buildings and barriers.

Minimum Processing Volume Commitment . With respect to each of the first ten Contract Years, a volume of Dedicated Gas per Day, stated in MMcf, equal to 75% of the nameplate processing capacity of the Processing Plant from time to time (without taking into account any limitations to such processing capacity as a result of Maintenance or Force Majeure). If there is any Increased Capacity pursuant to Section 3.3, the Minimum Processing Volume Commitment will be increased by a volume of Dedicated Gas per Day, stated in MMcf, equal to 75% of such Increased Capacity with respect to the period from the date the Additional Processing Facilities are first placed in service by Processor through the end of the Contract Year in which such Additional Processing Facilities were placed in service and with respect to each of the ten following Contract Years.

MMBtu. One million (1,000,000) Btus.

MMcf. One million (1,000,000) Cubic Feet.

Monitoring Services Provider . As defined in Section 11.9(a).

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.

[***Net Sales Price***. A price per gallon of each individual Fractionated Product exchanged for Plant Products allocated to Producer in accordance with this Agreement, which shall be the weighted average net price per gallon received by Processor for the total volume of each individual

Fractionated Product sold to third parties who are not Affiliates of Processor during the relevant Month at the Fractionation Plant. To determine the Net Sales Price, Processor shall deduct from the actual gross sales prices of such Fractionated Products the out-of-pocket costs and expenses related to the Services provided under this Agreement in respect of the fractionation, transportation and sale of such Fractionated Products, including fuel, tank car rentals, Taxes (excluding income taxes), offsite storage, and other costs and expenses, in each case, paid to any Person on arm's length terms (or, in the case of Taxes, to a taxing authority pursuant to applicable law), to determine a net price (FOB the Processing Plant or netted back to the Processing Plant, as applicable) for such sale.]

Nomination. As defined in Section 9.2.

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.

[**Other Fee.** As defined in Section 5.1(a)(iv).]

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.

Plant Delivery Point. Each point at which Processor redelivers Residue Gas from the Processing Plant to or for the account of customers, including the Delivery Points.

Plant Products. Propane, ethane, iso-butane, normal butane, iso-pentane, normal pentane, hexanes plus, any other liquid hydrocarbon product except for a liquefied methane product, or any mixtures thereof, and any incidental methane and incidental ethane included in any Plant Products, which are separated, extracted, recovered or condensed, and saved, from Gas processed in the Processing Plant.

Plant Products Delivery Point. [The point at or downstream of the Processing Plant at which Plant Products are delivered to Producer] OR [The point downstream of any de-ethanizer or fractionation plant at which Fractionated Products are redelivered to Processor immediately prior to such Fractionated Products being delivered to the purchaser thereof]³.

Plant Receipt Point. Each point where Gas first enters the Processing Plant, including the Receipt Points.

Plant Site. As defined in Section 3.2(c).

³ The appropriate definition will depend upon whether or not fractionation services are to be provided under this Agreement.

Processing Effective Date. The date on which the Processing Plant has been constructed and made operational and is capable of operating at the design capacity and Design Recoveries specified in Section 3.2(a).

Processing Fee. As defined in Section 5.1(a)(i).

Processing Plant. The Gas processing facilities to be installed and constructed by Processor at the Plant Site, including, to the extent installed, cryogenic, refrigeration and chilling equipment, absorption vessels, product separation and fractionation vessels, product storage vessels, associated condensing, heating, compressing, pumping, conveying, dehydration and other equipment, instrumentation, and recompression and refrigeration compression facilities, and all related structures; the Residue Gas pipelines to the Plant Delivery Points and the associated interconnections; and all easements, rights-of-way, and other property rights on which any of the foregoing facilities are located; in each case wherever located.

Processor. As defined in the preamble of this Agreement.

Producer. As defined in the preamble of this Agreement.

Producer Gas. Dedicated Gas delivered to the Receipt Points pursuant to this Agreement.

Producer Plant Products. That portion of the Plant Products allocated to the Producer in accordance with Section 6.4.

Producer Residue Gas. Residue Gas allocated to Producer under this Agreement.

Producer's GHG Emissions. As defined in Section 10.4.

psia. Pounds per square inch, absolute.

psig. Pounds per square inch, gauge.

Receipt Point. The inlet flange of Processor's facilities at each point at the Processing Plant where Producer[, Processor (in its capacity as Gatherer under the Gathering Agreement)] or a third party gathering Producer's Gas delivers Producer's Gas to the Processing Plant.

Remote Monitoring Data. As defined in Section 11.9(a).

Required Processing Effective Date. As defined in Section 3.2(d).

Residue Gas. That portion of the Gas delivered to the Plant Receipt Points that remains after processing at the Processing Plant (if processed) and after Fuel and Lost and Unaccounted For Gas, including Bypass Gas.

Services. As defined in Section 3.1.

Shortfall Period. As defined in Section 2.5.

Taxes. All gross production, severance, conservation, ad valorem and similar or other taxes measured by or based upon production, together with all taxes on the right or privilege of ownership of Gas, or upon the Services, including gathering, transportation, handling, transmission, compression, processing, treating, conditioning, distribution, sale, use, receipt, delivery or redelivery of Gas, Residue Gas or Plant Products, including, without limitation, gross receipts taxes, and including all of the foregoing now existing or in the future imposed or promulgated.

Theoretical Gallons. The number of Gallons of Plant Products in Gas at any particular point determined by Processor using generally-accepted industry standards utilizing chromatograph analysis taken on Gas samples from the relevant point.

Thermal Content. For Gas, the product of (i) a volume of Gas in Cubic Feet and (ii) the Gross Heating Value of such Gas, as expressed in MMBtus. For [any Plant Product] OR [Plant Products], the product of (i) a volume of [such Plant Product] OR [the Plant Products] in Gallons and (ii) the Gross Heating Value per Gallon determined in accordance with the GPA 2145-09 Table of Physical Properties for Hydrocarbons and GPA 8173 Method for Converting Mass of Natural Gas Liquids and Vapors to Equivalent Liquid Volumes, in each case as revised from time to time.

Third Party Gas. Gas produced by Persons other than Producer and not considered Dedicated Gas hereunder.

Water Services Agreement. That certain water services agreement dated [_____] made by and between Producer and Processor.

ARTICLE 2 PRODUCER COMMITMENTS

Section 2.1 Producer's Dedication. Subject to Section 2.2 through Section 2.4, (a) Producer exclusively dedicates and commits to deliver to Processor, as and when produced, all Dedicated Gas, up to the amount of Producer's then-current Firm Capacity, for processing under this Agreement[, including the fractionation and marketing of the Plant Products extracted from such Dedicated Gas,] and (b) Producer agrees not to deliver any Dedicated Gas to any processing plant other than the Processing Plant.

Section 2.2 Conflicting Dedications. Producer shall have the right to comply with each of the Conflicting Dedications set forth in Exhibit B hereto and any other Conflicting Dedication entered into by a non-Affiliated predecessor in interest to Producer to which any Dedicated Property acquired by Producer after the 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 Producer or any of its Affiliates in connection with such acquisition, but subject to the remainder of this Section 2.2), whether such Conflicting Dedication 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 Dedication 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 Conflicting Dedications only until the first Day of the Month following the termination of such Conflicting Dedication and shall not take any voluntary action (including the exercise of any right to extend) to extend the term of such Conflicting Dedication beyond the minimum term provided for in the document evidencing such Conflicting Dedication. Producer represents that, except as set forth in Exhibit B, Dedicated Gas is not as of the Effective Date subject to any Conflicting Dedication. If Dedicated Gas produced from a well on a well pad is subject to a Conflicting Dedication that Producer has the right to comply with under this Section 2.2, Producer has the right, in complying with such Conflicting Dedication, to deliver all Dedicated Gas from such well pad in accordance with the Conflicting Dedication, even if all wells on such well pad are not subject to such Conflicting Dedication.

Section 2.3 Producer's Reservations. Producer reserves the following rights with respect to Dedicated Gas for itself and for the operator of the relevant Dedicated Properties: (a) to operate wells producing Dedicated Gas as a reasonably prudent operator in its sole discretion, including the right, but never the obligation, to drill new wells, to repair and rework old wells, to renew or extend, in whole or in part, any Oil and Gas Interest covering any of the Dedicated Properties, and to cease production from or abandon any well or surrender any such Oil and Gas Interest, in whole or in part, when no longer deemed by Producer to be capable of producing Gas in paying quantities under normal methods of operation; (b) to use Dedicated Gas for operations (including reservoir pressure maintenance and drilling or fractionation fuel); (c) to deliver or furnish to Producer's lessors and holders of other existing similar burdens on production such Gas and other production as is required to satisfy the terms of the applicable leases or other applicable instruments; and (d) to pool, communitize, or unitize Producer's Oil and Gas Interests with respect to Dedicated Gas, provided that the Producer's share of Gas produced from such pooled, communitized, or unitized Oil and Gas Interests shall be committed and dedicated to this Agreement.

Section 2.4 Covenant Running with the Land. The dedication and commitment made by Producer under this Article 2 is a covenant running with the land. For the avoidance of doubt and in addition to that which is provided in Section 18.4, in the event Producer sells, transfers, conveys, assigns, grants, or otherwise disposes of any or all of its interest in the Dedicated 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 Dedicated Properties free of the dedication hereunder in a sale or other disposition in which a number of net acres of Dedicated Properties that, when added to the total of net acres of Dedicated Properties theretofore and, where applicable, simultaneously disposed of free of dedication hereunder pursuant to this Section 2.4, does not exceed the aggregate number of net acres of Dedicated Properties acquired by Producer after the Effective Date, including in a transaction in which Dedicated Properties are exchanged for other properties located in the Dedication Area that would be subject to dedication hereunder. At the request of Processor, the Parties shall execute and record an amendment to the memorandum of this Agreement previously entered into, as provided in Section 18.16, to reflect additions to the Dedicated Properties.

Section 2.5 Firm Capacity. As of the Processing Effective Date, Producer shall have Firm Capacity of [_____] MMcf per Day. If, during any period of six (6) consecutive Months at

any time after the Processing Effective Date, Producer fails to deliver to the Receipt Points, on average during such six (6) Month period (the “*Shortfall Period*”), a volume of Producer Gas per Day equal to at least [75]% of Producer’s then-effective Firm Capacity, then Producer’s Firm Capacity shall be reduced by the amount by which Producer’s Firm Capacity exceeds the volume per Day, on average in the relevant Shortfall Period, of Producer Gas delivered to the Receipt Points. Such reduction shall remain effective for the remainder of the term of this Agreement, subject to any subsequent reductions pursuant to this Section 2.6. [Notwithstanding the foregoing provisions of this Section 2.5, the Firm Capacity of Producer shall not be reduced pursuant to this Section 2.5 to the extent that such reduction would cause the Firm Capacity of Producer to fall below (i) [125]% of the Minimum Processing Volume Commitment applicable from time to time, if any or (ii) if no Minimum Processing Volume Commitment is applicable at the relevant time, [110]% of average Daily deliveries of Producer Gas delivered hereunder during the applicable Shortfall Period.]

ARTICLE 3 SERVICES

Section 3.1 Processor Service Commitment. Subject to and in accordance with the terms and conditions of this Agreement, Processor commits to providing the following services (collectively, the “*Services*”) to Producer, commencing on the Processing Effective Date:

(a) receive, or cause to be received, from or for the account of Producer, at the Receipt Points, all Dedicated Gas tendered by Producer;

(b) either process such Dedicated Gas at the Processing Plant or, as permitted by Section 7.6 or Section 10.2, bypass such Dedicated Gas around the Processing Plant and, in either case, redeliver Residue Gas to Producer, or for Producer’s account, at the Delivery Points nominated by Producer in accordance with Section 9.2;

(c) [deliver to Producer the Plant Products at the Plant Products Delivery Point] OR [exchange the unfractionated Plant Products available at the tailgate of the Processing Plant for Fractionated Products allocated to Producer at the Plant Products Delivery Point in accordance with Section 3.5; and]⁴

(d) [market such Fractionated Products for the account of Producer, deliver Fractionated Products exchanged in accordance with paragraph (c) above to the purchaser thereof at the Plant Products Delivery Point, and pay Producer the net sales proceeds of such Fractionated Products, in each case in accordance with Section 3.5].

Section 3.2 Processing Plant. Processor hereby agrees as follows with respect to the Processing Plant.

(a) Processor shall design, engineer, procure, construct and install the Processing Plant, or shall procure the same, and shall use commercially reasonable efforts to construct and install the Processing Plant as soon as is practicable under the circumstances that,

⁴ The appropriate description will depend upon whether or not fractionation services are to be provided under this Agreement.

from time to time, may exist. After the Processing Effective Date, the Processing Plant will have processing capacity of at least [] MMcf per day with design recoveries (“*Design Recoveries*”) as follows:

<u>Design Plant Recovery</u>	<u>When Operating in Ethane Rejection Mode</u>	<u>When Operating in Ethane Recovery Mode</u>
Helium	0.0%	0.0%
CO2 - Carbon Dioxide	0.0%	0.0%
N2 - Nitrogen	0.0%	0.0%
H2S - Hydrogen Sulfide	0.0%	0.0%
C1 - Methane	0.0%	0.0%
C2 - Ethane	2.0%	85.0%
C3 - Propane	90.0%	98.0%
IC4 - Isobutane	98.0%	99.5%
NC4 - Normal Butane	99.5%	99.8%
C5+ - Natural Gasoline	99.9%	99.9%

(b) The Processing Plant shall include the installation, at Processor’s cost, of a residue gas pipeline for redelivery of the Residue Gas to the Delivery Points set forth on Exhibit A attached hereto.

(c) The Processing Plant will be constructed at a site to be determined by Processor that is reasonably acceptable to Producer (the “*Plant Site*”). The Plant Site may be acquired in fee or under a site lease or other form of interest as is reasonably acceptable to Processor. The Plant Site will reserve in favor of Producer, for the use of Producer and its contractors [(including the Gatherer under the Gathering Agreement)] and their respective successors and assigns, appropriate fee parcels, easements or other surface and underground rights sufficient for Producer and such contractors to construct, locate, and operate the inlet facilities required for the delivery of Producer’s Gas to the Processing Plant at the Receipt Points, including, but not limited to, inlet slug catchers, pig receivers, and compression facilities.

(d) If the Processing Effective Date has not occurred by the end of twenty-one (21) months after the Effective Date (the “*Required Processing Effective Date*”), and such delay is not due to Force Majeure, then after the Processing Effective Date occurs, Processor will not charge Producer any of the Fees for a number of Days equal to the number of Days following the Required Processing Effective Date until the Processing Effective Date, but only with respect to those volumes of Producer’s Gas up to its Firm Capacity that were not processed at the Processing Plant as Interruptible Gas during such delay period. The remedy described above shall be Producer’s sole and exclusive remedy for any such delay.

Section 3.3 Expansion of Processing Plant. If Producer determines at any time or from time to time that it requires capacity at the Processing Plant in excess of its then-existing Firm Capacity (“*Increased Capacity*”), Producer will provide written notice to Processor of its Increased Capacity requirements at least eighteen (18) months in advance. Producer shall reasonably demonstrate to Processor Producer’s drilling plans to support the amount of Increased Capacity. If Processor desires to provide such Increased Capacity on the terms and conditions set forth in this Agreement, Processor will notify Producer that it will so provide such Increased

Capacity on or before the 60th Day after Producer's notice of such Increased Capacity, and Processor will design the expanded or new processing facilities at the Processing Plant ("***Additional Processing Facilities***") to meet Producer's Increased Capacity requirements. Following the completion of the Additional Processing Facilities, Producer will have Firm Capacity in respect of the Increased Capacity in such Additional Processing Facilities so requested by Producer pursuant to this Section 3.3. If Processor does not notify Producer, on or before the 60th Day after Producer's notice to Processor of Producer's Increased Capacity requirements, that Processor will provide such Increased Capacity on the terms and conditions set forth in this Agreement, Dedicated Gas up to a Daily volume equal to such Increased Capacity shall be released from Producer's commitments under Article 2, and Producer shall be free to commit and deliver such volume of Dedicated Gas to a third party for processing, fractionation, and marketing. If the Additional Processing Facilities are not completed by the end of eighteen (18) months after the notice provided by Producer of its Increased Capacity Requirements, and such delay is not due to Force Majeure, then after the Additional Processing Facilities are completed, Processor will not charge Producer any of the Fees for a number of Days equal to the number of Days of such delay, but only with respect to those volumes of Producer's Gas up to its Firm Capacity that were not processed at the Processing Plant as Interruptible Gas during such delay period. The remedy described above shall be Producer's sole and exclusive remedy for any such delay.

Section 3.4 Ethane Nomination. From the Processing Effective Date:

(a) At least one (1) Business Day prior to the date on which any ethane pipeline or other receiving transporter or purchaser requires monthly nominations to be submitted in respect of a Month, Producer shall provide written notice to Processor (each, an "***Ethane Nomination***"), which shall either (x) direct Processor to operate the Processing Plant in Ethane Recovery Mode during such Month or (y) direct Processor to operate the Processing Plant in Ethane Rejection Mode during such Month.

(b) If Producer fails to deliver an Ethane Nomination within the time required, Producer shall be deemed to have delivered an Ethane Nomination directing Processor to operate the Processing Plant in Ethane Rejection Mode.

(c) Despite an Ethane Nomination directing Processor to operate the Processing Plant in Ethane Recovery Mode, Processor may instead continue to operate the Processing Plant in Ethane Rejection Mode and deliver to Producer the volume of ethane that would have been allocable to Producer had the Processing Plant been operated in Ethane Recovery Mode. Such ethane shall be delivered by Processor from other sources or supplies of ethane in lieu of recovering the ethane from Producer's Gas. In the case where an Ethane Nomination requires Ethane Recovery Mode and Processor continues to operate in Ethane Rejection Mode, during such period Producer shall be allocated Plant Products (other than ethane) on the basis of the Design Recoveries for operating in Ethane Recovery Mode, and the allocation of Residue Gas to Producer shall be determined taking into account the Thermal Content resulting from the application of such Design Recoveries.

Section 3.5 [Exchange and Marketing of Fractionated Plant Products.]

(a) [Subject to and in accordance with the terms and conditions of this Agreement, commencing on the Processing Effective Date, Processor (i) shall exchange all Plant Products allocated to Producer in accordance with Article 6 for Fractionated Products based on the volume and composition of Plant Products allocated to Producer in accordance with Article 6, (ii) shall market, as Producer's agent, such Fractionated Products in accordance with the terms of this Section 3.5, and (iii) shall pay Producer, in respect of each Month, one hundred percent (100%) of the Net Sales Price for such Fractionated Products multiplied by the number of Gallons of Fractionated Products sold during such Month. Producer hereby designates Processor as its agent for the purpose of marketing, selling and transporting for sale the Fractionated Products.

(b) If for any reason at any time Processor is unable to fully exchange Fractionated Products for all the Plant Products allocated to Producer in accordance with Article 6, then any products delivered at the Plant Products Delivery Point that do not constitute Fractionated Products will be marketed and sold in accordance with this Agreement and consistent with the provisions governing the marketing and sale of Fractionated Products; provided that, Processor shall use commercially reasonable efforts, taking into account the additional costs of storing, transporting and/or fractionating such other products and the then-current differential between market prices of the individual components thereof and the sale of such products as a mixed stream of natural gas liquids, to utilize substitute means of fractionating the Plant Products allocated to Producer for the ultimate sale of components thereof or store any such other products exchanged therefor until fractionation is possible.]

ARTICLE 4
TERM

Section 4.1 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 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 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 5
FEES AND CONSIDERATION

Section 5.1 Fees.

(a) Subject to the other provisions of this Agreement, including Section 5.1(d), and commencing on the Processing Effective Date, Producer shall pay Processor in respect of each Month (or partial Month) from and after the Processing Effective Date in accordance with the terms of this Agreement, for all Services provided by Processor under this Agreement during such period, an amount equal to the sum of the following:

(i) The product of (A) the aggregate volume of Gas, stated in Mcf, received by Processor from Producer or for Producer's account at each Receipt Point

during such period (excluding Bypass Gas) multiplied by (B) \$[_____] (as may be increased or decreased in accordance with Section 5.1(b), the “**Processing Fee**”);

(ii) [The product of (A) the aggregate volume of Producer Plant Products, stated in Gallons, allocated to Producer under this Agreement with respect to such period multiplied by (B) \$[_____] (as may be increased or decreased in accordance with Section 5.1(b), the “**Fractionation Fee**”);]

(iii) [The product of (A) the aggregate volume of Producer Plant Products, stated in Gallons, allocated to Producer under this Agreement with respect to such period multiplied by (B) \$[_____] (as may be increased or decreased in accordance with Section 5.1(b), the “**Delivery Fee**”);]

(iv) [The product of (A) the aggregate volume of Producer Plant Products, stated in Gallons, sold by Processor on behalf of Producer under this Agreement during such period multiplied by (B) \$[_____] (as may be increased or decreased in accordance with Section 5.1(b), the “**Marketing Fee**”); and]

(v) [_____] (as may be increased or decreased in accordance with Section 5.1(b), the “**Other Fee**”).

(b) After each of the first five (5) Contract Years, one hundred percent (100%), and after the sixth (6th) Contract Year and each Contract Year thereafter, fifty-five percent (55%), of each of the Fees 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 be made effective upon the first Day of the relevant Contract Year, and shall reflect the percentage change in the CPI as it existed for June of the preceding Contract Year from the CPI for the second immediately preceding June; *provided, however*, that the Fees shall never be less than the initial fees stated in Section 5.1(a); nor shall any Fees be increased or decreased by more than 3% in any given Contract Year.

(c) Subject to the other provisions of this Agreement, including Section 5.1(d), Producer shall pay Processor the actual cost of electricity used as Fuel and allocated to Producer in accordance with Section 6.2.

(d) Notwithstanding the foregoing provisions of this Section 5.1, regardless of whether Producer utilize any portion of its Firm Capacity, with respect to any Contract Year in which there is a Minimum Processing Volume Commitment, Producer shall pay to Processor, on or before the 30th Day after receipt of Processor’s invoice therefor (which shall be delivered not more than sixty (60) Days after the end of the relevant Contract Year), an amount equal to the excess, if any, of:

(i) the sum of (A) the Minimum Processing Volume Commitment for such Contract Year multiplied by the Processing Fee for such Contract Year[, plus (B) the sum of the Fractionation Fee, the Delivery Fee, the Marketing Fee and the Other Fee that Processor would earn on the volumes of Plant Products extracted from the Minimum

Processing Volume Commitment for such Contract Year, based on the Design Recoveries] over

(ii) the sum of (X) the aggregate amount of Fees paid with respect such Contract Year and (Y) the sum of (1) the product of the Processing Fee in effect for such Contract Year multiplied by the aggregate of the volumes of Dedicated Gas, stated in Mcf, Made Available for Delivery by Producer at each Receipt Point during such Contract Year[, plus (2) the Fractionation Fee, the Delivery Fee, the Marketing Fee and the Other Fee that Processor would have earned on the volumes of Plant Products extracted from the volumes of Dedicated Gas so Made Available for Delivery, based on Design Recoveries].

ARTICLE 6 ALLOCATIONS

The allocations set forth in this Article 6 shall be made by Processor on a Monthly basis.

Section 6.1 Allocation of Lost and Unaccounted For Gas.

(a) Total Lost and Unaccounted For Gas with respect to the Processing Plant in respect of each Month shall be determined by subtracting from the total Thermal Content of Gas received at all Plant Receipt Points during such Month the sum of (i) the Thermal Content of Residue Gas actually delivered to all Plant Delivery Points during such Month, (ii) the Thermal Content of Plant Products actually delivered to the Plant Products Delivery Point during such Month, and (iii) the Thermal Content of Gas used for Fuel at the Processing Plant, if any, during such Month.

(b) Thermal Content of Lost and Unaccounted For Gas shall be allocated to each Plant Receipt Point on a pro rata basis, based upon a fraction, the numerator of which is the total Thermal Content of Gas measured at such Plant Receipt Point during the relevant Month (less all Bypass Gas attributable to such Plant Receipt Point), and the denominator of which is the total Thermal Content of Gas measured at all Plant Receipt Points (less the total of all Bypass Gas) during such Month.

(c) [Thermal Content of Lost and Unaccounted For Gas that has been allocated to a Receipt Point in accordance with paragraph (b) above shall be allocated to each Gathering Receipt Point on a pro rata basis, based on a fraction, the numerator of which is the total Thermal Content of Gas measured at such Gathering Receipt Point during the relevant Month, and the denominator of which is the total Thermal Content of Gas measured at all Gathering Receipt Points during such Month.]

Section 6.2 Allocation of Fuel.

(a) Total Fuel shall be determined based on actual measurements of Fuel consumption.

(b) Fuel (including Gas used as Fuel and the cost of electricity used as Fuel) shall be allocated to each Plant Receipt Point on a pro rata basis, based upon a fraction, the numerator of which is the total volume of Gas (in Mcf) measured at such Plant Receipt Point

during the relevant Month (less all Bypass Gas attributable to such Plant Receipt Point), and the denominator of which is the total volume of Gas (in Mcf) measured at all Plant Receipt Points (less the total of all Bypass Gas) during such Month.

(c) [Fuel that has been allocated to a Receipt Point in accordance with paragraph (b) above shall be allocated to each Gathering Receipt Point on a pro rata basis, based on a fraction, the numerator of which is the total volume of Gas (in Mcf) measured at such Gathering Receipt Point during the relevant Month, and the denominator of which is the total volume of Gas (in Mcf) measured at all Gathering Receipt Points during such Month.]

Section 6.3 Allocation of Bypass Gas. Thermal Content of Bypass Gas bypassed at any Bypass Point during a Month shall be allocated to each Plant Receipt Point upstream of the relevant Bypass Point as follows:

(a) First, by allocation on a pro rata basis among all Plant Receipt Points (upstream of the relevant Bypass Point) at which Interruptible Gas was delivered (together, the “***Interruptible Gas Plant Receipt Points***”) during the relevant Month (based on a fraction, the numerator of which is the Thermal Content of Gas received at the relevant Interruptible Gas Plant Receipt Point during the relevant Month, and the denominator of which is the Thermal Content of all Gas delivered at all Interruptible Gas Plant Receipt Points during such Month), to a maximum amount (in Thermal Content) for each such Interruptible Gas Receipt Point equal to the Thermal Content of the total Interruptible Gas received at such Interruptible Gas Plant Receipt Point during such Month.

(b) Secondly, to the extent of any remaining Bypass Gas after the allocation set forth in paragraph (a) above, on a pro rata basis among all Plant Receipt Points (upstream of the relevant Bypass Point) at which any Gas was delivered during the relevant Month (based on a fraction, the numerator of which is the Thermal Content of Gas received at the relevant Plant Receipt Point during the relevant Month, and the denominator of which is the Thermal Content of all Gas delivered at all Plant Receipt Points upstream of the relevant Bypass Point during such Month), to a maximum amount (in Thermal Content) for each such Plant Receipt Point equal to the total Thermal Content of all Gas entitled to Firm Service that was received at such Plant Receipt Point during such Month.

(c) [Thermal Content of Bypass Gas that has been allocated to a Receipt Point in accordance with paragraphs (a) and (b) above shall be allocated to each Gathering Receipt Point on a pro rata basis, based on a fraction, the numerator of which is the Thermal Content of Gas measured at such Gathering Receipt Point during the relevant Month, and the denominator of which is the total Thermal Content of Gas measured at all Gathering Receipt Points during such Month.]

Section 6.4 Allocation of Plant Products.

(a) The volume (in Gallons) of [each Plant Product] OR [the Plant Products]⁵ at the Plant Products Delivery Point shall be allocated to each Plant Receipt Point on a pro rata basis, based on a fraction, the numerator of which is the Theoretical Gallons of the [relevant Plant

⁵ The appropriate wording will depend on whether Processor is to provide fractionation services under this Agreement.

Product] OR [Plant Products] contained in the Gas received at such Plant Receipt Point during the relevant Month (such Gas measurement being calculated minus any Bypass Gas, Fuel and Lost and Unaccounted For Gas allocated to such Plant Receipt Point in accordance with this Agreement), and the denominator of which is the Theoretical Gallons of the [relevant Plant Product] OR [Plant Products] contained in the Gas received at all Plant Receipt Points during such Month (such Gas measurement being calculated minus any Bypass Gas, Fuel and Lost and Unaccounted For Gas allocated to such Plant Receipt Point in accordance with this Agreement).

(b) [The volume (in Gallons) of [each Plant Product] OR [the Plant Products] that has been allocated to a Receipt Point in accordance with paragraph (a) above shall be allocated to each Gathering Receipt Point on a pro rata basis, based on a fraction, the numerator of which is the Theoretical Gallons of the [relevant Plant Product] OR [Plant Products] contained in the Gas measured at such Gathering Receipt Point during the relevant Month (less the volume of fuel and lost and unaccounted for Gas allocated to such Gathering Receipt Point in accordance with the Gathering Agreement in respect of such Month), and the denominator of which is the Theoretical Gallons of the [relevant Plant Product] OR [Plant Products] contained in the Gas measured at all Gathering Receipt Points during the relevant Month (less the volume of all fuel and lost and unaccounted for Gas allocated to all Gathering Receipt Points in accordance with the Gathering Agreement).]

Section 6.5 Allocation of Residue Gas.

(a) Thermal Content of Residue Gas available for redelivery at the Delivery Points shall be allocated to each Plant Receipt Point on a pro rata basis, based on a fraction, the numerator of which is the Thermal Content of the Gas received at such Plant Receipt Point during the relevant Month (less the Thermal Content of the Bypass Gas, Plant Products, Fuel and Lost and Unaccounted For Gas allocated to such Plant Receipt Point in accordance with this Agreement), and the denominator of which is the Thermal Content of all Gas delivered at all Plant Receipt Points during such Month (less the Thermal Content of all Bypass Gas, Plant Products, Fuel and Lost and Unaccounted For Gas in respect of such Month).

(b) [Thermal Content of Residue Gas that has been allocated to a Receipt Point in accordance with paragraph (a) above shall be allocated to each Gathering Receipt Point on a pro rata basis, based on a fraction, the numerator of which is the Thermal Content of Gas measured at such Gathering Receipt Point during the relevant Month (less the Thermal Content of fuel and lost and unaccounted for Gas allocated to such Gathering Receipt Point in accordance with the Gathering Agreement in respect of such Month), and the denominator of which is the total Thermal Content of Gas measured at all Gathering Receipt Points during such Month (less the Thermal Content of all fuel and lost and unaccounted for Gas allocated to all Gathering Receipt Points in accordance with the Gathering Agreement).]

Section 6.6 [Gathering System Measurement Information]. [Producer shall direct the gatherer under the Gathering Agreement to provide to Processor such measurement and allocation information as Processor may request to permit Processor to allocate Lost and Unaccounted For Gas, Fuel, Residue Gas, Bypass Gas and Plant Products to the Gathering Receipt Points in accordance with this Section 6.6.]

ARTICLE 7
CERTAIN RIGHTS AND OBLIGATIONS OF PARTIES

Section 7.1 Processing Rights. Producer shall cause the Producer Gas delivered to the Processing Plant not to have been, before delivery, processed for the extraction of Plant Products and other valuable components. Nothing in this Section 7.1 shall limit the right of Producer or any other Person to dehydrate Gas or to treat Gas for the removal of carbon dioxide or hydrogen sulfide.

Section 7.2 Operational Control of Processor's Facilities. Processor shall design, construct, own, operate, and maintain the Processing Plant at its sole cost and risk. Processor shall be entitled to full and complete operational control of its facilities and shall be entitled to schedule deliveries and to operate and reconfigure its facilities in a manner consistent with its obligations under this Agreement.

Section 7.3 Maintenance. Processor shall be entitled, without liability, to interrupt its performance hereunder to perform necessary or desirable inspections, pigging, maintenance, testing, alterations, modifications, expansions, connections, repairs or replacements to its facilities as Processor 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, Processor 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, Processor shall provide Producer with its projected maintenance schedule for the following Month.

Section 7.4 Firm Capacity; Capacity Allocations at the Processing Plant. Subject to the capacity allocations set forth in this Section 7.4, Processor has the right to contract with other Persons for the processing of Third Party Gas at the Processing Plant, including by providing such Persons with Firm Service[, so long as the aggregate amount of Producer's Firm Capacity and all Third Party Gas entitled to Firm Service does not, together, exceed the total processing capacity of the Processing Plant]. If the processing capacity at the Processing Plant is limited at any particular time, including for reasons of Maintenance or Force Majeure, then Processor shall interrupt or curtail receipts of Gas in accordance with the following:

(a) *First*, Processor shall curtail all Interruptible Gas prior to curtailing Gas that is entitled to Firm Service.

(b) *Second*, if additional curtailments are required beyond Section 7.4(a) above, Processor shall curtail Gas that is entitled to Firm Service. In the event Processor curtails some, but not all such Gas on a particular Day, Processor shall allocate the capacity of the Processing Plant on a pro rata basis based upon the average of the Producer's and the other Firm Service producers' confirmed nominations for the previous fourteen (14) Day period (in respect of their Firm Service entitlements) prior to the event causing the curtailment.

Section 7.5 Arrangements After Redelivery. It shall be Producer's obligation to make any required arrangements with other parties for delivery of Producer's Gas to the Receipt Points and removal of Residue Gas following delivery by Processor at the Delivery Points.

Section 7.6 Bypass Gas. Subject always to Section 7.4, during any period when (i) all or any portion of the Processing Plant is shut down because of mechanical failure, Maintenance, operating conditions outside of the design parameters of the Processing Plant, or Force Majeure, (ii) Producer's Gas Made Available for Delivery, together with Third Party Gas delivered to the Processing Plant, exceeds the capacity of the Processing Plant, or (iii) Processor determines reasonably and in good faith that the operation of all or any portion of the Processing Plant will cause injury or harm to Persons or property or to the integrity of the Processing Plant, Processor may, if the relevant Downstream Pipelines are willing to take unprocessed Gas, elect to bypass Producer's Gas around the Processing Plant, in which case such Producer's Gas shall be Bypass Gas in respect of which Processor's obligations under Section 10.3 will not apply.

ARTICLE 8 PRESSURES AT RECEIPT POINTS AND DELIVERY POINTS

Section 8.1 Pressure at Receipt Points. Producer shall deliver or shall cause to be delivered Producer's Gas hereunder at a pressure sufficient to enter the Processing Plant at the Receipt Points at a pressure not less than 950 psig. In the event that Producer's Gas is delivered at the Receipt Points at a pressure less than 950 psig, Processor will operate the Processing Plant and process Producer's Gas in each case to the extent commercially practicable and reasonable under the circumstances and taking into account the impact that such lower pressure may have on the operation of the Processing Plant, and Producer agrees to be responsible for, and to defend, indemnify, release, and hold Processor 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 low pressure Gas.

Section 8.2 Pressure at Delivery Points. Processor shall redeliver Producer's Residue Gas within the pressure parameters required by the Downstream Pipelines; provided, however, Processor shall have no obligation to compress Residue Gas to a pressure exceeding 1,200 psig.

ARTICLE 9 NOMINATION AND BALANCING

Section 9.1 Processor Notifications. On or before the fifth (5th) Day prior to the end of each Month, Processor shall provide written notice to Producer of Processor's good faith estimate of any capacity allocations or curtailments for the Processing Plant, if any, that, based on then currently available information, Processor anticipates will be required or necessary during the next Month, including as a result of any Maintenance. Processor shall use all reasonable efforts to provide 48 hours' advance notice of any actual event requiring allocation or curtailment, including Maintenance.

Section 9.2 Nominations. Scheduling of receipts and deliveries of gas between the Receipt Point and Delivery Points shall be in accordance with Processor's reasonable nomination and scheduling procedures and the nomination and scheduling procedures and imbalance tolerance levels of the downstream transporters. No later than two (2) Business Days prior to the end of each Month, Producer shall notify Processor of the quantity of gas in MMBtu Producer expects to make available and deliver at the Receipt Points and receive at the Delivery Points each Day of the following Month, including identification of each such Receipt Point and Delivery Point and

the volumes of delivery at each Receipt Point and Delivery Point identified (the “ *Nomination*”). No later than five (5) Business Days prior to the end of each Month, Processor shall notify Producer of the estimated Fuel expected to be used at the Processing Plant for the following Month, expressed as a percentage of the MMBtus delivered at the Receipt Points (using the allocation methodology set forth in Section 6.2), after taking into consideration the anticipated operational efficiencies and operational mode of the Processing Plant. Should Producer desire to change the Nomination during a Month, such change to the Nomination shall be in accordance with the nomination procedures of the Downstream Pipelines. Residue Gas shall be delivered by Processor in accordance with confirmation by the Downstream Pipelines of the Nomination and/or changes to the Nomination.

Section 9.3 Balancing. Processor will maintain records of any Daily and Monthly variances (“*Imbalances*”) between the volume of Dedicated Gas received at the Receipt Points and the volumes of Producer Residue Gas (after Lost and Unaccounted for Gas, Fuel and Plant Products allocated to Producer). Producer shall make such changes in its Nominations as Processor may from time to time reasonably request to maintain Daily and Monthly balances or to correct an Imbalance. Producer shall reimburse Processor for any cost, penalty, or fee arising from any Imbalance assessed against Processor by any Person receiving Producer Residue Gas downstream of the Delivery Points or Producer Plant Products downstream of the Plant Products Delivery Point, except to the extent such Imbalance was caused by Processor. Upon the termination of this Agreement or at such other time as the Parties agree the Parties shall cash out any cumulative Imbalance using the applicable Index Price for the prior Month.

ARTICLE 10 QUALITY

Section 10.1 Receipt Point Gas Quality Specifications. Gas delivered by Producer to the Receipt Points shall meet the following specifications (collectively, the “*Gas Quality Specifications*”):

(a) The Gas shall not contain any of the following in excess of: one-quarter (1/4) grain of hydrogen sulfide per hundred (100) Cubic Feet; one (1) grain of total sulfur per hundred (100) Cubic Feet; two one-hundredths of one percent (0.02%) by volume of oxygen; or two percent (2%) by volume of nitrogen.

(b) The total of all non-hydrocarbon gases shall not exceed three percent (3%) by volume.

(c) The temperature of the Gas at the Receipt Point shall not be in excess of one hundred twenty (120) degrees Fahrenheit.

(d) The Gas shall be free of solids, sand, salt, dust, gums, crude oil, and hydrocarbons in the liquid phase, and other objectionable substances which may be injurious to pipelines or which may interfere with the measurement, transmission or commercial utilization of said Gas.

Except for items (a) through (d) above, such Gas shall be of such quality as would, after processing (assuming the proper performance by Processor of its obligations under this Agreement) meet the

most restrictive quality specifications required from time to time by the Downstream Pipelines, including as to water vapor content.

Section 10.2 Non-Conforming Gas. If any Gas delivered by Producer fails at any time to conform to the Gas Quality Specifications, then Processor will have the right to immediately discontinue receipt of such non-conforming Gas so long as such Gas continues to be non-conforming. Producer agrees to undertake commercially reasonable measures to eliminate the cause of such non-conformance. If Producer fails to remedy such non-conformance, but such Gas conforms to all specifications other than hydrocarbon dew point and/or Gross Heating Value, then Processor agrees to (i) use commercially reasonable efforts to blend and commingle such Gas with other Gas in the Processing Plant so that it meets the applicable specifications and (ii) if such Gas cannot be brought into compliance with such blending, will continue to accept such Gas, such Gas will be Bypass Gas, and Processor shall redeliver such Bypass Gas to those Delivery Points at which the Downstream Pipelines will accept such non-conforming Gas as long as (A) no harm is done to the Processing Plant, (B) no harm is done to other customers of Processor or their Gas, and (C) other customers of Processor are not prevented from nominating Gas to their preferred Plant Delivery Point. In the event that Processor takes receipt of non-conforming Gas, Producer agrees to be responsible for, and to defend, indemnify, release, and hold Processor 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 Gas.

Section 10.3 Producer Residue Gas Quality Specifications. Processor shall redeliver the Producer Residue Gas at the Delivery Points meeting the Gas Quality Specifications[, provided that Producer complies with its obligations in the proviso to Section 10.3 of the Gathering Agreement].

Section 10.4 Greenhouse Gas Emissions. Notwithstanding anything contained in this Agreement to the contrary, in the event there is an enactment of, or change in, any law after the Effective Date of this Agreement which, in Processor's reasonable determination, results in (a) a Governmental Authority requiring Processor to hold or acquire emission allowances or their equivalent related to the carbon dioxide content or emissions or the greenhouse gas content or emissions attributable to Producer's Gas and/or the gathering, or transportation of such Gas (collectively, "***Producer's GHG Emissions***") or (b) Processor incurring any costs or expenses attributable to Producer's Gas, including any costs or expenses for disposal or treating of carbon dioxide attributable to such Gas, or any other additional economic burden being placed on Processor in connection with or related to Producer's GHG Emissions, including any tax, assessment, or other cost or expense (collectively, "***Emissions Charges***"), then (i) Producer will use reasonable efforts to provide any required emissions allowances or their equivalent to Processor in a timely manner (and shall indemnify and hold harmless Processor from against any Losses, including any expenses incurred by Processor in acquiring such allowances in the marketplace, arising out of Producer's failure to so provide such allowances) and (ii) Producer shall be fully responsible for such Emissions Charges and shall reimburse Processor for any Emissions Charges paid by Processor within ten (10) Days of receipt of Processor's invoice.

ARTICLE 11
MEASUREMENT EQUIPMENT AND PROCEDURES

Section 11.1 Equipment. Processor shall install, own, operate, and maintain Measurement Facilities to measure Gas at all Plant Receipt Points downstream of any slug catcher and, provided Producer bears the cost of the same, shall ensure that each Downstream Pipeline installs, owns, operates, and maintains Measurement Facilities at the Plant Delivery Points. Measurement Facilities at the Plant Receipt Points shall meet current industry standards for custody transfer measurement. Producer shall have the right to install check Measurement Facilities at each Receipt Point, including the right to install check measurement equipment on Processor's meter tubes and orifice unions.

Section 11.2 Gas Measurement Standards. The following standards shall apply to the measurement of Gas hereunder:

(a) Where measurement is by orifice meter, all fundamental constants, observations, records, and procedures involved in the determination and/or verification of the quantity and other characteristics of the Gas delivered hereunder shall be in accordance with the standards prescribed in the latest edition of A.G.A. Report No. 3 (ANSI/API 2530) "Orifice Metering of Natural Gas" with any revisions, amendments or supplements as may be mutually acceptable to the Parties.

(b) Where measurement is by ultrasonic meter, all fundamental constants, observations, records, and procedures involved in the determination and/or verification of the quantity and other characteristics of the Gas delivered hereunder shall be in accordance with the standards prescribed in the latest edition of A.G.A. Report No. 9 "Measurement of Gas by Multi Path Ultrasonic Meters" with any revisions, amendments or supplements as may be mutually acceptable to the Parties.

(c) The changing and integration of the charts (if utilized for measurement purposes hereunder) and calibrating and adjusting of meters shall be performed by Processor.

Section 11.3 Gas Measurement.

(a) The unit of volume for measurement of Gas delivered hereunder shall be one Mcf at a base temperature of 60 degrees Fahrenheit and at an absolute pressure of 14.73 psia and without adjustment for water vapor content. It is agreed that for the purposes of measurement and computations hereunder, (a) the atmospheric pressure shall be based on the atmospheric pressure determined and used by Downstream Pipelines at the Delivery Points regardless of the atmospheric pressure at which the Gas is measured and (b) all measurements and testing performed hereunder shall all be made by Processor in accordance with applicable rules, regulations, and orders.

(b) Processor's Measurement Facilities at the Plant Receipt Points shall be continuous samplers or gas chromatographs, as Processor shall in its discretion determine, subject to the minimum requirements set forth in the following sentence. Measurement at the Plant Receipt Points shall be done using continuous samplers (for Measurement Facilities metering less than twenty thousand (20,000) Mcf per Day) and online gas chromatographs (for Measurement

Facilities metering twenty thousand (20,000) Mcf or more per Day). Measurement at the Plant Delivery Points shall be done using continuous samplers (for Measurement Facilities metering less than twenty thousand (20,000) Mcf per Day) and online gas chromatographs (for Measurement Facilities metering twenty thousand (20,000) Mcf or more per Day). Processor shall procure or cause to be procured a sample of Gas at each Plant Delivery Point and analyze the samples by chromatographic analysis to determine the component content (mole percent), specific gravity, and the Thermal Content thereof. These determinations shall be made utilizing the following standards: (i) Gas Processors Association Obtaining Natural Gas Samples for Analysis by Gas, Publication No. 2166 as amended or supplemented from time to time and (ii) Gas Processors Association Analysis for Natural Gas and Similar Gaseous Mixtures by Gas Chromatography, Publication No. 2161 as amended or supplemented from time to time, or (iii) any other tests that are mutually agreed by Producer and Processor.

(c) The specific gravity of Gas shall be measured by a standard gravity balance in accordance with the provisions of the Natural Gas Processors Association Publication No. 3130, entitled "Standard Method for Determining the Specific Gravity of Gas", or by a gravimeter employing the "Momentum Method" as described in Chapter VII, "Determination of Specific Gravity", of the American Gas Association Gas Measurement Manual, 1963, in each case, as such may be amended from time to time. The specific gravity will be determined and calculated to the nearest one-thousandth (0.001).

(d) The temperature of Gas shall be determined by means of a recording thermometer recording the temperature of such Gas flowing through each measurement meter. The average temperature to the nearest one degree (1°) Fahrenheit, obtained while Gas is being delivered, will be the applicable flowing Gas temperature for the period under consideration.

(e) The deviation of the Gas from the thermodynamic laws applying to perfect gases shall be determined in accordance with the A.G.A. Par Research Project NX-19 Report "Manual for the Determination of Supercompressibility Factors for Natural Gas", Reprinted 1976, if the composition of the Gas is such to render this procedure applicable.

(f) Physical constants required for making calculations hereunder shall be taken from the Gas Processors Association Table of Physical Properties for Hydrocarbons and Other Compounds of Interest to the Natural Gas Industry, Publication No. 2145 as amended or supplemented from time to time. Physical constants for the hexanes and heavier hydrocarbons portion of hydrocarbon mixtures shall be assumed to be the same as the physical constants for hexane.

Section 11.4 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 used in measuring or checking the measurement of receipts or deliveries of Gas 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 shall remain the property of the Measurement Facilities' owner, but copies of such

records shall, upon written request, be submitted, together with calculations and flow computer configurations therefrom, to the requesting Party for inspection and verification.

Section 11.5 Measurement Accuracy Verification.

(a) Each Party shall verify the accuracy of all Measurement Facilities owned by such Party at intervals based upon the following schedule:

- (i) semi-annually for Gas Measurement Facilities metering less than one thousand (1,000) Mcf per Day;
- (ii) quarterly for Gas Measurement Facilities metering between one thousand (1,000) and five thousand (5,000) Mcf per Day; and
- (iii) monthly for Gas Measurement Facilities metering more than five thousand (5,000) Mcf per Day.

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 11.6.

(b) If, during any test of the Measuring 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 one percent (1%) 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 11.7. 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 one percent (1%) error.

(c) If, during any test of any 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 one percent (1%) of the adjusted flow rate, all prior recordings and electronic flow computer data shall be considered to be accurate for quantity determination purpose.

Section 11.6 Special Tests. In the event a Party desires a special test (a test not scheduled by a Party under the provisions of Section 11.5) of any Measurement Facilities, 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 the Measurement Facilities tested are found to be within the range of accuracy set forth in Section 11.5(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 the Measurement Facilities tested are found to be outside the range of accuracy set forth in Section 11.5(b), then the Party that owns such Measurement Facilities shall pay such costs and perform the corrections according to Section 11.7.

Section 11.7 Metered Flow Rates in Error. If, for any reason, any Measurement Facilities 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 by an amount of the magnitude described in Section 11.5, the total quantity of Gas delivered shall be determined in accordance with the first of the following methods which is feasible:

(a) using the registration of any mutually agreeable check metering facility, if installed and accurately registering (subject to testing as provided for in Section 11.5);

(b) Where multiple meter runs exist in series, by calculation using the registration of such meter run equipment; provided that they are measuring Gas from upstream and downstream headers 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 charts, or by straightforward application of a correcting factor to the quantities recorded for the period (if the net percentage of error is ascertainable by calibration, tests or mathematical calculation); or

(d) By estimating the quantity, based upon deliveries made during periods of similar conditions when the meter was registering accurately.

Section 11.8 Record Retention. The Party owning the Measurement Facilities shall retain and preserve all test data, charts, 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 or regulation requires a longer time period or the Party has received written notification of a dispute involving such records, in which case records shall be retained until the related issue is resolved.

Section 11.9 Access.

(a) Processor shall contract with eLynx Technologies or a provider of comparable services reasonably satisfactory to Producer (the “**Monitoring Services Provider**”) for remote monitoring of Gas Measurement Facilities, including monitoring of measurement data on an hourly (or more frequent) basis for flow rate, meter pressures, meter temperature, orifice diameter, Gross Heating Value, and composition for importation into PRAMS Plus production software or comparable production software (“**Remote Monitoring Data**”).

(b) Processor shall (i) provide the Monitoring Services Provider access to all of Processor’s radio and telephone infrastructure to access and gather all Remote Monitoring Data and (ii) cause the Monitoring Services Provider to allow Producer to view and access all Remote Monitoring Data on the Monitoring Service Provider’s system, including the ability to poll for Remote Monitoring Data through the Monitoring Services Provider’s system.

(c) Processor shall provide Producer 120 Days’ notice of any termination by Processor of its contract with any Monitoring Services Provider.

ARTICLE 12
NOTICES

Section 12.1 Notices. Unless otherwise provided herein, any notice, request, invoice, statement, or demand which either Party desires to serve upon the other 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, if sent by email after normal business hours or if receipt of a facsimile transmission is confirmed after normal business hours, receipt shall be deemed to be the next Business Day. Notwithstanding the foregoing, if a Party desires to serve upon the other a notice of default under this Agreement, the delivery of such notice shall be considered effective under this Section 12.1 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 written 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 gas control, nominations & balancing:
Manager of Gas Marketing
Phone: (303) 357-7310
Fax Number: (303) 357-7315

For accounting, financial, and legal:
Controller
Phone: (303) 357-7310
Fax Number: (303) 357-7315

Processor: ANTERO MIDSTREAM LLC
1615 Wynkoop Street
Denver, Colorado 80202

Attn: Chief Financial Officer
Phone: (303) 357-7310
Fax Number: (303) 357-7315

With copy to: For gas control, nominations & balancing:
Manager of Gas Marketing
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 13 PAYMENTS

Section 13.1 Invoices. Not later than the tenth (10th) Day following the end of each Month, Processor shall provide Producer with a detailed statement setting forth:

(a) the volume and Thermal Content of Gas received by Processor at the Plant Receipt Points in such Month, the volume and Thermal Content of Residue Gas delivered at the Plant Delivery Points in such Month, the quantity of Gas and the cost of electricity used as Fuel in such Month, the volume and Thermal Content of Lost and Unaccounted For Gas for such Month, and the volume and Thermal Content of Plant Products delivered to the Plant Products Delivery Point in such Month;

(b) the volume and Thermal Content of Producer Gas received by Processor at the Receipt Points in such Month, the volume and Thermal Content of Producer Residue Gas delivered to the Delivery Points in such Month, the quantity of Gas and the cost of electricity used as Fuel and allocated to Producer in such Month, the volume and Thermal Content of Lost and Unaccounted For Gas for such Month allocated to Producer in accordance with this Agreement, and the volume and Thermal Content of Producer Plant Products delivered to the Plant Products Delivery Point in such Month;

(c) the Processing Fee, [the Fractionation Fee], [the Delivery Fee], [the Marketing Fee] and [the Other Fee] with respect to such Month; and

(d) relevant measurement summaries and the amount of any Imbalances and all relevant supporting documentation, to the extent available on such tenth (10th) Day (with Processor being obligated to deliver any such supporting documentation that is not available on such tenth (10th) Day as soon as it becomes available).

Producer shall make payment to Processor 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 Processor 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, Processor shall refund any amount of overcharge, and Producer shall pay any amount of undercharge, within thirty (30) Days after final determination thereof, provided, however, that no retroactive adjustment will be made beyond a period of twenty-four (24) Months from the date of a statement hereunder.

[Processor shall be entitled to set off any Net Sales Price owed by Processor to Producer from time to time under Section 3.5(a) against any amount owing by Producer to Processor under this Agreement, the Gathering Agreement and/or the Water Services Agreement from time to time, such that only the net amount shall be payable.]

Section 13.2 Right to Suspend on Failure to Pay. If any undisputed amount due hereunder remains unpaid for sixty (60) Days after the due date, Processor shall have the right to suspend or discontinue Services hereunder until any such past due amount is paid.

Section 13.3 Audit Rights. Either Party, on not less than thirty (30) Days prior written 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 transactions affecting Dedicated Gas hereunder and 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 13.4 Payment Disputes. In the event of any dispute with respect to any payment hereunder, Producer shall make timely payment of all undisputed amounts, and Processor 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 13.5 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 13.6 Credit Assurance. Processor shall apply consistent evaluation practices to all similarly situated producers to determine Producer's financial ability to perform its payment obligations under this Agreement.

(a) If Processor has reasonable grounds for insecurity regarding the performance of any obligation by Producer under this Agreement (whether or not then due), Processor may demand Adequate Assurance of Performance from Producer, which Adequate Assurance of Performance shall be provided to Processor within five (5) Days after written request. If Producer fails to provide such Adequate Assurance of Performance within such time, then Processor may suspend its performance under this Agreement until such Adequate Assurance of Performance is provided. However, any action by Processor shall not relieve Producer of its payment obligations. The exercise by Processor of any right under this Section 13.6 shall be without prejudice to any claims for damages or any other right under this Agreement. As used herein, "***Adequate Assurance of Performance***" means any of the following, in Processor's reasonable discretion:

(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 satisfactory to Processor;

(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 Processor; Processor is hereby granted a security interest in and right of set-off against all 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 reasonably acceptable to Processor.

(b) The term of any security provided under this Section 13.6 shall be as reasonably determined by Processor, but it shall never exceed sixty (60) Days, after which the security shall terminate (or in the case of cash collateral, be immediately returned by Processor to Producer without further action by either Party). Nothing shall prohibit Processor, 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 13.6 exist.

(c) Should Producer fail to provide Adequate Assurance of Performance within five (5) Days after receipt of written demand for such assurance (which shall include reasonable particulars for the demand and documentation supporting the calculation of such amount demanded), then Processor shall have the right (notwithstanding any other provision of this Agreement) to suspend performance under this Agreement until such time as Producer furnishes Adequate Assurance of Performance.

Section 13.7 Excused Performance. Processor will not be required to perform or continue to perform the Services hereunder, and Producer shall not be obligated to deliver Dedicated Gas to the Processing Plant (or make any payments required under Section 5.1(d)) in the event:

(a) the other Party has voluntarily filed for bankruptcy protection under any chapter of the United States Bankruptcy Code;

(b) the other Party is the subject of an involuntary petition of bankruptcy under any chapter of the United States Bankruptcy Code, and such involuntary petition has not been settled or otherwise dismissed within ninety (90) Days of such filing; or

(c) the other Party otherwise becomes insolvent, whether by an inability to meet its debts as they come due in the ordinary course of business or because its liabilities exceed its assets on a balance sheet test; and/or however such insolvency may otherwise be evidenced.

ARTICLE 14 FORCE MAJEURE

Section 14.1 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 in writing 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 14.2 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 government authorizations, 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 applicable laws, rules, regulations, or orders), [and, in the case of either party as the claiming party, any failure by the other party to perform any obligation on such other party under the Gathering Agreement,] and, in the case of Processor as the claiming party, any breach of any representation or warranty of Producer or any failure by Producer to perform any obligation of Producer under that certain Contribution Agreement dated [_____], 2014, by and between Producer and Processor.

Section 14.3 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 14.4 Payments for Gas Delivered. 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 quantities of Producer Residue Gas and Producer Plant Products delivered prior to such event of Force Majeure.

ARTICLE 15 INDEMNIFICATION

Section 15.1 Processor. Subject to the terms of this Agreement, including Section 18.8, Processor 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 arising out of or relating to (i) the operations of Processor and (ii) any breach of this agreement by Processor.

Section 15.2 Producer. Subject to the terms of this Agreement, including Section 18.8, Producer shall release, indemnify, defend, and hold harmless Processor and its Affiliates, directors,

officers, employees, agents, consultants, representatives, and invitees from and against all claims and losses arising out of or relating to (i) the operations of Producer and (ii) any breach of this agreement by Producer.

ARTICLE 16 CUSTODY AND TITLE

Section 16.1 Custody. As between the Parties, Producer shall be in custody, control and possession of (i) Producer Gas until such Gas is delivered to the Receipt Points, (ii) Producer Residue Gas after it is delivered to Producer at the Delivery Points, and (iii) Producer Plant Products after they are delivered to Producer at the Plant Products Delivery Point. As among the Parties, Processor shall be in custody, control and possession of all Gas, Residue Gas and Plant Products in the Processing Plant at all other times. The Party having custody and control of Gas, Residue Gas and Plant Products under the terms of this Agreement shall be responsible for, and shall defend, indemnify, release and hold the other Party and its 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 Gas, Residue Gas or Plant Products when such Gas, Residue Gas or Plant Products are in its custody and control, including losses resulting from any negligent acts or omissions of any indemnified party, but excluding any losses to the extent caused by or arising out of the negligence, gross negligence, or willful misconduct of the indemnified party.

Section 16.2 Producer Warranty. Producer represents and warrants that it owns, or has the right to deliver to the Processor in accordance with this Agreement, all Producer Gas delivered under this Agreement, free and clear of all liens, encumbrances and adverse claims. If the title to Gas delivered by Producer hereunder is disputed or is involved in any legal action, Processor shall have the right to withhold payment (with interest at the prime rate as published in the Wall Street Journal, under “Money Rates”), or cease receiving such Gas, to the extent of the interest disputed or involved in legal action, during the pendency of the action or until title is freed from the dispute, or until Producer furnishes, or causes to be furnished, indemnification to save Processor harmless from all claims arising out of the dispute or action, with surety acceptable to Processor. Producer hereby indemnifies Processor against and holds Processor harmless from any and all claims and losses arising out of or related to any breach of the foregoing representation and warranty.

Section 16.3 Title. Other than as set forth in this Section 16.3, title to all Producer Gas delivered under this Agreement, including all constituents thereof, shall remain with and in Producer or its customers at all times; provided, however, title to Fuel and Lost and Unaccounted For Gas shall pass from Producer or its customer to Processor immediately downstream of the Receipt Points. Title to Producer Plant Products shall pass from Producer to Processor[, and title to Fractionated Products exchanged for Producer Plant Products in accordance with Section 3.5 shall pass from Processor to Producer, in each case] at the Plant Products Delivery Point. [Title to the Fractionated Products shall remain with Producer until completion of the sale to the relevant customer of Producer.] Although Producer shall retain title to Producer Gas as provided in this Section 16.3, Producer Gas shall constitute part of the supply of Gas from all sources to the Processing Plant and, as such, Processor shall have the right to commingle Producer Gas with Third Party Gas. Producer recognizes that no segregated facilities are provided by Processor hereunder.

ARTICLE 17
TAXES; ROYALTIES

Section 17.1 Taxes. Producer shall pay or cause to be paid and agrees to hold Processor harmless as to the payment of all excise, gross production, severance, sales, occupation and all other Taxes, charges or impositions of every kind and character required by statute or by order of Governmental Authorities and levied against or with respect to Producer Gas, Producer Residue Gas, Producer Plant Products or the Services provided under this Agreement. Processor shall not become liable for such Taxes, unless designated to remit those Taxes on behalf of Producer by any duly constituted jurisdictional agency having authority to impose such obligations on Processor, in which event the amount of such Taxes remitted on Producer's behalf shall be (i) reimbursed by Producer upon receipt of invoice, with corresponding documentation from Processor setting forth such payments, or (ii) deducted from amounts otherwise due Processor under this Agreement. Processor 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 the Processing Plant. 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.

Section 17.2 Royalties. As between the Parties, Producer shall have the sole and exclusive obligation and liability for the payment of all Persons due any proceeds derived from Producer Gas, Producer Residue Gas or Producer Plant Products delivered under this Agreement, including royalties, overriding royalties, and similar interests, in accordance with the provisions of the leases or agreements creating those rights to proceeds. In no event will Processor have any obligation to those Persons due any of those proceeds of production attributable to any such Producer Gas, Producer Residue Gas or Producer Plant Products delivered under this Agreement.

ARTICLE 18
MISCELLANEOUS

Section 18.1 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 18.2 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.

Section 18.3 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 18.4 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. Except as set forth in Section 18.4(b) and Section 18.4(c), 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 (which such consent shall not be unreasonably withheld, conditioned or delayed), and any assignment or attempted assignment made otherwise than in accordance with this Section 18.4 shall be null and void *ab initio*.

(b) Notwithstanding the foregoing clause (a), Processor may perform all services under this Agreement itself using its own gathering, compression, and other facilities and/or perform any or all such services through third parties, in which case references herein to the Processing Plant shall be deemed to be references to such facilities of the relevant third party.

(c) Notwithstanding the foregoing clause (a):

(i) Processor shall have the right to assign its rights under this Agreement, in whole or in part, as applicable, without the consent of Producer if such assignment is made to any Person to which the Processing Plant or any part thereof has been or will be transferred that assumes in writing all of Processor's obligations hereunder (if applicable, to the extent that part of the Processing Plant being transferred to such Person) and is (A) an Affiliate of Processor or (B) a Person to which the Processing Plant has been or will be transferred who (1) hires (or retains, as applicable) operating personnel who are then operating the Processing Plant (or has similarly experienced operating personnel itself), (2) has operated for at least two (2) years prior to such assignment facilities similar to the Processing Plant, or (3) contracts for the operation of the Processing Plant with another Person that satisfies either of the foregoing conditions (1) or (2) in this clause (B), provided in the case of an assignment pursuant to this clause (B), the assignee has creditworthiness as reasonably determined by Producer that is equal to the higher of Processor's creditworthiness as of the Effective Date and Processor's creditworthiness as of the date of the assignment.

(ii) Processor 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 Processor.

(iii) Producer shall have the right to assign its rights under this Agreement, in whole or in part, as applicable, without the consent of Processor, to any Person to which it sells, assigns, or otherwise transfers all or any portion of the Dedicated Properties and (A) who assumes in writing all of Producer's obligations hereunder (if applicable, to the extent of the Dedicated Properties being transferred to such Person) and

(B) whose credit rating is equal to or greater than the greater of Producer's credit rating as of the Effective Date and Producer's credit rating as of the date of the assignment.

(d) Upon an assignment by Processor in accordance with Section 18.4(c)(i)(B) Processor shall be released from its obligations under this Agreement to the extent of such assignment. Upon an assignment by Producer in accordance with Section 18.4(c)(ii), Producer shall be released from its obligations under this Agreement to the extent of such assignment.

Section 18.5 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 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 18.6 Confidentiality.

(a) Confidentiality. Except as otherwise provided in this Section 18.6, 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 all data relating to the production of Producer, including well data, production volumes, volumes gathered, transported, or compressed, and gas quality) (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 express written consent of the other Party.

(b) Permitted Disclosures. Notwithstanding Section 18.6(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 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 18.6; (v) to its own directors, officers, employees, agents and representatives; (vi) to an Affiliate; (vii) to financial advisors, attorneys, and banks, provided that such Persons are subject to a confidentiality undertaking consistent with this Section 18.6(b), or (viii) except for information disclosed pursuant to Article 3 of this Agreement, to a royalty, overriding royalty, net profits or similar owner burdening Dedicated Gas, provided such royalty, overriding royalty, net profits or similar owner, agrees in writing to be bound by the terms of this Section 18.6.

(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 18.6(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 18.6.

(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 18.6, 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 18.6 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 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 18.6 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 18.7 Entire Agreement, Amendments and Waiver. This Agreement, including all exhibits hereto, integrates the entire understanding between the Parties with respect to the subject matter covered and supersedes all prior understandings, drafts, discussions, or statements, whether oral or in writing, expressed or implied, dealing with the same subject matter. This Agreement may not be amended or modified in any manner except by a written document signed by the Parties that expressly amends this Agreement. No waiver by either Party of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless expressly provided. No waiver shall be effective unless made in writing and signed by the Party to be charged with such waiver.

Section 18.8 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 18.9 Headings. The headings and captions in this Agreement have been inserted for convenience of reference only and shall not define or limit any of the terms and provisions hereof.

Section 18.10 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 law.

Section 18.11 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 18.12 Rules of Construction. In construing this Agreement, the following principles shall be followed:

- (a) no consideration shall be given to the fact or presumption that one Party had a greater or lesser hand in drafting this Agreement;
- (b) examples shall not be construed to limit, expressly or by implication, the matter they illustrate;
- (c) the word “includes” and its syntactical variants mean “includes, but is not limited to,” “includes without limitation” and corresponding syntactical variant expressions;
- (d) the plural shall be deemed to include the singular and vice versa, as applicable;
and
- (e) references to Section shall be references to Sections of this Agreement.

Section 18.13 No Third Party Beneficiaries. This Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns, 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 18.14 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 18.15 Counterpart Execution. This Agreement may be executed in any number of counterparts, each of which shall be considered an original, and all of which shall be considered one and the same instrument.

Section 18.16 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 C 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 Dedicated Properties are located.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first set forth above.

ANTERO RESOURCES CORPORATION

By: _____
Name: _____
Title: _____

ANTERO MIDSTREAM LLC

By: _____
Name: _____
Title: _____

EXHIBIT A

DELIVERY POINTS

[attached]

EXHIBIT B

CONFLICTING DEDICATIONS

[_____]

EXHIBIT C

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF PROCESSING AGREEMENT (this “Memorandum”) is entered into effective [] (the “Effective Date”), by and between **ANTERO RESOURCES CORPORATION** (“Producer”), with an address of 1615 Wynkoop Street, Denver, Colorado 80202, and **ANTERO MIDSTREAM LLC** (“Processor”), with an address of 1615 Wynkoop Street, Denver, Colorado 80202.

WHEREAS, Producer and Processor entered into that certain Gas Processing Agreement effective [] (the “Agreement”), pursuant to which Processor will provide certain gas processing and other 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. Dedication. Subject to the exceptions, exclusions, and reservations set forth in the Agreement and the other terms and conditions of the Agreement, (a) Producer has exclusively dedicated and committed to deliver to Processor, as and when produced, all Gas produced on or after the date of the Agreement that is attributable to the Oil and Gas Interests set forth in the Schedule hereto, or pooled, unitized or communitized therewith (the “Dedicated Properties”), together with all Gas attributable to third parties that is produced from a well located on the Dedicated Properties, which Gas Producer has the right to control and deliver for processing (“Dedicated Gas”), for processing at the Processing Plant under the Agreement, and (b) Producer agrees not to deliver any Dedicated Gas to any other processing facility (the foregoing dedication and commitment being herein referred to as the “Dedication”).

3. Covenant Running with the Land. So long as the Agreement is in effect, the Dedication 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 Dedicated 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, and (b) in the event Processor sells, transfers, conveys, assigns, grants, or otherwise disposes of any or all of its interest in the Processing Plant, 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.

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.

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 MIDSTREAM LLC

By: _____
Name: _____
Title: _____

ANTERO RESOURCES CORPORATION

By: _____
Name: _____
Title: _____

Schedule – Oil and Gas Interests

[_____]



Acknowledgements

STATE OF COLORADO §
 §
CITY AND COUNTY OF DENVER §

The foregoing instrument was acknowledged before me on the _____ Day of _____, _____, by
[_____] , [_____] of Antero Midstream LLC, a Delaware limited liability company, on
behalf of said entity.

Notary Public in and for _____

Printed or Typed Name of Notary

STATE OF COLORADO §
 §
CITY AND COUNTY OF DENVER §

The foregoing instrument was acknowledged before me on the _____ Day of _____, _____, by
[_____] , [_____] of Antero Resources Corporation, a Delaware corporation, on behalf
of said entity.

Notary Public in and for _____

Printed or Typed Name of Notary

EXHIBIT D

EXCLUDED WELLS

EXHIBIT E

DEDICATION AREA

Exhibit E – Page 1

**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, Chief Executive Officer of Antero Midstream Partners LP, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended March 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: April 25, 2018

/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 Quarterly Report on Form 10-Q for the quarterly period ended March 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: April 25, 2018

/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 Quarterly Report on Form 10-Q of Antero Midstream Partners LP for the quarter ended March 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 Quarterly Report on Form 10-Q for the quarter ended March 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 Quarterly Report on Form 10-Q for the quarter ended March 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: April 25, 2018

/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 Quarterly Report on Form 10-Q of Antero Midstream Partners LP for the quarter ended March 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 Quarterly Report on Form 10-Q for the quarter ended March 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 Quarterly Report on Form 10-Q for the quarter ended March 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: April 25, 2018

/s/ Michael N. Kennedy

Michael N. Kennedy
Chief Financial Officer
