Use these links to rapidly review the document
TABLE OF CONTENTS
INDEX TO FINANCIAL STATEMENTS

Table of Contents

As filed with the Securities and Exchange Commission on February 11, 2010

Registration No. 333-

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

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

ANTERO RESOURCES FINANCE CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**1311**	**90-0522247**
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

1625 17th Street
Denver, Colorado 80202
(303) 357-7310
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Glen C. Warren, Jr.
President, Chief Financial Officer and Secretary
1625 17th Street
Denver, Colorado 80202
(303) 357-7310
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Copies to:
David P. Oelman
Vinson & Elkins L.L.P.
1001 Fannin, Suite 2300
Houston, Texas 77002-6760
(713) 758-2222

Approximate date of commencement of proposed sale of the securities to the public:
As soon as practicable after the effective date of this Registration Statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

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

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒ (Do not check if a smaller reporting company)	Smaller reporting company ☐

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issue Tender Offer) ☐

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to be Registered	Amount of Registration Fee(1)
9.375% Senior Notes due 2017	$525,000,000	$37,433
Guarantees of 9.375% Senior Notes due 2017(2)		None(3)

(1) Calculated pursuant to Rule 457(f)(2) under the Securities Act of 1933.

(2) Antero Resources LLC, Antero Resources Corporation, Antero Resources Midstream Corporation, Antero Resources Piceance Corporation, Antero Resources Pipeline Corporation and Antero Resources Appalachian Corporation will guarantee the notes being registered.

(3) Pursuant to Rule 457(n) of the Securities Act of 1933, no registration fee is required for the registration of the Guarantees.

Each registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

TABLE OF ADDITIONAL REGISTRANT GUARANTORS

Exact Name of Registrant Guarantor(1)	State or Other Jurisdiction of Incorporation or Formation	Primary Standard Industrial Classification Code Number	IRS Employer Identification Number
Antero Resources LLC	Delaware	1311	90-0522242
Antero Resources Corporation	Delaware	1311	32-0114849
Antero Resources Midstream Corporation	Delaware	4922	20-4862173
Antero Resources Piceance Corporation	Delaware	1311	20-4862124
Antero Resources Pipeline Corporation	Delaware	4922	20-4862061
Antero Resources Appalachian Corporation	Delaware	1311	80-0162034

(1) The address for each Registrant Guarantor is 1625 17th Street, Denver, Colorado 80202, and the telephone number for each Registrant Guarantor is (303) 357-7310.

Table of Contents

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offering is not permitted.

SUBJECT TO COMPLETION, DATED FEBRUARY 11, 2010

PROSPECTUS

Offer to Exchange
Up To $525,000,000 of
9.375% Senior Notes due 2017
That Have Not Been Registered Under
The Securities Act of 1933
For
Up To $525,000,000 of
9.375% Senior Notes due 2017
That Have Been Registered Under
The Securities Act of 1933

Terms of the New 9.375% Senior Notes due 2017 Offered in the Exchange Offer:

- The terms of the new notes are identical to the terms of the old notes that were issued on November 17, 2009 and January 19, 2010, except that the new notes will be registered under the Securities Act of 1933 and will not contain restrictions on transfer, registration rights or provisions for additional interest.

Terms of the Exchange Offer:

- We are offering to exchange up to $525,000,000 of our old notes for new notes with materially identical terms that have been registered under the Securities Act of 1933 and are freely tradable.
- We will exchange all old notes that you validly tender and do not validly withdraw before the exchange offer expires for an equal principal amount of new notes.
- The exchange offer expires at 5:00 p.m., New York City time, on , 2010, unless extended.
- Tenders of old notes may be withdrawn at any time prior to the expiration of the exchange offer.
- The exchange of new notes for old notes will not be a taxable event for U.S. federal income tax purposes.
- Broker-dealers who receive new notes pursuant to the exchange offer acknowledge that they will deliver a prospectus in connection with any resale of such new notes.
- Broker-dealers who acquired the old notes as a result of market-making or other trading activities may use the prospectus for the exchange offer, as supplemented or amended, in connection with resales of the new notes.

You should carefully consider the risk factors beginning on page 10 of this prospectus before participating in the exchange offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2010

This prospectus is part of a registration statement we filed with the Securities and Exchange Commission. In making your investment decision, you should rely only on the information contained in this prospectus and in the accompanying letter of transmittal. We have not authorized anyone to provide you with any other information. We are not making an offer to sell these securities or soliciting an offer to buy these securities in any jurisdiction where an offer or solicitation is not authorized or in which the person making that offer or solicitation is not qualified to do so or to anyone whom it is unlawful to make an offer or solicitation. You should not assume that the information contained in this prospectus is accurate as of any date other than its date.

TABLE OF CONTENTS

In this prospectus we refer to the notes to be issued in the exchange offer as the "new notes" or "new Notes," and we refer to the $375 million principal amount of our 9.375% senior notes due 2017 issued on November 17, 2009, together with the additional $150 million principal amount of our 9.375% senior notes due 2017 issued on January 19, 2010, as the "old notes" or "old Notes." We refer to the new notes and the old notes collectively as the "notes." In this prospectus, references to the "issuer" refer to Antero Resources Finance Corporation, a Delaware corporation and an indirect wholly owned subsidiary of Antero Resources LLC, a Delaware limited liability company. Antero Resources Finance Corporation has been formed to be the issuer of the notes. References to "Antero"

refer to Antero Resources LLC unless otherwise indicated or the context otherwise requires. References to "operating subsidiaries" refer to Antero's principal operating subsidiaries, Antero Resources Corporation, Antero Resources Midstream Corporation, Antero Resources Piceance Corporation, Antero Resources Pipeline Corporation and Antero Resources Appalachian Corporation, each of which is a Delaware corporation. References to "we," "us" or "our" refer to Antero and its subsidiaries, unless otherwise indicated or the context otherwise requires. References to "guarantors" refer to Antero and each of its subsidiaries that guarantee amounts outstanding on the notes on a joint and several basis.

This prospectus incorporates important business and financial information about us that is not included or delivered with this prospectus. Such information is available without charge to holders of old notes upon written or oral request made to Antero Resources Finance Corporation, 1625 17th Street, Denver, Colorado, 80202, Attention: Chief Financial Officer (Telephone (303) 357-7310). To obtain timely delivery of any requested information, holders of old notes must make any request no later than five business days prior to the expiration of the exchange offer.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

The information in this prospectus includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements, other than statements of historical fact included in this prospectus, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this prospectus, the words "could," "believe," "anticipate," "intend," "estimate," "expect," "project" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on our current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under the heading "Risk Factors" included in this prospectus. These forward-looking statements are based on management's current belief, based on currently available information, as to the outcome and timing of future events.

Forward-looking statements may include statements about our:

- business strategy;
- reserves;
- financial strategy, liquidity and capital required for our development program;
- realized natural gas and oil prices;
- timing and amount of future production of natural gas and oil;
- hedging strategy and results;
- future drilling plans;
- competition and government regulations;
- marketing of natural gas and oil;
- leasehold or business acquisitions;
- costs of developing our properties and conducting our gathering and other midstream operations;

- general economic conditions;
- credit markets;
- liquidity and access to capital;
- uncertainty regarding our future operating results; and
- plans, objectives, expectations and intentions contained in this prospectus that are not historical.

We caution you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond our control, incident to the exploration for and development, production, gathering and sale of natural gas and oil. These risks include, but are not limited to, commodity price volatility, inflation, lack of availability of drilling and production equipment and services, environmental risks, drilling and other operating risks, regulatory changes, the uncertainty inherent in estimating natural gas and oil reserves and in projecting future rates of production, cash flow and access to capital, the timing of development expenditures, and the other risks described under "Risk Factors" in this prospectus.

Reserve engineering is a process of estimating underground accumulations of natural gas and oil that cannot be measured in an exact way. The accuracy of any reserve estimate depends on the quality of available data, the interpretation of such data and price and cost assumptions made by reservoir engineers. In addition, the results of drilling, testing and production activities may justify revisions of estimates that were made previously. If significant, such revisions would change the schedule of any further production and development drilling. Accordingly, reserve estimates may differ significantly from the quantities of natural gas and oil that are ultimately recovered.

Should one or more of the risks or uncertainties described in this prospectus 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 prospectus 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 prospectus.

PROSPECTUS SUMMARY

This summary highlights some of the information contained in this prospectus and does not contain all of the information that may be important to you. You should read this entire prospectus and the documents to which we refer you before making an investment decision. You should carefully consider the information set forth under "Risk Factors" beginning on page 10 of this prospectus and the other cautionary statements described in this prospectus. In addition, certain statements include forward looking information that involves risks and uncertainties. See "Cautionary Statement Regarding Forward-Looking Statements." The information in this prospectus with respect to our estimated proved reserves has been prepared by independent reserve engineering firms or by our internal reserve engineers, as applicable, in accordance with the rules and regulations of the SEC applicable to fiscal years ending before December 31, 2009. Certain operational terms used in this prospectus are defined in "Annex B: Glossary of Natural Gas and Oil Terms."

Our Company

Antero Resources is an independent oil and natural gas company engaged in the exploration, development and production of natural gas properties located onshore in the United States. We focus on unconventional reservoirs, which can generally be characterized as fractured shales and tight sand formations. Our properties are primarily located in the Appalachian Basin in West Virginia and Pennsylvania, the Arkoma Basin in Oklahoma and the Piceance Basin in Colorado. Our corporate headquarters are in Denver, Colorado.

Our management team has worked together for many years and has a successful track record of reserve and production growth as well as significant expertise in unconventional resource plays. Our strategy is to leverage our team's experience delineating and developing natural gas resource plays to profitably grow our reserves and production, primarily through internally generated projects on our existing acreage. As of December 31, 2008, our estimated proved reserves were 679.6 Bcfe, consisting of 672.2 Bcf of natural gas and 1.2 MMBbl of oil and condensate. As of December 31, 2008, 99% of our proved reserves were natural gas, 35% were proved developed and 74% were operated by us. From December 31, 2006 through December 31, 2008, we grew our estimated proved reserves from 87.0 Bcfe to 679.6 Bcfe. In addition, we grew our average daily production from 30.8 MMcfe/d for the year ended December 31, 2007 to 105.9 MMcfe/d for the nine months ended September 30, 2009. For the twelve months ended December 31, 2008 and the nine months ended September 30, 2009, we generated cash flow from operations of $157.5 million and $118.2 million, respectively, net income (loss) of $84.0 million and $(86.8) million, respectively, and EBITDAX of $208.5 million and $151.5 million, respectively. See "Selected Historical Combined Financial Data" for a definition of EBITDAX (a non-GAAP measure) and a reconciliation of EBITDAX to net income (loss).

We have assembled a diversified portfolio of long-lived properties that are characterized by what we believe to be low geologic risk and a large inventory of repeatable drilling opportunities. Our drilling opportunities are focused in the Marcellus Shale of the Appalachian Basin, the Woodford Shale of the Arkoma Basin (the Arkoma Woodford), the Fayetteville Shale of the Arkoma Basin and the Mesaverde tight sands and Mancos Shale of the Piceance Basin. From inception, we have drilled and operated 311 wells through July 31, 2009 with a success rate of approximately 98%. Our drilling inventory consists of approximately 14,800 potential locations, all of which are resource-style opportunities and approximately 5% of which are included in our estimated proved reserve base as of December 31, 2008. For information on the possible limitations on our ability to drill our potential locations, see "Risk Factors—Risks Relating to Our Business—Our identified drilling locations are scheduled out over many years, making them susceptible to uncertainties that could materially alter the occurrence or timing of their drilling. In addition, we may not be able to raise the substantial amount of capital that would be necessary to drill a substantial portion of our potential drilling locations."

Part of our business strategy is to build and control midstream assets, including gathering, compression, treating and processing assets, in order to maximize the profitability of our operations in our core areas and to secure firm takeaway capacity. We own two midstream systems in the Arkoma and Piceance Basins, and we believe we have secured sufficient long-term firm takeaway capacity on major pipelines that are in existence or currently under construction in each of our core operating areas to accommodate our existing and foreseeable production.

Through September 30, 2009, we have spent approximately $144.5 million of our 2009 capital budget of $200 million, approximately 86% of which is allocated to low-risk development projects with the remaining capital budget allocated to infrastructure projects and land acquisition. Our board of directors has approved a capital budget of up to $297 million for 2010, approximately 86% of which is allocated to drilling. Of our 2010 drilling budget, approximately 46% is allocated to the Appalachian Basin, 34% to the Arkoma Basin Woodford Shale and 20% to the Piceance Basin. Consistent with our historical practice, we periodically review our capital expenditures and adjust our budget based on liquidity, commodity prices and drilling results.

We believe we have a conservative financial position characterized by modest leverage, a strong hedge position and ample liquidity. We have entered into hedging contracts covering a total of approximately 122 Bcf of our natural gas production from October 1, 2009 through December 31, 2013 at a weighted average index price of $6.52 per Mcf. For 2010, we have hedged approximately 31.3 Bcf of our production at a weighted average index price of $6.29 per Mcf. On November 17, 2009, we completed an offering of $375 million principal amount of our 9.375% senior notes due 2017. On January 19, 2010, we completed an offering of $150 million additional principal amount of our 9.375% senior notes due 2017. As a result of the January 2010 notes offering, the borrowing base under our senior secured revolving credit facility was automatically reduced by 25 cents per dollar of notes issued in excess of $25 million. Accordingly, as of September 30, 2009, on a pro forma basis after giving effect to the use of the net proceeds of $124 million from our November 2009 equity placements described below and the November 2009 and January 2010 offerings of the old notes, we would have had approximately $366 million of available borrowing capacity under our senior secured revolving credit facility.

Corporate Sponsorship and Structure

We began operations in 2004, and have funded development and operating activities of each of the operating subsidiaries primarily through equity capital raised from private equity sponsors and institutional investors, through borrowings under our bank credit facilities and through internal operating cash flows. Our primary private equity sponsors are affiliates of Warburg Pincus, Yorktown Energy Partners and Trilantic Capital Partners.

Antero Resources LLC was formed as a holding company in October 2009 in connection with our corporate reorganization of the operating subsidiaries and the issuance of a new class of units in Antero in November 2009. Prior to this reorganization, all of our operations were conducted by five separately capitalized commonly controlled operating subsidiaries.

In connection with the November 2009 corporate reorganization, the stockholders of each of the operating subsidiaries contributed all of the outstanding shares of each operating subsidiary to Antero. In return, Antero issued an equivalent number of units of different classes to such stockholders. The newly issued units are substantially similar in character to the contributed stock of each operating subsidiary, including the relative priority of any distributions made by Antero as well as the vesting schedule applicable to shares held by any member of management. Simultaneously with this exchange, Antero issued a new class of units in exchange for $110 million in new equity capital. Later in November 2009, Antero issued additional units of such new class in exchange for an additional $15 million in new equity capital. We refer to these issuances in this prospectus as our November 2009

equity placements. None of Antero's outstanding units are entitled to current cash distributions or are convertible into indebtedness, and Antero has no obligation to repurchase these units at the election of the unitholders.

We used the aggregate net proceeds of approximately $124 million from the November 2009 equity placements to repay borrowings outstanding under our senior secured revolving credit facility.

Antero Resources Finance Corporation, the issuer of the notes, was formed in October 2009 as an indirect wholly owned subsidiary of Antero. The issuer was formed to arrange financing for Antero and the operating subsidiaries, including the notes. The indenture governing the notes limits the issuer's activity to those of a finance subsidiary. The issuer does not own any significant assets other than intercompany obligations. The five operating subsidiaries together own all of the outstanding common stock of the issuer. Antero owns all of the outstanding common stock of the five operating subsidiaries.

For more information on our corporate restructuring and the November 2009 equity placements, see "Business—Corporate Sponsorship and Structure."

Corporate Headquarters

Our corporate headquarters are located at 1625 17th Street, Denver, Colorado 80202, and our telephone number at that address is (303) 357-7310.

The Exchange Offer

On November 17, 2009, we completed a private offering of $375 million principal amount of the old notes. On January 19, 2010, we completed a private offering of an additional $150 million principal amount of the old notes. We entered into registration rights agreements with the initial purchasers in connection with these offerings in which we agreed to deliver to you this prospectus and to use commercially reasonable efforts to complete the exchange offer within 360 days after the date of the initial issuance of the old notes (November 17, 2009).

Exchange Offer	We are offering to exchange new notes for old notes.
Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on , 2010, unless we decide to extend it.
Condition to the Exchange Offer	The registration rights agreements do not require us to accept old notes for exchange if the exchange offer, or the making of any exchange by a holder of the old notes, would violate any applicable law or interpretation of the staff of the Securities and Exchange Commission. The exchange offer is not conditioned on a minimum aggregate principal amount of old notes being tendered.
Procedures for Tendering Old Notes	To participate in the exchange offer, you must follow the procedures established by The Depository Trust Company, which we call "DTC," for tendering notes held in book-entry form. These procedures, which we call "ATOP," require that (i) the exchange agent receive, prior to the expiration date of the exchange offer, a computer generated message known as an "agent's message" that is transmitted through DTC's automated tender offer program, and (ii) DTC confirms that: • DTC has received your instructions to exchange your notes, and • you agree to be bound by the terms of the letter of transmittal. For more information on tendering your old notes, please refer to the section in this prospectus entitled "Exchange Offer—Terms of the Exchange Offer," "—Procedures for Tendering," and "Description of Notes—Book Entry; Delivery and Form."
Guaranteed Delivery Procedures	None.
Withdrawal of Tenders	You may withdraw your tender of old notes at any time prior to the expiration date. To withdraw, you must submit a notice of withdrawal to the exchange agent using ATOP procedures before 5:00 p.m., New York City time, on the expiration date of the exchange offer. Please refer to the section in this prospectus entitled "Exchange Offer—Withdrawal of Tenders."

Acceptance of Old Notes and Delivery of New Notes	If you fulfill all conditions required for proper acceptance of old notes, we will accept any and all old notes that you properly tender in the exchange offer before 5:00 p.m. New York City time on the expiration date. We will return any old note that we do not accept for exchange to you without expense promptly after the expiration date and acceptance of the old notes for exchange. Please refer to the section in this prospectus entitled "Exchange Offer—Terms of the Exchange Offer."
Fees and Expenses	We will bear expenses related to the exchange offer. Please refer to the section in this prospectus entitled "Exchange Offer—Fees and Expenses."
Use of Proceeds	The issuance of the new notes will not provide us with any new proceeds. We are making this exchange offer solely to satisfy our obligations under our registration rights agreements.
Consequences of Failure to Exchange Old Notes	If you do not exchange your old notes in this exchange offer, you will no longer be able to require us to register the old notes under the Securities Act except in limited circumstances provided under the registration rights agreements. In addition, you will not be able to resell, offer to resell or otherwise transfer the old notes unless we have registered the old notes under the Securities Act, or unless you resell, offer to resell or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act.
U.S. Federal Income Tax Consequences	The exchange of new notes for old notes in the exchange offer will not be a taxable event for U.S. federal income tax purposes. Please read "Material United States Federal Income Tax Consequences."
Exchange Agent	We have appointed Wells Fargo Bank, N.A. as exchange agent for the exchange offer. You should direct questions and requests for assistance, requests for additional copies of this prospectus or the letter of transmittal to the exchange agent as follows: *By Registered & Certified Mail:* Wells Fargo Bank, N.A. Corporate Trust Operations MAC N9303-121 PO Box 1517 Minneapolis, Minnesota 55480 Wells Fargo Bank, N.A.,

By regular mail or overnight courier:

Wells Fargo Bank, N.A.
Corporate Trust Operations
MAC N9303-121
Sixth & Marquette Avenue
Minneapolis, Minnesota 55479.

In person by hand only:

Wells Fargo Bank, N.A.
12th Floor—Northstar East Building
Corporate Trust Operations
608 Second Avenue South
Minneapolis, Minnesota 55402

Eligible institutions may make requests by facsimile at (612) 667-6282 and may confirm facsimile delivery by calling (800) 344-5128.

Terms of the New Notes

The new notes will be identical to the old notes except that the new notes are registered under the Securities Act and will not have restrictions on transfer, registration rights or provisions for additional interest. The new notes will evidence the same debt as the old notes, and the same indenture will govern the new notes and the old notes.

The following summary contains basic information about the new notes and is not intended to be complete. It does not contain all information that may be important to you. For a more complete understanding of the new notes, please refer to the section entitled "Description of Notes" in this prospectus.

Issuer	Antero Resources Finance Corporation
Securities Offered	$525 million aggregate principal amount of 9.375% senior notes due 2017.
Maturity	December 1, 2017.
Interest Payment Dates	Interest on the notes will be paid semi-annually in arrears on June 1 and December 1 and of each year commencing on June 1, 2010. Interest on each new note will accrue from the last interest payment date on which interest was paid on the old note tendered in exchange thereof, or, if no interest has been paid on the old note, from the date of the original issue of the old note.
Guarantees	The payment of the principal, premium and interest on the notes will be fully and unconditionally guaranteed on a senior unsecured basis by Antero, all of its wholly owned subsidiaries (other than the issuer) and certain of its future restricted subsidiaries. The guarantees will be unsecured senior indebtedness of the guarantors and will have the same ranking with respect to the guarantors' indebtedness as the notes will have with respect to the issuer's indebtedness. As of September 30, 2009, the only non-guarantor subsidiary of Antero, Centrahoma Processing LLC (which is 60% owned by Antero), had no outstanding indebtedness and held less than 4% of our consolidated total assets. See "Description of Notes—Guarantees."
Ranking	The new notes will be the issuer's general senior unsecured obligations. The new notes will: • rank equally in right of payment with all of the issuer's other senior indebtedness (including the issuer's guarantee under our senior secured revolving credit facility); and • rank senior in right of payment to any of the issuer's future subordinated indebtedness. The guarantees will be the guarantors' general senior unsecured obligations and will rank equally in right of payment with all of the other senior indebtedness of the guarantors.

	The notes and guarantees will effectively rank junior in right of payment to all of the issuer's and the guarantors' existing and future secured indebtedness, including indebtedness under the guarantors' senior secured revolving credit facility, to the extent of the value of the collateral securing such indebtedness. As of September 30, 2009, after giving effect to the application of the net proceeds of our November 2009 equity placements and of the November 2009 and January 2010 offerings of the old notes, the notes and the guarantees would have ranked effectively junior to approximately $3 million of senior secured indebtedness (letters of credit) outstanding under our senior secured revolving credit facility.
Optional Redemption	The issuer will have the option to redeem the new notes, in whole or in part, at any time on or after December 1, 2013, in each case at the redemption prices described in this prospectus under the heading "Description of Notes—Optional Redemption," together with any accrued and unpaid interest to the date of such redemption. At any time prior to December 1, 2013, the issuer may redeem the new notes, in whole or in part, at a "make-whole" redemption price described under "Description of Notes—Optional Redemption," together with any accrued and unpaid interest to the date of such redemption. In addition, on or prior to December 1, 2012, the issuer may, at any time or from time to time, redeem up to 35% of the aggregate principal amount of the notes with the net proceeds of certain equity offerings at a redemption price equal to 109.375% of the principal amount of the notes, plus any accrued and unpaid interest to the date of such redemption.
Mandatory Offers to Purchase	Upon the occurrence of a change of control, unless the issuer has exercised its optional redemption right in respect of the notes, holders of the new notes will have the right to require the issuer to purchase all or a portion of the new notes at a price equal to 101% of the aggregate principal amount of the notes, together with any accrued and unpaid interest to the date of purchase. In connection with certain asset dispositions, the issuer will be required to use the net cash proceeds of the asset dispositions to make an offer to purchase the new notes at 100% of the principal amount, together with any accrued and unpaid interest to the date of purchase.
Certain Covenants	The issuer will issue the new notes under an indenture, dated as of November 17, 2009, with Wells Fargo Bank, National Association, as trustee. The indenture, among other things, limits the ability of Antero and its restricted subsidiaries to: • incur, assume or guarantee additional indebtedness or issue preferred stock;

	• pay dividends on equity securities, repurchase equity securities or redeem subordinated indebtedness; • make investments or other restricted payments; • create liens to secure indebtedness; • restrict dividends, loans or other asset transfers from our restricted subsidiaries; • sell or otherwise dispose of assets, including capital stock of subsidiaries; • enter into transactions with affiliates; and • consolidate with or merge with or into, or sell substantially all of our properties to, another person. However, many of these covenants will terminate if: • both Standard & Poor's Ratings Services and Moody's Investors Service, Inc. assign the notes an investment grade rating; and • no default under the indenture has occurred and is continuing. These covenants are subject to important exceptions and qualifications, which are described under "Description of Notes—Certain Covenants."
Transfer Restrictions; Absence of a Public Market for the New Notes	The new notes generally will be freely transferable, but will also be new securities for which there will not initially be a market. There can be no assurance as to the development or liquidity of any market for the new notes. We do not intend to apply for a listing of the new notes on any securities exchange or any automated dealer quotation system.
Risk Factors	Investing in the new notes involves risks. See "Risk Factors" beginning on page 10 for a discussion of certain factors you should consider in evaluating whether or not to tender your old notes.

RISK FACTORS

Investing in the notes involves risks. You should carefully consider the information in this prospectus, including the matters addressed under "Cautionary Statement Regarding Forward-Looking Statements," and the following risks before participating in the exchange offer.

We are subject to certain risks and hazards due to the nature of the business activities we conduct. The risks mentioned in the preceding paragraph, any of which could materially and adversely affect our business, financial condition, cash flows, and results of operations, are not the only risks we face. 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.

Risks Relating to the Notes

If you do not properly tender your old notes, you will continue to hold unregistered old notes and your ability to transfer old notes will remain restricted and may be adversely affected.

The issuer will only issue new notes in exchange for old notes that you timely and properly tender. Therefore, you should allow sufficient time to ensure timely delivery of the old notes and you should carefully follow the instructions on how to tender your old notes. Neither we nor the exchange agent is required to tell you of any defects or irregularities with respect to your tender of old notes.

If you do not exchange your old notes for new notes pursuant to the exchange offer, the old notes you hold will continue to be subject to the existing transfer restrictions. In general, you may not offer or sell the old notes except under an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We do not plan to register old notes under the Securities Act unless our registration rights agreements with the initial purchasers of the old notes require us to do so. Further, if you continue to hold any old notes after the exchange offer is consummated, you may have trouble selling them because there will be fewer of the old notes outstanding.

We may not be able to generate sufficient cash to service all of our indebtedness, including the notes, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our indebtedness obligations, including the notes, depends on our financial condition and operating performance, which is subject to prevailing economic and competitive conditions and certain financial, business and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, including the notes. In particular, the cost of raising money in the debt and equity capital markets has increased substantially over the last 18 months, while the availability of funds from those markets has diminished significantly. Also, as a result of concern about the stability of financial markets generally and the solvency of counterparties specifically, the cost of obtaining money from the credit markets has increased as many lenders and institutional investors have increased interest rates, enacted tighter lending standards and reduced and, in some cases, ceased to provide funding to borrowers.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness, including the notes. Our ability to restructure or refinance our indebtedness will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments, including the indenture governing the notes, may restrict us from adopting some of these alternatives. In addition, any failure to make payments of

interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness. In the absence of sufficient cash flows and capital resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. Our senior secured revolving credit facility and the indenture governing the notes currently restrict our ability to dispose of assets and use the proceeds from such disposition. We may not be able to consummate those dispositions, and the proceeds of any such disposition may not be adequate to meet any debt service obligations then due. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations.

The October 2009 and January 2010 amendments to our senior secured revolving credit facility provide that, prior to our next scheduled borrowing base redetermination in April 2010, we may not issue senior debt securities in excess of $550 million (including the $525 million principal amount of the old notes issued in the November 2009 and January 2010 offerings of the old notes). In addition, any indebtedness that we issue during this period in excess of $400 million will result in an automatic reduction in our borrowing base by 25 cents for every dollar of incremental indebtedness incurred. As a result of the January 2010 notes offering, the borrowing base under our senior secured revolving credit facility was automatically reduced by 25 cents per dollar of notes issued in excess of $25 million. As of September 30, 2009, on a pro forma basis after giving effect to the use of the net proceeds of $124 million from our November 2009 equity placements and the November 2009 and January 2010 offerings of the old notes, we would have had approximately $366 million of available borrowing capacity under our senior secured revolving credit facility. Following the next scheduled borrowing base redetermination in April 2010, we may be subject to similar restrictions on our ability to incur indebtedness or our borrowing base may be reduced.

In the future, we may not be able to access adequate funding under our senior secured revolving credit facility as a result of a decrease in our borrowing base due to the issuance of new indebtedness that may result in a decrease in our borrowing base, the outcome of a subsequent semi-annual borrowing base redetermination or an unwillingness or inability on the part of our lending counterparties to meet their funding obligations and the inability of other lenders to provide additional funding to cover the defaulting lender's portion. Declines in commodity prices could result in a determination to lower the borrowing base in the future and, in such a case, we could be required to repay any indebtedness in excess of the redetermined borrowing base. As a result, we may be unable to implement our drilling and development plan, make acquisitions or otherwise carry out our business plan, which would have a material adverse effect on our financial condition and results of operations and impair our ability to service the notes.

If we are unable to comply with the restrictions and covenants in the agreements governing our notes and other indebtedness, there could be a default under the terms of these agreements, which could result in an acceleration of payment of funds that we have borrowed and would impact our ability to make principal and interest payments on the notes.

If we are unable to comply with the restrictions and covenants in the indenture governing the notes or in our senior secured revolving credit facility, or in any future debt financing agreements, there could be a default under the terms of these agreements. Our ability to comply with these restrictions and covenants, including meeting financial ratios and tests, may be affected by events beyond our control. As a result, we cannot assure you that we will be able to comply with these restrictions and covenants or meet these tests. Any default under the agreements governing our indebtedness, including a default under our senior secured revolving credit facility, that is not waived by the requisite number of lenders, and the remedies sought by the holders of such indebtedness, could prevent us from paying principal, premium, if any, and interest on the notes and substantially decrease the market value of the notes. If we are unable to generate sufficient cash flow and are otherwise

unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants in the instruments governing our indebtedness (including covenants in our senior secured revolving credit facility), we could be in default under the terms of these agreements. In the event of such default:

- the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be immediately due and payable, together with any accrued and unpaid interest;
- the lenders under our senior secured revolving credit facility could elect to terminate their commitments thereunder, cease making further loans to us and institute foreclosure proceedings against our assets; and
- we could be forced into bankruptcy or liquidation.

If our operating performance declines, in the future we may need to obtain waivers from the requisite number of lenders under our senior secured revolving credit facility to avoid being in default. If we breach our covenants under our senior secured revolving credit facility and seek a waiver, we may not be able to obtain a waiver from the required lenders on terms that are acceptable to us, if at all. If this occurs, we would be in default under our senior secured revolving credit facility, the lenders could exercise their rights, as described above, and we could be forced into bankruptcy or liquidation. See "—Restrictions in our existing and future debt agreements could limit our growth and our ability to engage in certain activities."

The notes and the guarantees are unsecured and effectively subordinated to the rights of our secured indebtedness.

The notes and the guarantees are general unsecured senior obligations ranking effectively junior to all of our existing and future secured indebtedness, including our obligations under our senior secured revolving credit facility, to the extent of the value of the collateral securing the indebtedness. The notes and the guarantees are also effectively subordinated to any indebtedness of any non-guarantor subsidiaries.

If we were unable to repay indebtedness under our senior secured revolving credit facility, the lenders under that facility could foreclose on the pledged assets to the exclusion of holders of the notes, even if an event of default exists under the indenture governing the notes at such time. Furthermore, if the lenders foreclose and sell the pledged equity interests in any guarantor in a transaction permitted under the terms of the indenture governing the notes, then such guarantor will be released from its guarantee of the notes automatically and immediately upon such sale. In any such event, because the notes are not secured by any of such assets or by the equity interests in any such guarantor, it is possible that there would be no assets from which your claims could be satisfied or, if any assets existed, they might be insufficient to satisfy your claims in full.

If the issuer or any guarantor is declared bankrupt, becomes insolvent or is liquidated or reorganized, any of its secured indebtedness will be entitled to be paid in full from its assets or the assets of any guarantor securing that indebtedness before any payment may be made with respect to the notes or the affected guarantees. Holders of the notes will participate ratably in our remaining assets with all holders of any unsecured indebtedness that does not rank junior to the notes, based upon the respective amounts owed to each holder or creditor. In any of the foregoing events, there may not be sufficient assets to pay amounts due on the notes or the guarantees. As a result, holders of the notes would likely receive less, ratably, than holders of secured indebtedness.

As of September 30, 2009, we had total secured indebtedness of approximately $387 million outstanding under our senior secured revolving credit facility, $225 million outstanding under the second lien term loan facility and approximately $1 million outstanding under our capital leases. As of

the same date, after giving effect to the use of the net proceeds of our November 2009 equity placements and the November 2009 and January 2010 offerings of the old notes, we would have had approximately $3 million of senior secured indebtedness (letters of credit) under our senior secured revolving credit facility, with additional borrowing availability of approximately $366 million under that facility.

We may be able to incur substantially more indebtedness, including indebtedness ranking equal to the notes and the guarantees. This could increase the risks associated with the notes.

Subject to the restrictions in the indenture governing the notes and in other instruments governing our other outstanding indebtedness (including our senior secured revolving credit facility), we may incur substantial additional indebtedness (including secured indebtedness) in the future. Although the indenture governing the notes and the instruments governing our senior secured revolving credit facility contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to waiver and a number of significant qualifications and exceptions, and indebtedness incurred in compliance with these restrictions could be substantial.

If the issuer or any guarantor incurs any additional indebtedness that ranks equally with the notes (or with the guarantee thereof), including trade payables, the holders of that indebtedness will be entitled to share ratably with noteholders in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of the issuer or such guarantor. This may have the effect of reducing the amount of proceeds paid to noteholders in connection with such a distribution. As of September 30, 2009, after giving effect to our November 2009 equity placements, the November 2009 and January 2010 offerings of the old notes, and the application of the net proceeds therefrom, we would have had total long-term indebtedness of approximately $529 million.

Any increase in our level of indebtedness will have several important effects on our future operations, including, without limitation:

- we will have additional cash requirements in order to support the payment of interest on our outstanding indebtedness;
- increases in our outstanding indebtedness and leverage will increase our vulnerability to adverse changes in general economic and industry conditions, as well as to competitive pressure;
- depending on the levels of our outstanding indebtedness, our ability to obtain additional financing for working capital, capital expenditures, general corporate and other purposes may be limited; and
- our level of indebtedness may prevent us from engaging in certain transactions that might otherwise be beneficial to us by.

Any of these factors could result in a material adverse effect on our business, financial condition, results of operations, business prospects and ability to satisfy our obligations under the notes.

Restrictions in our existing and future debt agreements could limit our growth and our ability to engage in certain activities.

Our senior secured revolving credit facility contains a number of significant covenants (in addition to covenants restricting the incurrence of additional indebtedness). Our senior secured revolving credit facility contains restrictive covenants that may limit our ability to, among other things:

- sell assets;
- make loans to others;
- make investments;

- enter into mergers;
- make certain payments;
- incur liens; and
- engage in certain other transactions without the prior consent of the lenders.

The indenture governing the notes contains similar restrictive covenants. In addition, our senior secured revolving credit facility requires us to maintain certain financial ratios or to reduce our indebtedness if we are unable to comply with such ratios. These restrictions, together with those in the indenture governing the notes, may also limit our ability to obtain future financings to withstand a future downturn in our business or the economy in general, or to otherwise conduct necessary corporate activities. We may also be prevented from taking advantage of business opportunities that arise because of the limitations that the restrictive covenants under the indenture governing the notes and our senior secured revolving credit facility impose on us.

Our senior secured revolving credit facility limits the amounts we can borrow up to a borrowing base amount, which the lenders, in their sole discretion, determine on a semi-annual basis based upon projected revenues from the natural gas properties securing our loan. The lenders can unilaterally adjust the borrowing base and the borrowings permitted to be outstanding under our senior secured revolving credit facility. Any increase in the borrowing base requires the consent of the lenders holding 100% of the commitments. If the requisite number of lenders do not agree to an increase, then the borrowing base will be the lowest borrowing base acceptable to such lenders. Outstanding borrowings in excess of the borrowing base must be repaid, or we must pledge other natural gas properties as additional collateral. We do not currently have any substantial unpledged properties, and we may not have the financial resources in the future to make mandatory principal prepayments required under our senior secured revolving credit facility.

The October 2009 and January 2010 amendments to our senior secured revolving credit facility provide that, prior to our next scheduled borrowing base redetermination in April 2010, we may not issue senior debt securities in excess of $550 million (including the $525 million principal amount of the old notes issued in the November 2009 and January 2010 offerings of the old notes). In addition, any indebtedness that we issue during this period in excess of $400 million will result in an automatic reduction in our borrowing base by 25 cents for every dollar of incremental indebtedness incurred. As a result of the January 2010 notes offering, the borrowing base under our senior secured revolving credit facility was automatically reduced by 25 cents per dollar of notes issued in excess of $25 million. As of September 30, 2009, on a pro forma basis after giving effect to the use of the net proceeds of $124 million from our November 2009 equity placements and the November 2009 and January 2010 offerings of the old notes, we would have had approximately $366 million of available borrowing capacity under our senior secured revolving credit facility. Following the next scheduled borrowing base redetermination in April 2010, we may be subject to similar restrictions on our ability to incur indebtedness or our borrowing base may be reduced.

A breach of any covenant in our senior secured revolving credit facility would result in a default under that agreement after any applicable grace periods. A default, if not waived, could result in acceleration of the indebtedness outstanding under the facility and in a default with respect to, and an acceleration of, the indebtedness outstanding under other debt agreements. The accelerated indebtedness would become immediately due and payable. If that occurs, we may not be able to make all of the required payments or borrow sufficient funds to refinance such indebtedness. Even if new financing were available at that time, it may not be on terms that are acceptable to us. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Capital Resources and Liquidity—Cash Flow Provided by Financing Activities—Senior Secured Revolving Credit Facility" and "Description of Notes—Events of Default."

Our ability to repay our indebtedness, including the notes, is dependent on the cash flow generated by our operating subsidiaries.

The operating subsidiaries own substantially all of our assets and conduct all of our operations. Accordingly, repayment of our indebtedness, including the notes, will be dependent on the generation of cash flow by the operating subsidiaries and their ability to make such cash available to the issuer, directly or indirectly, by dividend, debt repayment or otherwise. All of the five operating subsidiaries guarantee the issuer's obligations under the notes. Unless they guarantee the notes, neither Centrahoma Processing LLC nor any of our future subsidiaries will have any obligation to pay amounts due on the notes or to make funds available for that purpose. The operating subsidiaries may not be able to or may not be permitted to, make distributions to enable the issuer to make payments in respect of its indebtedness, including the notes. Each operating subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit the issuer's ability to obtain cash from the operating subsidiaries. While the indenture governing the notes limits the ability of the operating subsidiaries to incur consensual encumbrances or restrictions on their ability to pay dividends or make other intercompany payments to Antero, those limitations are subject to waiver and certain qualifications and exceptions.

Your ability to transfer the notes may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop for the notes.

The old notes have not been registered under the Securities Act, and may not be resold by holders thereof unless the old notes are subsequently registered or an exemption from the registration requirements of the Securities Act is available. However, we cannot assure you that, even following registration or exchange of the old notes for new notes, an active trading market for the old notes or the new notes will exist, and we will have no obligation to create such a market. At the time of the private placements of the old notes, the initial purchasers advised us that they intended to make a market in the old notes and, if issued, the new notes. The initial purchasers are not obligated, however, to make a market in the old notes or the new notes and any market making may be discontinued at any time at their sole discretion. No assurance can be given as to the liquidity of or trading market for the old notes or the new notes.

The liquidity of any trading market for the notes and the market prices quoted for the notes depend upon the number of holders of the notes, the overall market for high yield securities, our financial performance or prospects or the prospects for companies in our industry generally, the interest of securities dealers in making a market in the notes and other factors.

The issuer may not be able to repurchase the notes in certain circumstances.

Under the terms of the indenture governing the notes, you may require us to repurchase all or a portion of your notes if we sell certain assets or in the event of a change of control. We may not have enough funds to pay the repurchase price on a purchase date (in which case, we could be required to issue equity securities to pay the repurchase price). Our existing and any future credit facilities or other debt agreements to which we become a party may provide that our obligation to repurchase the notes would be an event of default under such agreement. As a result, we may be restricted or prohibited from repurchasing the notes. If we are prohibited from repurchasing the notes, we could seek the consent of our then-existing lenders to repurchase the notes or we could attempt to refinance the borrowings that contain such prohibition. If we are unable to obtain any such consent or refinance such borrowings, we would not be able to repurchase the notes. Our failure to repurchase tendered notes would constitute a default under the indenture governing the notes and might constitute a default under the terms of our existing or future indebtedness.

In a recent decision, the Chancery Court of the State of Delaware raised the possibility that a change of control put right occurring as a result of a failure to have "continuing directors" comprising a majority of a board of directors may be unenforceable on public policy grounds.

The term "change of control" is limited to certain specified transactions and may not include other events that might adversely affect our financial condition. Our obligation to repurchase the notes upon a change of control would not necessarily afford holders of notes protection in the event of a highly leveraged transaction, reorganization, merger or similar transaction.

Any guarantees of the notes by Antero or the operating subsidiaries could be deemed fraudulent conveyances under certain circumstances, and a court may subordinate or void the guarantees.

Antero and the operating subsidiaries are the initial guarantors of the notes. In certain circumstances, any of Antero's future subsidiaries may be required to guarantee the notes. A court could subordinate or void the guarantees under various fraudulent conveyance or fraudulent transfer laws. Generally, to the extent that a U.S. court were to find that at the time the guarantee was entered into:

- the guarantee was incurred with the intent to hinder, delay, or defraud any present or future creditor, or contemplated insolvency with a design to favor one or more creditors to the exclusion of others; or
- the guarantor did not receive fair consideration or reasonably equivalent value for issuing the guarantee and, at the time the guarantor issued the guarantee, it:
    - was insolvent or became insolvent as a result of issuing the guarantee,
    - was engaged or about to engage in a business or transaction for which its remaining assets constituted unreasonably small capital, or
    - intended to incur, or believed that it would incur, debts beyond its ability to pay those debts as they matured;

then the court could void or subordinate the guarantees in favor of the guarantor's other obligations.

A legal challenge of a guarantee on fraudulent conveyance grounds may focus, among other things, on the benefits, if any, the guarantor realized as a result of our issuing the notes. To the extent a guarantee is voided as a fraudulent conveyance or held unenforceable for any other reason, the holders of the notes would not have any claim against that guarantor and would be creditors solely of the issuer and any other guarantors whose guarantees are not held unenforceable.

The measures of insolvency for purposes of fraudulent transfer laws vary depending upon the governing law. Generally, a guarantor would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they became absolute and mature; or
- it could not pay its debts as they became due.

Each guarantee contains a provision intended to limit the guarantor's liability to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent conveyance or fraudulent transfer. This provision may not be effective to protect the guarantees from being voided under applicable law.

Many of the covenants contained in the indenture governing the notes will terminate if the notes are rated investment grade by both Standard & Poor's Ratings Services and Moody's Investors Service, Inc.

Many of the covenants in the indenture governing the notes will terminate if the notes are rated investment grade by both Standard & Poor's Ratings Services and Moody's Investors Service, Inc., provided at such time no default under the indenture governing the notes has occurred and is continuing. These covenants will restrict, among other things, our ability to pay dividends, to incur indebtedness and to enter into certain other transactions. There can be no assurance that the notes will ever be rated investment grade, or that if they are rated investment grade, that the notes will maintain such ratings. However, termination of these covenants would allow us to engage in certain transactions that would not be permitted while these covenants were in force. See "Description of Notes—Covenant Termination."

Risks Relating to Our Business

Natural gas prices are volatile. A substantial or extended decline in natural gas prices may adversely affect our business, financial condition or results of operations and our ability to meet our capital expenditure obligations and financial commitments.

The prices we receive for our natural gas production heavily influence our revenue, profitability, access to capital and future rate of growth. Natural gas is a commodity and, therefore, its prices are subject to wide fluctuations in response to relatively minor changes in supply and demand. Historically, the market for natural gas has been volatile. This market will likely continue to be volatile in the future. The prices we receive for our production, and the levels of our production, depend on numerous factors beyond our control. These factors include the following:

- worldwide and regional economic conditions impacting the global supply and demand for natural gas;
- the price and quantity of imports of foreign natural gas, including liquefied natural gas;
- political conditions in or affecting other natural gas-producing countries, including the current conflicts in the Middle East and conditions in South America and Russia;
- the level of global natural gas exploration and production;
- the level of global natural gas inventories;
- prevailing prices on local natural gas price indexes in the areas in which we operate;
- localized and global supply and demand fundamentals and transportation availability;
- weather conditions;
- technological advances affecting energy consumption;
- the price and availability of alternative fuels; and
- domestic, local and foreign governmental regulation and taxes.

Furthermore, the current worldwide financial and credit crisis has reduced the availability of liquidity and credit to fund the continuation and expansion of industrial business operations worldwide. The shortage of liquidity and credit combined with recent substantial losses in worldwide equity markets has lead to a worldwide economic recession. The slowdown in economic activity caused by such recession has reduced worldwide demand for energy and resulted in lower natural gas prices. Natural gas spot prices have recently been particularly volatile and declined from record high levels in early July 2008 of over $13.00 per Mcf to below $4.00 per Mcf in September 2009.

Lower natural gas prices will reduce our cash flows and borrowing ability. We may be unable to obtain needed capital or financing on satisfactory terms, which could lead to a decline in our natural gas reserves as existing reserves are depleted. Lower natural gas prices may also reduce the amount of natural gas that we can produce economically.

Substantial decreases in natural gas prices would render uneconomic a significant portion of our exploration, development and exploitation projects. This may result in our having to make significant downward adjustments to our estimated proved reserves. As a result, a substantial or extended decline in natural gas prices may materially and adversely affect our future business, financial condition, results of operations, liquidity or ability to finance planned capital expenditures.

Our exploration, development and exploitation projects require substantial capital expenditures. We may be unable to obtain required capital or financing on satisfactory terms, which could lead to a decline in our natural gas reserves.

The natural gas industry is capital intensive. We make and expect to continue to make substantial capital expenditures for the development, exploitation, production and acquisition of natural gas reserves. Our cash flow used in investing activities related to capital and exploration expenditures was approximately $1 billion in 2008. Our capital expenditure budget for 2009 is approximately $200 million, with approximately $171 million allocated for drilling and completion operations. To date, these capital expenditures have been financed with cash generated by operations and through borrowings under our senior secured revolving credit facility and our second lien term loan facility. Our board of directors has approved a capital budget of up to $297 million for 2010. The actual amount and timing of our future capital expenditures may differ materially from our estimates as a result of, among other things, commodity prices, actual drilling results, the availability of drilling rigs and other services and equipment, and regulatory, technological and competitive developments. A reduction in commodity prices from current levels may result in a decrease in our actual capital expenditures. Conversely, a significant improvement in product prices could result in an increase in our capital expenditures. We intend to finance our future capital expenditures primarily through cash flow from operations and through borrowings under our senior secured revolving credit facility; however, our financing needs may require us to alter or increase our capitalization substantially through the issuance of debt or equity securities or the sale of assets. The issuance of additional indebtedness may require that a portion of our cash flow from operations be used for the payment of interest and principal on our indebtedness, thereby reducing our ability to use cash flow from operations to fund working capital, capital expenditures and acquisitions.

Our cash flow from operations and access to capital are subject to a number of variables, including:

- our proved reserves;
- the level of natural gas we are able to produce from existing wells;
- the prices at which our natural gas is sold;
- our ability to acquire, locate and produce new reserves; and
- the ability of our banks to lend.

If our revenues or the borrowing base under our senior secured revolving credit facility decrease as a result of lower natural gas prices, operating difficulties, declines in reserves or for any other reason, we may have limited ability to obtain the capital necessary to sustain our operations at current levels. If additional capital is needed, we may not be able to obtain debt or equity financing on terms acceptable to us, if at all. If cash flow generated by our operations or available borrowings under our senior secured revolving credit facility are not sufficient to meet our capital requirements, the failure to obtain

additional financing could result in a curtailment of our operations relating to development of our properties, which in turn could lead to a decline in our reserves, and could adversely affect our business, financial condition and results of operations.

Drilling for and producing natural gas are high risk activities with many uncertainties that could adversely affect our business, financial condition or results of operations.

Our future financial condition and results of operations will depend on the success of our exploitation, exploration, development and production activities. Our natural gas exploration, exploitation, development and production activities are subject to numerous risks beyond our control, including the risk that drilling will not result in commercially viable natural gas production. Our decisions to purchase, explore, develop or otherwise exploit prospects or properties will depend in part on the evaluation of data obtained through geophysical and geological analyses, production data and engineering studies, the results of which are often inconclusive or subject to varying interpretations. For a discussion of the uncertainty involved in these processes, see "—Reserve estimates depend on many assumptions that may turn out to be inaccurate. Any material inaccuracies in these reserve estimates or underlying assumptions will materially affect the quantities and present value of our reserves." In addition, our cost of drilling, completing and operating wells is often uncertain before drilling commences.

Further, many factors may curtail, delay or cancel our scheduled drilling projects, including the following:

- delays imposed by or resulting from compliance with regulatory requirements;
- pressure or irregularities in geological formations;
- shortages of or delays in obtaining equipment and qualified personnel;
- equipment failures or accidents;
- adverse weather conditions, such as blizzards and ice storms;
- declines in natural gas prices;
- limited availability of financing at acceptable rates;
- title problems; and
- limitations in the market for natural gas.

Reserve estimates depend on many assumptions that may turn out to be inaccurate. Any material inaccuracies in these reserve estimates or underlying assumptions will materially affect the quantities and present value of our reserves.

The process of estimating natural gas and oil reserves is complex. It requires interpretations of available technical data and many assumptions, including assumptions relating to current and future economic conditions and commodity prices. Any significant inaccuracies in these interpretations or assumptions could materially affect our estimated quantities and present value of our reserves. See "Business—Our Operations—Estimated Proved Reserves" for information about our estimated natural gas and oil reserves and the PV-10 and standardized measure of discounted future net cash flows.

In order to prepare our estimates, we must project production rates and timing of development expenditures. We must also analyze available geological, geophysical, production and engineering data. The extent, quality and reliability of this data can vary. The process also requires economic assumptions about matters such as natural gas prices, drilling and operating expenses, capital expenditures, taxes and availability of funds.

Actual future production, natural gas prices, revenues, taxes, development expenditures, operating expenses and quantities of recoverable natural gas reserves will vary from our estimates. Any significant variance could materially affect the estimated quantities and present value of our reserves. In addition, we may adjust estimates of proved reserves to reflect production history, results of exploration and development, prevailing commodity prices and other factors, many of which are beyond our control.

You should not assume that the present value of future net revenues from our proved reserves is the current market value of our estimated natural gas reserves. We generally base the estimated discounted future net cash flows from our proved reserves on prices and costs on the date of the estimate. Actual future prices and costs may differ materially from those used in the present value estimate.

Our identified drilling locations are scheduled out over many years, making them susceptible to uncertainties that could materially alter the occurrence or timing of their drilling. In addition, we may not be able to raise the substantial amount of capital that would be necessary to drill a substantial portion of our potential drilling locations.

Our management team has specifically identified and scheduled certain drilling locations as an estimation of our future multi-year drilling activities on our existing acreage. These drilling locations represent a significant part of our growth strategy. Our ability to drill and develop these locations depends on a number of uncertainties, including natural gas and oil prices, the availability and cost of capital, drilling and production costs, availability of drilling services and equipment, drilling results, lease expirations, gathering system and pipeline transportation constraints, regulatory approvals and other factors. Because of these uncertain factors, we do not know if the numerous potential drilling locations we have identified will ever be drilled or if we will be able to produce natural gas or oil from these or any other potential drilling locations. In addition, unless production is established within the spacing units covering the undeveloped acres on which some of the potential locations are obtained, the leases for such acreage will expire. As such, our actual drilling activities may materially differ from those presently identified.

We have approximately 14,800 potential drilling locations. As a result of the limitations described above, we may be unable to drill many of our potential resource play drilling locations. In addition, we will require significant additional capital over a prolonged period in order to pursue the development of these locations, and we may not be able to raise or generate the capital required to do so. Any drilling activities we are able to conduct on these potential locations may not be successful or result in our ability to add additional proved reserves to our overall proved reserves or may result in a downward revision of our estimated proved reserves, which could have a material adverse effect on our future business and results of operations.

In addition, the acquisition agreement relating to the purchase of our properties in the Appalachian Basin in 2008 contains various drilling commitments that require us to spend an estimated $625 million between January 1, 2009 and June 30, 2018 at structured intervals. If we do not fulfill our drilling commitments, title to portions of the properties we purchased may revert to the seller, which could have a material adverse effect on our future business and results of operations.

If commodity prices decrease, we may be required to take write-downs of the carrying values of our properties.

Accounting rules require that we periodically review the carrying value of our properties for possible impairment. Based on specific market factors and circumstances at the time of prospective impairment reviews, and the continuing evaluation of development plans, production data, economics and other factors, we may be required to write down the carrying value of our properties. A write-down constitutes a non-cash charge to earnings. We may incur impairment charges in the future, which could have a material adverse effect on our results of operations for the periods in which such charges are taken.

Unless we replace our natural gas reserves, our reserves and production will decline, which would adversely affect our future cash flows and results of operations.

Producing natural gas reservoirs generally are characterized by declining production rates that vary depending upon reservoir characteristics and other factors. Unless we conduct successful ongoing exploration, development and exploitation activities or continually acquire properties containing proved reserves, our proved reserves will decline as those reserves are produced. Our future natural gas reserves and production, and therefore our future cash flow and results of operations, are highly dependent on our success in efficiently developing and exploiting our current reserves and economically finding or acquiring additional recoverable reserves. We may not be able to develop, exploit, find or acquire sufficient additional reserves to replace our current and future production. If we are unable to replace our current and future production, the value of our reserves will decrease, and our business, financial condition and results of operations would be adversely affected.

Currently, we receive significant incremental cash flows as a result of our hedging activity. To the extent we are unable to obtain future hedges at effective prices consistent with those we have received to date and natural gas prices do not improve, our cash flows may be adversely impacted.

To achieve more predictable cash flows and reduce our exposure to downward price fluctuations, we have entered into a number of hedge contracts for approximately 122 Bcf of our natural gas production through December 2013. We are currently realizing a significant benefit from these hedge positions. For example, for the nine months ended September 30, 2009, we received approximately $90.4 million in cash flows pursuant to our hedges. If future natural gas prices remain comparable to current prices, we expect that this benefit will decline materially over the life of the hedges, which cover decreasing volumes at declining prices through December 2013. If we are unable to enter into new hedge contracts in the future at favorable pricing and for a sufficient amount of our production, our financial condition and results of operations could be materially adversely affected. For additional information regarding our hedging activities, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Commodity Hedging Activities."

Our derivative activities could result in financial losses or could reduce our earnings.

To achieve more predictable cash flows and reduce our exposure to adverse fluctuations in the prices of natural gas, we enter into derivative instrument contracts for a portion of our natural gas production, including collars and price-fix swaps. Accordingly, our earnings may fluctuate significantly as a result of changes in fair value of our derivative instruments.

Derivative instruments also expose us to the risk of financial loss in some circumstances, including when:

- production is less than the volume covered by the derivative instruments;
- the counter-party to the derivative instrument defaults on its contractual obligations;
- there is an increase in the differential between the underlying price in the derivative instrument and actual prices received; or
- there are issues with regard to legal enforceability of such instruments.

The use of derivatives may, in some cases, require the posting of cash collateral with counterparties. If we enter into derivative instruments that require cash collateral and commodity prices or interest rates change in a manner adverse to us, our cash otherwise available for use in our operations would be reduced which could limit our ability to make future capital expenditures and make payments on our indebtedness, including the notes. Future collateral requirements will depend on arrangements with our counterparties, highly volatile oil and natural gas prices and interest rates.

As of September 30, 2009, our receivables from our derivatives counterparties were approximately $32.6 million. Any default by these counterparties on their obligations to us would have a material adverse effect on our financial condition and results of operations.

In addition, derivative arrangements could limit the benefit we would receive from increases in the prices for natural gas, which could also have an adverse effect on our financial condition.

The inability of our significant customers to meet their obligations to us may adversely affect our financial results.

In addition to credit risk related to receivables from commodity derivative contracts, our principal exposures to credit risk are through joint interest receivables ($3.2 million at September 30, 2009) and the sale of our natural gas production ($11.2 million in receivables at September 30, 2009), which we market to energy marketing companies, refineries and affiliates. Joint interest receivables arise from billing entities who own partial interest in the wells we operate. These entities participate in our wells primarily based on their ownership in leases on which we wish to drill. We can do very little to choose who participates in our wells. We are also subject to credit risk due to concentration of our natural gas receivables with several significant customers. The largest purchaser of our natural gas during the twelve months ended December 31, 2008 purchased approximately 49% of our operated production. We do not require our customers to post collateral. The inability or failure of our significant customers to meet their obligations to us or their insolvency or liquidation may adversely affect our financial results.

We may incur substantial losses and be subject to substantial liability claims as a result of our operations. Additionally we may not be insured for, or our insurance may be inadequate to protect us against, these risks.

We are not insured against all risks. Losses and liabilities arising from uninsured and underinsured events could materially and adversely affect our business, financial condition or results of operations. Our natural gas exploration and production activities are subject to all of the operating risks associated with drilling for and producing natural gas, including the possibility of:

- environmental hazards, such as uncontrollable flows of oil, natural gas, brine, well fluids, toxic gas or other pollution into the environment, including groundwater and shoreline contamination;
- abnormally pressured formations;
- mechanical difficulties, such as stuck oilfield drilling and service tools and casing collapse;
- fires, explosions and ruptures of pipelines;
- personal injuries and death;
- natural disasters; and
- terrorist attacks targeting natural gas and oil related facilities and infrastructure.

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

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

- repair and remediation costs.

We may elect not to obtain insurance if we believe that the cost of available insurance is excessive relative to the risks presented. In addition, pollution and environmental risks generally are not fully insurable. The occurrence of an event that is not fully covered by insurance could have a material adverse effect on our business, financial condition and results of operations.

Prospects that we decide to drill may not yield natural gas or oil in commercially viable quantities.

Prospects that we decide to drill that do not yield natural gas or oil in commercially viable quantities will adversely affect our results of operations and financial condition. In this prospectus, we describe some of our current prospects and our plans to explore those prospects. Our prospects are in various stages of evaluation, ranging from a prospect which is ready to drill to a prospect that will require substantial additional seismic data processing and interpretation. There is no way to predict in advance of drilling and testing whether any particular prospect will yield natural gas or oil in sufficient quantities to recover drilling or completion costs or to be economically viable. The use of seismic data and other technologies and the study of producing fields in the same area will not enable us to know conclusively prior to drilling whether natural gas or oil will be present or, if present, whether natural gas or oil will be present in commercial quantities. We cannot assure you that the analogies we draw from available data from other wells, more fully explored prospects or producing fields will be applicable to our drilling prospects. Further, our drilling operations may be curtailed, delayed or cancelled as a result of numerous factors, including:

- unexpected drilling conditions;
- title problems;
- pressure or lost circulation in formations;
- equipment failure or accidents;
- adverse weather conditions;
- compliance with environmental and other governmental or contractual requirements; and
- increase in the cost of, shortages or delays in the availability of, electricity, supplies, materials, drilling or workover rigs, equipment and services.

Our use of 2-D and 3-D seismic data is subject to interpretation and may not accurately identify the presence of natural gas, which could adversely affect the results of our drilling operations.

Even when properly used and interpreted, 2-D and 3-D seismic data and visualization techniques are only tools used to assist geoscientists in identifying subsurface structures and hydrocarbon indicators and do not enable geoscientists to know whether hydrocarbons are, in fact, present in those structures and the amount of hydrocarbons. We are employing 3-D seismic technology with respect to certain of our projects. The implementation and practical use of 3-D seismic technology is relatively new, unproven and unconventional, which can lessen its effectiveness, at least in the near term, and increase our costs. In addition, the use of 3-D seismic and other advanced technologies requires greater pre-drilling expenditures than traditional drilling strategies, and we could incur greater drilling and testing expenses as a result of such expenditures, which may result in a reduction in our returns or losses. As a result, our drilling activities may not be successful or economical, and our overall drilling success rate or our drilling success rate for activities in a particular area could decline.

We often gather 3-D seismic data over large areas. Our interpretation of seismic data delineates those portions of an area that we believe are desirable for drilling. Therefore, we may choose not to acquire option or lease rights prior to acquiring seismic data, and, in many cases, we may identify

hydrocarbon indicators before seeking option or lease rights in the location. If we are not able to lease those locations on acceptable terms, we will have made substantial expenditures to acquire and analyze 3-D data without having an opportunity to attempt to benefit from those expenditures.

Market conditions or operational impediments may hinder our access to natural gas and oil markets or delay our production.

Market conditions or the unavailability of satisfactory natural gas and oil transportation arrangements may hinder our access to natural gas and oil markets or delay our production. The availability of a ready market for our natural gas and oil production depends on a number of factors, including the demand for and supply of natural gas and oil and the proximity of reserves to pipelines and terminal facilities. Our ability to market our production depends in substantial part on the availability and capacity of gathering systems, pipelines and processing facilities owned and operated by third parties. Our failure to obtain such services on acceptable terms could materially harm our business. We may be required to shut in wells due to lack of a market or inadequacy or unavailability of natural gas and oil pipeline or gathering system capacity. In addition, if gas or oil quality specifications for the third party natural gas or oil pipelines with which we connect change so as to restrict our ability to transport natural gas or oil, our access to natural gas and oil markets could be impeded. If our production becomes shut in for any of these or other reasons, we would be unable to realize revenue from those wells until other arrangements were made to deliver the products to market.

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

Our natural gas exploration, production and transportation operations are subject to complex and stringent laws and regulations. In order to conduct our operations in compliance with these laws and regulations, we must obtain and maintain numerous permits, approvals and certificates from various federal, state and local governmental authorities. We may incur substantial costs in order to maintain compliance with these existing laws and regulations. In addition, our costs of compliance may increase if existing laws and regulations are revised or reinterpreted, or if new laws and regulations become applicable to our operations. Such costs could have a material adverse effect on our business, financial condition and results of operations.

Our business is subject to federal, state and local laws and regulations as interpreted and enforced by governmental authorities possessing jurisdiction over various aspects of the exploration for, and the production and transportation of, natural gas. Failure to comply with such laws and regulations, including any evolving interpretation and enforcement by governmental authorities, could have a material adverse effect on our business, financial condition and results of operations.

Changes to existing or new regulations may unfavorably impact us, could result in increased operating costs and have a material adverse effect on our financial condition and results of operations. For example, Congress is currently considering legislation that, if adopted in its proposed form, would subject companies involved in natural gas and oil exploration and production activities to, among other items, additional regulation of and restrictions on hydraulic fracturing of wells, the elimination of certain U.S. federal tax incentives and deductions available to natural gas exploration and production companies, and the prohibition or additional regulation of private energy commodity derivative and hedging activities. These and other potential regulations could increase our operating costs, reduce our liquidity, delay our operations or otherwise alter the way we conduct our business, which could in turn have a material adverse effect on our financial condition, results of operations and cash flows.

See "Business—Regulation of the Natural Gas and Oil Industry" for a further description of the laws and regulations that affect us.

Our operations may be exposed to significant delays, costs and liabilities as a result of environmental, health and safety requirements applicable to our business activities.

We may incur significant delays, costs and liabilities as a result of environmental, health and safety requirements applicable to our exploration, development and production activities. These delays, costs and liabilities could arise under a wide range of federal, state and local laws and regulations relating to protection of the environment, health and safety, including regulations and enforcement polices that have tended to become increasingly strict over time. Failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal penalties, imposition of cleanup and site restoration costs and liens, and, in some instances, issuance of orders or injunctions limiting or requiring discontinuation of certain operations. In addition, claims for damages to persons or property, including natural resources, may result from the environmental, health and safety impacts of our operations. Strict, joint and several liabilities may be imposed under certain environmental laws, which could cause us to become liable for the conduct of others or for consequences of our own actions that were in compliance with all applicable laws at the time those actions were taken.

New laws, regulations or enforcement policies could be more stringent and impose unforeseen liabilities or significantly increase compliance costs. If we were not able to recover the resulting costs through insurance or increased revenues, our business, financial condition or results of operations could be adversely affected.

See "Business—Regulation of Environmental and Occupational Matters" for a further description of the laws and regulations that affect us.

The unavailability or high cost of additional drilling rigs, equipment, supplies, personnel and oilfield services could adversely affect our ability to execute our exploration and development plans within our budget and on a timely basis.

The demand for qualified and experienced field personnel to drill wells and conduct field operations, geologists, geophysicists, engineers and other professionals in the natural gas and oil industry can fluctuate significantly, often in correlation with natural gas and oil prices, causing periodic shortages. Historically, there have been shortages of drilling and workover rigs, pipe and other equipment as demand for rigs and equipment has increased along with the number of wells being drilled. We cannot predict whether these conditions will exist in the future and, if so, what their timing and duration will be. Such shortages could delay or cause us to incur significant expenditures that are not provided for in our capital budget, which could have a material adverse effect on our business, financial condition or results of operations.

A change in the jurisdictional characterization of some of our assets by federal, state or local regulatory agencies or a change in policy by those agencies may result in increased regulation of our assets, which may cause our revenues to decline and operating expenses to increase.

Section 1(b) of the Natural Gas Act of 1938, or NGA, exempts natural gas gathering facilities from regulation by the Federal Energy Regulatory Commission, or FERC, as a natural gas company under the NGA. We believe that the natural gas pipelines in our gathering systems meet the traditional tests FERC has used to establish a pipeline's status as a gatherer not subject to regulation as a natural gas company. However, the distinction between FERC-regulated transmission services and federally unregulated gathering services is the subject of on-going litigation, so the classification and regulation of our gathering facilities are subject to change based on future determinations by FERC, the courts or Congress.

Should we fail to comply with all applicable FERC administered statutes, rules, regulations and orders, we could be subject to substantial penalties and fines.

Under the Domenici-Barton Energy Policy Act of 2005, FERC has civil penalty authority under the NGA to impose penalties for current violations of up to $1 million per day for each violation and disgorgement of profits associated with any violation. While our systems have not been regulated by FERC as a natural gas company under the NGA, FERC has adopted regulations that may subject certain of our otherwise non-FERC jurisdictional facilities to FERC annual reporting and daily scheduled flow and capacity posting requirements. Additional rules and legislation pertaining to those and other matters may be considered or adopted by FERC from time to time. Failure to comply with those regulations in the future could subject us to civil penalty liability.

The adoption of climate change legislation or regulations restricting emissions of "greenhouse gases" could result in increased operating costs and reduced demand for the natural gas we produce.

On December 15, 2009, the U.S. Environmental Protection Agency ("EPA") officially published its findings that emissions of carbon dioxide, methane and other "greenhouse gases" present an endangerment to human health and the environment because emissions of such gases are, according to the EPA, contributing to warming of the earth's atmosphere and other climatic changes. These findings by the EPA allow the agency to proceed with the adoption and implementation of regulations that would restrict emissions of greenhouse gases under existing provisions of the federal Clean Air Act. In late September 2009, the EPA had proposed two sets of regulations in anticipation of finalizing its findings that would require a reduction in emissions of greenhouse gases from motor vehicles and that could also lead to the imposition of greenhouse gas emission limitations in Clean Air Act permits for certain stationary sources. In addition, on September 22, 2009, the EPA issued a final rule requiring the reporting of greenhouse gas emissions from specified large greenhouse gas emission sources in the United States beginning in 2011 for emissions occurring in 2010. The adoption and implementation of any regulations imposing reporting obligations on, or limiting emissions of greenhouse gases from, our equipment and operations could require us to incur costs to reduce emissions of greenhouse gases associated with our operations or could adversely affect demand for the oil, natural gas and NGL that we produce.

Also, on June 26, 2009, the U.S. House of Representatives passed the "American Clean Energy and Security Act of 2009," or "ACESA," which would establish an economy wide cap-and-trade program to reduce U.S. emissions of greenhouse gases, including carbon dioxide and methane. ACESA would require a 17 percent reduction in greenhouse gas emissions from 2005 levels by 2020 and just over an 80 percent reduction of such emissions by 2050. Under this legislation, the EPA would issue a capped and steadily declining number of tradable emissions allowances to certain major sources of greenhouse gas emissions so that such sources could continue to emit greenhouse gases into the atmosphere. These allowances would be expected to escalate significantly in cost over time. The net effect of ACESA will be to impose increasing costs on the combustion of carbon-based fuels such as oil, refined petroleum products, and natural gas. The U.S. Senate has begun work on its own legislation for restricting domestic greenhouse gas emissions and the Obama Administration has indicated its support of legislation to reduce greenhouse gas emissions through an emission allowance system. Although it is not possible at this time to predict when the Senate may act on climate change legislation or how any bill passed by the Senate would be reconciled with ACESA, any future federal laws or implementing regulations that may be adopted to address greenhouse gas emissions could require us to incur increased operating costs and could adversely affect demand for the oil, natural gas and NGLs that we produce.

Even if such legislation is not adopted at the national level, more than one-third of the states have begun taking actions to control and/or reduce emissions of greenhouse gases. Although most of the state-level initiatives have to date been focused on large sources of greenhouse gas emissions, such as

coal-fired electric power plants, it is possible that smaller sources of emissions could become subject to greenhouse gas emission limitations or allowance purchase requirements in the future. Any one of these climate change regulatory and legislative initiatives could have a material adverse effect on our business, financial condition and results of operations.

The adoption of derivatives legislation by Congress could have an adverse impact on our ability to hedge risks associated with our business.

Congress currently is considering broad financial regulatory reform legislation that among other things would impose comprehensive regulation on the over-the-counter (OTC) derivatives marketplace and could affect the use of derivatives in hedging transactions. The financial regulatory reform bill adopted by the House of Representatives on December 11, 2009, would subject swap dealers and "major swap participants" to substantial supervision and regulation, including capital standards, margin requirements, business conduct standards, and recordkeeping and reporting requirements. It also would require central clearing for transactions entered into between swap dealers or major swap participants. For these purposes, a major swap participant generally would be someone other than a dealer who maintains a "substantial" net position in outstanding swaps, excluding swaps used for commercial hedging or for reducing or mitigating commercial risk, or whose positions create substantial net counterparty exposure that could have serious adverse effects on the financial stability of the U.S. banking system or financial markets. The House-passed bill also would provide the Commodity Futures Trading Commission (CFTC) with express authority to impose position limits for OTC derivatives related to energy commodities. Separately, in late January, 2010, the CFTC proposed regulations that would impose speculative position limits for certain futures and option contracts in natural gas, crude oil, heating oil, and gasoline. These proposed regulations would make an exemption available for certain *bona fide* hedging of commercial risks. Although it is not possible at this time to predict whether or when Congress will act on derivatives legislation or the CFTC will finalize its proposed regulations, any laws or regulations that subject us to additional capital or margin requirements relating to, or to additional restrictions on, our trading and commodity positions could have an adverse effect on our ability to hedge risks associated with our business or on the cost of our hedging activity.

Federal and state legislation and regulatory initiatives relating to hydraulic fracturing could result in increased costs and additional operating restrictions or delays.

Congress is currently considering legislation to amend the federal Safe Drinking Water Act to require the disclosure of chemicals used by the natural gas and oil industry in the hydraulic fracturing process. Hydraulic fracturing involves the injection of water, sand and chemicals under pressure into rock formations to stimulate natural gas production. Sponsors of bills currently pending before the Senate and House of Representatives have asserted that chemicals used in the fracturing process could adversely affect drinking water supplies. The proposed legislation would require the reporting and public disclosure of chemicals used in the fracturing process, which could make it easier for third parties opposing the hydraulic fracturing process to initiate legal proceedings based on allegations that specific chemicals used in the fracturing process could adversely affect groundwater. In addition, these bills, if adopted, could establish an additional level of regulation at the federal level that could lead to operational delays or increased operating costs and could result in additional regulatory burdens that could make it more difficult to perform hydraulic fracturing and increase our costs of compliance and doing business.

Recent Colorado legislative changes could limit our Piceance Basin operations and adversely affect our cost of doing business.

Our future Piceance Basin operations and cost of doing business may be affected by changes in regulations and the ability to obtain drilling permits. Our properties located in the Piceance Basin are

subject to the authority of the Colorado Oil and Gas Conservation Commission, or COGCC. The COGCC has the authority to regulate natural gas and oil activities to protect public health, safety and welfare, including the environment and wildlife. In 2007, the Colorado state legislature approved legislation requiring the COGCC to promulgate rules (1) in consultation with the Colorado Department of Public Health and Environment, or CDPHE, to provide CDPHE an opportunity to provide comments on public health issues during the COGCC's decision-making process and (2) in consultation with the Colorado Division of Wildlife, or CDOW, to establish standards for minimizing adverse impacts to wildlife resources affected by natural gas and oil operations and to ensure the proper reclamation of wildlife habitat during and following such operations. These rules became effective April 1, 2009 for the majority of our Piceance Basin operations. We believe the revised rules will cause additional costs and may cause delay in our operations in Colorado. The rules require consultation with the CDOW and CDPHE prior to drilling and completion operations in our Piceance Basin project area. These rules are open-ended and resulting permit restrictions remain subject to appeal by the CDOW, CDPHE and the surface owner. The rules also would impact the ability and extend the time necessary to obtain drilling permits, which creates substantial uncertainty about our ability to obtain sufficient permits in a timely fashion in order to meet future drilling plans and thus production and capital expenditure targets. It is also possible that similar rules will be proposed in the other states in which we operate, further impacting our operations.

Competition in the natural gas industry is intense, making it more difficult for us to acquire properties, market natural gas and secure trained personnel.

Our ability to acquire additional prospects and to find and develop reserves in the future will depend on our ability to evaluate and select suitable properties and to consummate transactions in a highly competitive environment for acquiring properties, marketing natural gas and securing trained personnel. Also, there is substantial competition for capital available for investment in the oil and natural gas industry. Many of our competitors possess and employ financial, technical and personnel resources substantially greater than ours. Those companies may be able to pay more for productive natural gas properties and exploratory prospects and to evaluate, bid for and purchase a greater number of properties and prospects than our financial or personnel resources permit. In addition, other companies may be able to offer better compensation packages to attract and retain qualified personnel than we are able to offer. The cost to attract and retain qualified personnel has increased over the past three years due to competition and may increase substantially in the future. We may not be able to compete successfully in the future in acquiring prospective reserves, developing reserves, marketing hydrocarbons, attracting and retaining quality personnel and raising additional capital, which could have a material adverse effect on our business.

The loss of senior management or technical personnel could adversely affect operations.

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

We have limited control over activities on properties we do not operate, which could reduce our production and revenues.

A significant portion of our business activities is conducted through joint operating agreements under which we own partial interests in natural gas properties. If we do not operate the properties in which we own an interest, we do not have control over normal operating procedures, expenditures or future development of the underlying properties. The failure of an operator of our wells to adequately

perform operations or an operator's breach of the applicable agreements could reduce our production and revenues. The success and timing of our drilling and development activities on properties operated by others, therefore, depends upon a number of factors outside of our control, including the operator's timing and amount of capital expenditures, expertise and financial resources, inclusion of other participants in drilling wells and use of technology. Because we do not have a majority interest in most wells that we do not operate, we may not be in a position to remove the operator in the event of poor performance.

Seasonal weather conditions and lease stipulations adversely affect our ability to conduct drilling activities in some of the areas where we operate.

Natural gas operations in our operating areas can be adversely affected by seasonal weather conditions and lease stipulations designed to protect various wildlife. In certain areas of Colorado, for example, drilling and other natural gas activities can only be conducted during the spring and summer months. This limits our ability to operate in those areas and can intensify competition during those months for drilling rigs, oilfield equipment, services, supplies and qualified personnel, which may lead to periodic shortages. These constraints and the resulting shortages or high costs could delay our operations and materially increase our operating and capital costs.

We have been an early entrant into new or emerging plays. As a result, our drilling results in these areas are uncertain, and the value of our undeveloped acreage will decline if drilling results are unsuccessful.

While our costs to acquire undeveloped acreage in new or emerging plays have generally been less than those of later entrants into a developing play, our drilling results in these areas are more uncertain than drilling results in areas that are developed and producing. Since new or emerging plays have limited or no production history, we are unable to use past drilling results in those areas to help predict our future drilling results. As a result, our cost of drilling, completing and operating wells in these areas may be higher than initially expected, and the value of our undeveloped acreage will decline if drilling results are unsuccessful.

Increases in interest rates could adversely affect our business.

Our business and operating results can be harmed by factors such as the availability, terms of and cost of capital, increases in interest rates or a reduction in credit rating. These changes could cause our cost of doing business to increase, limit our ability to pursue acquisition opportunities, reduce cash flow used for drilling and place us at a competitive disadvantage. For example, as of September 30, 2009, outstanding borrowings under our senior secured revolving credit facility were approximately $387 million, and the impact of a 1.0% increase in interest rates on this amount of indebtedness would result in increased annual interest expense of approximately $3.9 million and a corresponding decrease in our net income before the effects of increased interest rates on the value of our interest rate swap contracts. Recent and continuing disruptions and volatility in the global financial markets may lead to a contraction in credit availability impacting our ability to finance our operations. We require continued access to capital. A significant reduction in cash flows from operations or the availability of credit could materially and adversely affect our ability to achieve our planned growth and operating results.

We may be subject to risks in connection with acquisitions of properties.

The successful acquisition of producing properties requires an assessment of several factors, including:

- recoverable reserves;
- future natural gas prices and their applicable differentials;

- operating costs; and
- potential environmental and other liabilities.

The accuracy of these assessments is inherently uncertain. In connection with these assessments, we perform a review of the subject properties that we believe to be generally consistent with industry practices. Our review will not reveal all existing or potential problems nor will it permit us to become sufficiently familiar with the properties to fully assess their deficiencies and capabilities. Inspections may not always be performed on every well, and environmental problems are not necessarily observable even when an inspection is undertaken. Even when problems are identified, the seller may be unwilling or unable to provide effective contractual protection against all or part of the problems. We often are not entitled to contractual indemnification for environmental liabilities and acquire properties on an "as is" basis.

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

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

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

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

The obligations associated with being an SEC reporting company will require significant resources and management attention, which could have a material adverse effect on our business and operating results.

Following the effectiveness of the registration statement of which this prospectus forms a part, we will become subject to certain of the reporting requirements of the Exchange Act and the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act. Under the Exchange Act, we will be required to file annual, quarterly and current reports with respect to our business and financial condition. Under the Sarbanes-Oxley Act, we will be required to, among other things, establish and maintain effective internal controls and procedures for financial reporting. As a result, we may incur significant additional legal, accounting and other expenses that we have not previously incurred. We anticipate that we may need to upgrade our systems, implement additional financial and management controls, reporting systems and procedures, implement an internal audit function, and hire additional accounting and internal audit staff. Furthermore, the need to establish the corporate infrastructure demanded of a reporting company may divert management's attention from implementing our growth strategy, which could prevent us from improving our business, results of operations and financial condition. We have

made, and will continue to make, changes to our internal controls and procedures for financial reporting and accounting systems to meet our reporting obligations as a stand-alone public company. However, the measures we take may not be sufficient to satisfy our obligations as a public company. In addition, we cannot predict or estimate the amount of additional costs we may incur in order to comply with these requirements. We anticipate that these costs will materially increase our general and administrative expenses.

Section 404 of the Sarbanes-Oxley Act requires annual management assessments of the effectiveness of our internal control over financial reporting, starting with the annual report that we would expect to file with the SEC for the year ending December 31, 2011, and will require in such annual report, a report by our independent registered public accounting firm on the effectiveness of our internal control over financial reporting. In connection with the implementation of the necessary procedures and practices related to internal control over financial reporting, we may identify additional deficiencies. We may not be able to remediate any future deficiencies in time to meet the deadline imposed by the Sarbanes-Oxley Act for compliance with the requirements of Section 404. In addition, failure to achieve and maintain an effective internal control environment could have a material adverse effect on our business.

Risks Relating to Taxes

We may incur more taxes and certain of our projects may become uneconomic if certain federal income tax deductions currently available with respect to natural gas and oil exploration and development are eliminated as a result of future legislation.

President Obama's proposed budget for fiscal year 2010 contains a proposal to eliminate certain key U.S. federal income tax preferences currently available to natural gas and oil exploration and production companies. These changes include, but are not limited to (i) the repeal of the percentage depletion allowance for natural gas and oil properties, (ii) the elimination of current deductions for intangible drilling and development costs, (iii) the elimination of the deduction for certain U.S. production activities, and (iv) an extension of the amortization period for certain geological and geophysical expenditures. The Oil Industry Tax Break Repeal Act of 2009, which was introduced in the Senate on April 23, 2009, includes many of the same proposals.

It is unclear whether any of the foregoing changes will actually be enacted or how soon any such changes could become effective. The passage of any legislation as a result of the budget proposal, the Senate bill or any other similar change in U.S. federal income tax law could eliminate certain tax deductions that are currently available with respect to natural gas and oil exploration and development. Any such change could negatively impact our financial condition and results of operations by increasing the costs we incur which would in turn make it uneconomic to drill some prospects if commodity prices are not sufficiently high, resulting in lower revenues and decreases in production and reserves.

Recently proposed severance taxes in Pennsylvania could materially increase our liabilities.

A portion of our acreage in the Marcellus Shale in the Appalachian Basin is located in the State of Pennsylvania. Pennsylvania has historically not imposed a production or severance tax with respect to the production and sale of oil, natural gas and natural gas liquids within its jurisdiction. However, as a result of a focus on the state budget deficit and the increasing exploitation of the Marcellus Shale, the Pennsylvania state legislature is currently considering a proposed severance tax on natural gas drilling. If such legislation is adopted, these taxes may materially increase our operating costs in Pennsylvania.

EXCHANGE OFFER

Purpose and Effect of the Exchange Offer

At each closing of the offerings of the old notes, we entered into a registration rights agreement with the initial purchasers pursuant to which we agreed, for the benefit of the holders of the old notes, at our cost, to do the following:

- file an exchange offer registration statement with the SEC with respect to the exchange offer for the new notes, and
- use commercially reasonable efforts to have the exchange offer completed by the 360th day following the date of the initial issuance of the notes (November 17, 2009).

Upon the SEC's declaring the exchange offer registration statement effective, we agreed to offer the new notes in exchange for surrender of the old notes. We agreed to use commercially reasonable efforts to cause the exchange offer registration statement to be effective continuously, and to keep the exchange offer open for a period of not less than 20 business days.

For each old note surrendered to us pursuant to the exchange offer, the holder of such old note will receive a new note having a principal amount equal to that of the surrendered old note. Interest on each new note will accrue from the last interest payment date on which interest was paid on the surrendered old note or, if no interest has been paid on such old note, from November 17, 2009. The registration rights agreements also contain agreements to include in the prospectus for the exchange offer certain information necessary to allow a broker-dealer who holds old notes that were acquired for its own account as a result of market-making activities or other ordinary course trading activities (other than old notes acquired directly from us or one of our affiliates) to exchange such old notes pursuant to the exchange offer and to satisfy the prospectus delivery requirements in connection with resales of new notes received by such broker-dealer in the exchange offer. We agreed to use commercially reasonable efforts to maintain the effectiveness of the exchange offer registration statement for these purposes for a period of 180 days after the completion of the exchange offer, which period may be extended under certain circumstances.

The preceding agreement is needed because any broker-dealer who acquires old notes for its own account as a result of market-making activities or other trading activities is required to deliver a prospectus meeting the requirements of the Securities Act. This prospectus covers the offer and sale of the new notes pursuant to the exchange offer and the resale of new notes received in the exchange offer by any broker-dealer who held old notes acquired for its own account as a result of market-making activities or other trading activities other than old notes acquired directly from us or one of our affiliates.

Based on interpretations by the staff of the SEC set forth in no-action letters issued to third parties, we believe that the new notes issued pursuant to the exchange offer would in general be freely tradable after the exchange offer without further registration under the Securities Act. However, any purchaser of old notes who is an "affiliate" of ours or who intends to participate in the exchange offer for the purpose of distributing the related new notes:

- will not be able to rely on the interpretation of the staff of the SEC,
- will not be able to tender its new notes in the exchange offer, and
- must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or transfer of the old notes unless such sale or transfer is made pursuant to an exemption from such requirements.

Each holder of the old notes (other than certain specified holders) who desires to exchange old notes for the new notes in the exchange offer will be required to make the representations described below under "—Procedures for Tendering—Your Representations to Us."

We further agreed to file with the SEC a shelf registration statement to register for public resale of old notes held by any holder who provides us with certain information for inclusion in the shelf registration statement if:

- the exchange offer is not permitted by applicable law or SEC policy, or
- the exchange offer is not for any reason completed by the 360th day following the date of the initial issuance of the notes (November 17, 2009), or
- upon completion of the exchange offer, any initial purchaser shall so request in connection with any offering or sale of notes.

We have agreed to use commercially reasonable efforts to keep the shelf registration statement continuously effective until the earlier of one year following its effective date and such time as all notes covered by the shelf registration statement have been sold. We refer to this period as the "shelf effectiveness period."

The registration rights agreements provide that, in the event that either the exchange offer is not completed or the shelf registration statement, if required, is not declared effective (or does not automatically become effective) on or prior to the 360th calendar day following the date of the initial issuance of the notes (November 17, 2009), the interest rate on the old notes will be increased by 1.00% per annum until the exchange offer is completed or the shelf registration statement is declared effective (or automatically becomes effective) under the Securities Act, at which time the increased interest shall cease to accrue.

If the shelf registration statement has been declared effective (or automatically becomes effective) and thereafter either ceases to be effective or the prospectus contained therein ceases to be usable for resales of the notes at any time during the shelf effectiveness period, and such failure to remain effective or usable for resales of the notes exists for more than 30 calendar days (whether or not consecutive) in any 12-month period, then the interest rate on the old notes will be increased by 1.00% per annum commencing on the 31st day in such 12-month period and ending on such date that the shelf registration statement has again been declared (or automatically becomes) effective or the prospectus again becomes usable, at which time the increased interest shall cease to accrue.

Holders of the old notes will be required to make certain representations to us (as described in the registration rights agreements) in order to participate in the exchange offer and will be required to deliver information to be used in connection with the shelf registration statement and to provide comments on the shelf registration statement within the time periods set forth in the registration rights agreements in order to have their old notes included in the shelf registration statement.

If we effect the registered exchange offer, we will be entitled to close the registered exchange offer 20 business days after its commencement as long as we have accepted all old notes validly rendered in accordance with the terms of the exchange offer and no brokers or dealers continue to hold any old notes.

This summary of the material provisions of the registration rights agreements do not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the registration rights agreements, copies of which are filed as exhibits to the registration statement which includes this prospectus.

Except as set forth above, after consummation of the exchange offer, holders of old notes which are the subject of the exchange offer have no registration or exchange rights under the registration rights agreements. See "—Consequences of Failure to Exchange."

Terms of the Exchange Offer

Subject to the terms and conditions described in this prospectus and in the letter of transmittal, we will accept for exchange any old notes properly tendered and not withdrawn prior to 5:00 p.m. New York City time on the expiration date. We will issue new notes in principal amount equal to the principal amount of old notes surrendered in the exchange offer. Old notes may be tendered only for new notes and only in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof.

The exchange offer is not conditioned upon any minimum aggregate principal amount of old notes being tendered for exchange.

As of the date of this prospectus, $525,000,000 in aggregate principal amount of the old notes is outstanding. This prospectus and the letter of transmittal are being sent to all registered holders of old notes. There will be no fixed record date for determining registered holders of old notes entitled to participate in the exchange offer.

We intend to conduct the exchange offer in accordance with the provisions of the registration rights agreements, the applicable requirements of the Securities Act and the Exchange Act and the rules and regulations of the SEC. Old notes that the holders thereof do not tender for exchange in the exchange offer will remain outstanding and continue to accrue interest. These old notes will continue to be entitled to the rights and benefits such holders have under the indenture relating to the notes.

We will be deemed to have accepted for exchange properly tendered old notes when we have given oral or written notice of the acceptance to the exchange agent and complied with the applicable provisions of the registration rights agreements. The exchange agent will act as agent for the tendering holders for the purposes of receiving the new notes from us.

If you tender old notes in the exchange offer, you will not be required to pay brokerage commissions or fees or, subject to the letter of transmittal, transfer taxes with respect to the exchange of old notes. We will pay all charges and expenses, other than certain applicable taxes described below, in connecting with the exchange offer. It is important that you read the section labeled "—Fees and Expenses" for more details regarding fees and expenses incurred in the exchange offer.

We will return any old notes that we do not accept for exchange for any reason without expense to their tendering holder promptly after the expiration or termination of the exchange offer.

Expiration Date

The exchange offer will expire at 5:00 p.m., New York City time, on , 2010, unless, in our sole discretion, we extend it.

Extensions, Delays in Acceptance, Termination or Amendment

We expressly reserve the right, at any time or various times, to extend the period of time during which the exchange offer is open. We may delay acceptance of any old notes by giving oral or written notice of such extension to their holders. During any such extensions, all old notes previously tendered will remain subject to the exchange offer, and we may accept them for exchange.

In order to extend the exchange offer, we will notify the exchange agent orally or in writing of any extension. We will notify the registered holders of old notes of the extension no later than 9:00 a.m., New York City time, on the first business day following the previously scheduled expiration date.

If any of the conditions described below under "—Conditions to the Exchange Offer" have not been satisfied, we reserve the right, in our sole discretion:

- to extend the exchange offer, or
- to terminate the exchange offer,

by giving oral or written notice of such delay, extension or termination to the exchange agent. Subject to the terms of the registration rights agreements, we also reserve the right to amend the terms of the exchange offer in any manner.

Any extension, termination or amendment will be followed promptly by oral or written notice thereof to the registered holders of old notes. If we amend the exchange offer in a manner that we determine to constitute a material change, we will promptly disclose such amendment by means of a prospectus supplement. The supplement will be distributed to the registered holders of the old notes. Depending upon the significance of the amendment and the manner of disclosure to the registered holders, we may extend the exchange offer. In the event of a material change in the exchange offer, including the waiver by us of a material condition, we will extend the exchange offer period if necessary so that at least five business days remain in the exchange offer following notice of the material change.

Conditions to the Exchange Offer

We will not be required to accept for exchange, or exchange any new notes for, any old notes if the exchange offer, or the making of any exchange by a holder of old notes, would violate applicable law or any applicable interpretation of the staff of the SEC. Similarly, we may terminate the exchange offer as provided in this prospectus before accepting old notes for exchange in the event of such a potential violation.

In addition, we will not be obligated to accept for exchange the old notes of any holder that has not made to us the representations described under "—Purpose and Effect of the Exchange Offer," "—Procedures for Tendering" and "Plan of Distribution" and such other representations as may be reasonably necessary under applicable SEC rules, regulations or interpretations to allow us to use an appropriate form to register the new notes under the Securities Act.

We expressly reserve the right to amend or terminate the exchange offer, and to reject for exchange any old notes not previously accepted for exchange, upon the occurrence of any of the conditions to the exchange offer specified above. We will give prompt oral or written notice of any extension, amendment, non-acceptance or termination to the holders of the old notes as promptly as practicable.

These conditions are for our sole benefit, and we may assert them or waive them in whole or in part at any time or at various times in our sole discretion. If we fail at any time to exercise any of these rights, this failure will not mean that we have waived our rights. Each such right will be deemed an ongoing right that we may assert at any time or at various times.

In addition, we will not accept for exchange any old notes tendered, and will not issue new notes in exchange for any such old notes, if at such time any stop order has been threatened or is in effect with respect to the registration statement of which this prospectus constitutes a part or the qualification of the indenture relating to the notes under the Trust Indenture Act of 1939.

Procedures for Tendering

In order to participate in the exchange offer, you must properly tender your old notes to the exchange agent as described below. It is your responsibility to properly tender your notes. We have the right to waive any defects. However, we are not required to waive defects and are not required to notify you of defects in your tender.

If you have any questions or need help in exchanging your notes, please call the exchange agent, whose contact information is set forth in "Prospectus Summary—The Exchange Offer—Exchange Agent."

All of the old notes were issued in book-entry form, and all of the old notes are currently represented by global certificates held for the account of DTC. We have confirmed with DTC that the old notes may be tendered using the Automated Tender Offer Program ("ATOP") instituted by DTC. The exchange agent will establish an account with DTC for purposes of the exchange offer promptly after the commencement of the exchange offer and DTC participants may electronically transmit their acceptance of the exchange offer by causing DTC to transfer their old notes to the exchange agent using the ATOP procedures. In connection with the transfer, DTC will send an "agent's message" to the exchange agent. The agent's message will state that DTC has received instructions from the participant to tender old notes and that the participant agrees to be bound by the terms of the letter of transmittal.

By using the ATOP procedures to exchange old notes, you will not be required to deliver a letter of transmittal to the exchange agent. However, you will be bound by its terms just as if you had signed it.

There is no procedure for guaranteed late delivery of the notes.

Determinations Under the Exchange Offer

We will determine in our sole discretion all questions as to the validity, form, eligibility, time of receipt, acceptance of tendered old notes and withdrawal of tendered old notes. Our determination will be final and binding. We reserve the absolute right to reject any old notes not properly tendered or any old notes our acceptance of which would, in the opinion of our counsel, be unlawful. We also reserve the right to waive any defect, irregularities or conditions of tender as to particular old notes. Our interpretation of the terms and conditions of the exchange offer, including the instructions in the letter of transmittal, will be final and binding on all parties. Unless waived, all defects or irregularities in connection with tenders of old notes must be cured within such time as we shall determine. Although we intend to notify holders of defects or irregularities with respect to tenders of old notes, neither we, the exchange agent nor any other person will incur any liability for failure to give such notification. Tenders of old notes will not be deemed made until such defects or irregularities have been cured or waived. Any old notes received by the exchange agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned to the tendering holder, unless otherwise provided in the letter of transmittal, promptly following the expiration date.

When We Will Issue New Notes

In all cases, we will issue new notes for old notes that we have accepted for exchange under the exchange offer only after the exchange agent timely receives:

- a book-entry confirmation of such old notes into the exchange agent's account at DTC; and
- a properly transmitted agent's message.

Return of Old Notes Not Accepted or Exchanged

If we do not accept any tendered old notes for exchange or if old notes are submitted for a greater principal amount than the holder desires to exchange, the unaccepted or non-exchanged old notes will be returned without expense to their tendering holder. Such non-exchanged old notes will be credited to an account maintained with DTC. These actions will occur promptly after the expiration or termination of the exchange offer.

Your Representations to Us

By agreeing to be bound by the letter of transmittal, you will represent to us that, among other things:

- any new notes that you receive will be acquired in the ordinary course of your business;
- you have no arrangement or understanding with any person or entity to participate in the distribution of the new notes;
- you are not our "affiliate," as defined in Rule 405 of the Securities Act; and
- if you are a broker-dealer that will receive new notes for your own account in exchange for old notes, you acquired those notes as a result of market-making activities or other trading activities and you will deliver a prospectus (or to the extent permitted by law, make available a prospectus) in connection with any resale of such new notes.

Withdrawal of Tenders

Except as otherwise provided in this prospectus, you may withdraw your tender at any time prior to 5:00 p.m. New York City time on the expiration date. For a withdrawal to be effective you must comply with the appropriate procedures of DTC's ATOP system. Any notice of withdrawal must specify the name and number of the account at DTC to be credited with withdrawn old notes and otherwise comply with the procedures of DTC.

We will determine all questions as to the validity, form, eligibility and time of receipt of notice of withdrawal. Our determination shall be final and binding on all parties. We will deem any old notes so withdrawn not to have been validly tendered for exchange for purposes of the exchange offer.

Any old notes that have been tendered for exchange but are not exchanged for any reason will be credited to an account maintained with DTC for the old notes. This crediting will take place as soon as practicable after withdrawal, rejection of tender or termination of the exchange offer. You may retender properly withdrawn old notes by following the procedures described under "—Procedures for Tendering" above at any time prior to 5:00 p.m., New York City time, on the expiration date.

Fees and Expenses

We will bear the expenses of soliciting tenders. The principal solicitation is being made by mail; however, we may make additional solicitation by facsimile, telephone, electronic mail or in person by our officers and regular employees and those of our affiliates.

We have not retained any dealer-manager in connection with the exchange offer and will not make any payments to broker-dealers or others soliciting acceptances of the exchange offer. We will, however, pay the exchange agent reasonable and customary fees for its services and reimburse it for its related reasonable out-of-pocket expenses.

We will pay the cash expenses to be incurred in connection with the exchange offer. They include:

- all registration and filing fees and expenses;
- all fees and expenses of compliance with federal securities and state "blue sky" or securities laws;
- accounting fees, legal fees incurred by us, disbursements and printing, messenger and delivery services, and telephone costs; and
- related fees and expenses.

Transfer Taxes

We will pay all transfer taxes, if any, applicable to the exchange of old notes under the exchange offer. The tendering holder, however, will be required to pay any transfer taxes, whether imposed on the registered holder or any other person, if a transfer tax is imposed for any reason other than the exchange of old notes under the exchange offer.

Consequences of Failure to Exchange

If you do not exchange new notes for your old notes under the exchange offer, you will remain subject to the existing restrictions on transfer of the old notes. In general, you may not offer or sell the old notes unless the offer or sale is either registered under the Securities Act or exempt from the registration under the Securities Act and applicable state securities laws. Except as required by the registration rights agreements, we do not intend to register resales of the old notes under the Securities Act.

Accounting Treatment

We will record the new notes in our accounting records at the same carrying value as the old notes. This carrying value is the aggregate principal amount of the old notes less any bond discount, as reflected in our accounting records on the date of exchange. Accordingly, we will not recognize any gain or loss for accounting purposes in connection with the exchange offer.

Other

Participation in the exchange offer is voluntary, and you should carefully consider whether to accept. You are urged to consult your financial and tax advisors in making your own decision on what action to take.

We may in the future seek to acquire untendered old notes in open market or privately negotiated transactions, through subsequent exchange offers or otherwise. We have no present plans to acquire any old notes that are not tendered in the exchange offer or to file a registration statement to permit resales of any untendered old notes.

USE OF PROCEEDS

The exchange offer is intended to satisfy our obligations under the registration rights agreements. We will not receive any proceeds from the issuance of the new notes in the exchange offer. In consideration for issuing the new notes as contemplated by this prospectus, we will receive old notes in a like principal amount. The form and terms of the new notes are identical in all respects to the form and terms of the old notes, except the new notes will be registered under the Securities Act and will not contain restrictions on transfer, registration rights or provisions for additional interest. Old notes surrendered in exchange for the new notes will be retired and cancelled and will not be reissued. Accordingly, the issuance of the new notes will not result in any change in our outstanding indebtedness.

SELECTED HISTORICAL COMBINED FINANCIAL DATA

The following table shows our selected historical combined financial data, for the periods and as of the dates indicated, for the five operating entities (Antero Resources Corporation, Antero Resources Midstream Corporation, Antero Resources Piceance Corporation, Antero Resources Pipeline Corporation and Antero Resources Appalachian Corporation). For the periods and as of the dates indicated, these entities are under common control, as the ownership interests in each entity were held by the same individual stockholders in the same percentages. The selected statement of operations data for the years ended December 31, 2006, 2007 and 2008 and the balance sheet data as of December 31, 2007 and 2008 are derived from our audited combined financial statements included elsewhere in this prospectus. The selected statement of operations data for the years ended December 31, 2004 and 2005 and the balance sheet data as of December 31, 2004, 2005 and 2006 are derived from our audited combined financial statements not included in this prospectus. The selected statement of operations for the nine months ended September 30, 2008 and 2009 and balance sheet data as of September 30, 2008 and 2009 are derived from our unaudited combined financial statements included elsewhere in this prospectus. The selected unaudited combined financial data has been prepared on a consistent basis with our audited combined financial statements. In the opinion of management, such selected unaudited combined financial data reflects all adjustments (consisting of normal and recurring accruals) considered necessary to present our financial position for the periods presented. The results of operations for the interim periods are not necessarily indicative of the results that may be expected for the full year because of the impact of fluctuations in prices received from natural gas and oil, natural production declines, the uncertainty of exploration and development drilling results and other factors. The selected financial data presented below are qualified in their entirety by reference to, and should be read in conjunction with, "Management's Discussion and Analysis of Financial Condition and

Results of Operations" and our financial statements and related notes included elsewhere in this prospectus.

(in thousands, except ratios)	Year Ended December 31, 2004	2005	2006	2007	2008	Nine Months Ended September 30, 2008	2009
Statement of operations data:							
Operating revenues:							
Natural gas sales	$ 5,133	$ 14,526	$ 14,271	$ 63,975	$ 220,219	$ 176,958	$ 91,603
Oil sales	115	195	523	3,749	9,496	7,953	4,251
Realized and unrealized gains (losses) on commodity derivative instruments	(3,774)	(13,148)	14,331	18,992	116,354	64,309	19,669
Gathering and processing	—	294	717	4,778	20,421	14,974	15,902
Total operating revenues	1,474	1,867	29,842	91,494	366,490	264,194	131,425
Operating expenses:							
Lease operating	203	808	1,189	4,435	13,350	8,569	14,389
Gathering, compression and transportation	116	920	2,482	10,016	29,033	20,442	19,183
Production taxes	304	445	1,012	2,233	10,281	8,378	4,393
Exploration expense	551	5,455	8,832	17,970	22,998	15,824	8,440
Impairment of unproved properties	—	30,000	8,117	4,995	10,112	5,122	24,583
Depletion, depreciation and amortization	2,099	6,526	7,940	50,091	124,821	85,791	108,987
Accretion of asset retirement obligations	—	—	9	68	176	120	194
General and administrative	709	3,755	7,478	11,682	16,171	11,443	14,396
Total operating expenses	3,982	47,909	37,059	101,490	226,942	155,689	194,565
Operating income (loss)	(2,508)	(46,042)	(7,217)	(9,996)	139,548	108,505	(63,140)
Other income (expense):							
Interest expense	(512)	(841)	(1,479)	(25,507)	(38,185)	(28,586)	(23,439)
Interest income	145	249	113	383	591	2,218	29
Interest rate derivative gains (losses)	—	—	—	(3,033)	(15,245)	417	(3,856)
Total other income (expense)	(367)	(592)	(1,366)	(28,157)	(52,839)	(25,951)	(27,266)
Income (loss) before income taxes	(2,875)	(46,634)	(8,583)	(38,153)	86,709	82,554	(90,406)
Provision for income tax (expense) benefit	—	—	(400)	400	(3,029)	(3,029)	3,029
Net income (loss)	(2,875)	(46,634)	(8,983)	(37,753)	83,680	79,525	(87,377)
Noncontrolling interest in net income (loss) of consolidated subsidiary	—	—	—	—	276	(87)	539
Income (loss)							

Income (loss) attributable to Antero stockholders	$ (2,875)	$ (46,634)	$ (8,983)	$ (37,753)	$ 83,956	$ 79,438	$ (86,838)

(in thousands, except ratios)	Year Ended December 31,					Nine Months Ended September 30,	
	2004	2005	2006	2007	2008	2008	2009
Balance sheet data (at period end):							
Cash and cash equivalents	$ —	$ —	$ 1,945	$ 11,114	$ 38,969	$ 46,602	$ 16,190
Other current assets	12,740	57,502	35,036	64,145	165,199	158,040	83,393
Total current assets	12,740	57,502	36,981	75,259	204,168	204,642	99,583
Natural gas properties, at cost (successful efforts method):							
Unproved properties	41,401	41,186	61,307	201,210	649,605	648,751	634,481
Proved properties	42,199	15,841	208,127	617,697	1,148,306	1,037,734	1,278,885
Gathering systems and facilities	—	—	40,247	133,917	179,836	173,796	183,531
Other property and equipment	786	1,004	1,068	1,440	3,113	2,266	3,259
	84,386	58,031	310,749	954,264	1,980,860	1,862,547	2,100,156
Less accumulated depletion, depreciation, and amortization	(2,091)	(325)	(8,208)	(58,299)	(183,145)	(142,059)	(292,157)
Property and equipment, net	82,295	57,706	302,541	895,965	1,797,715	1,720,488	1,807,999
Other assets	175	207	920	8,058	27,084	29,952	12,304
Total assets	$ 95,210	$ 115,415	$ 340,442	$ 979,282	$ 2,028,967	$ 1,955,082	$ 1,919,886
Current liabilities	$ 10,524	$ 25,346	$ 78,258	$ 165,091	$ 208,209	$ 203,359	$ 98,644
Long-term indebtedness	17,000	13,500	83,897	415,659	622,734	617,766	612,636
Other long-term liabilities	1,930	113	859	4,230	20,469	10,351	12,355
Total equity	65,756	76,456	177,428	394,302	1,177,555	1,123,606	1,196,251
Total liabilities and total equity	$ 95,210	$ 115,415	$ 340,442	$ 979,282	$ 2,028,967	$ 1,955,082	$ 1,919,886
Other financial data:							
EBITDAX(1)	$ 3,412	$ 3,475	$ (629)	$ 59,980	$ 208,513	$ 152,576	$ 151,469
Net cash provided by (used in) operations	10,100	(12,227)	(18,101)	24,745	157,515	129,088	118,231
Net cash used in investing	(95,590)	(41,523)	(158,265)	(600,902)	(1,004,010)	(912,425)	(230,002)
Net cash provided by financing	85,490	53,750	178,311	585,326	874,350	818,825	88,992
Capital expenditures(2)	84,318	61,425	367,019	646,469	1,041,748	918,839	144,473
Ratio of EBITDAX to interest expense	6.66x	4.13x	—(3)	2.35x	5.46x	5.34x	6.46x

(1) "EBITDAX" is a non-GAAP financial measure that we define as net income before interest expense, realized and unrealized gains or losses on interest rate derivative instruments, taxes, impairments, depletion, depreciation, amortization, exploration expense, unrealized commodity hedge gains or losses, franchise taxes, stock compensation and interest income. "EBITDAX," as used and defined by us, may not be comparable to similarly titled measures employed by other companies and is not a measure of performance calculated in accordance with GAAP. EBITDAX should not be considered in isolation or as a substitute for operating income, net income or loss, cash flows provided by operating, investing and financing activities, or other income or cash flow statement data prepared in accordance with GAAP. EBITDAX provides no information regarding a company's capital structure, borrowings, interest costs, capital expenditures, and working capital movement or tax position. EBITDAX does not represent funds available for discretionary use because those funds are required for debt service, capital expenditures, working capital, and other

commitments and obligations. However, our management team believes EBITDAX is useful to an investor in evaluating our operating performance because this measure:

- is widely used by investors in the natural gas and oil industry to measure a company's operating performance without regard to items excluded from the calculation of such term, which can vary substantially from company to company depending upon accounting methods and book value of assets, capital structure and the method by which assets were acquired, among other factors;

- helps investors to more meaningfully evaluate and compare the results of our operations from period to period by removing the effect of our capital structure from our operating structure; and

- is used by our management team for various purposes, including as a measure of operating performance, in presentations to our board of directors, as a basis for strategic planning and forecasting and by our lenders pursuant to a covenant under our senior secured revolving credit facility. EBITDAX is also used as a measure of our operating performance pursuant to a covenant under the indenture governing the notes.

There are significant limitations to using EBITDAX as a measure of performance, including the inability to analyze the effect of certain recurring and non-recurring items that materially affect our net income or loss, the lack of comparability of results of operations of different companies and the different methods of calculating EBITDAX reported by different companies. The following table represents a reconciliation of our net income to EBITDAX for the periods presented:

	Year Ended December 31,					Nine Months Ended September 30,	
(in thousands)	2004	2005	2006	2007	2008	2008	2009
Net income (loss)	$ (2,875)	$ (46,634)	$ (8,983)	$ (37,753)	$ 83,956	$ 79,438	$ (86,838)
Unrealized (gains) losses on commodity derivative contracts	3,105	7,371	(18,656)	(4,619)	(90,301)	(63,582)	70,742
Interest expense and other	512	841	1,366	28,157	52,839	25,951	27,266
Provision (benefit) for income taxes	—	—	400	(400)	3,029	3,029	(3,029)
Depreciation, depletion, amortization and accretion	2,099	6,526	7,949	50,159	124,997	85,911	109,181
Impairment of unproved properties	—	30,000	8,117	4,995	10,112	5,122	24,583
Exploration expense	551	5,455	8,832	17,970	22,998	15,824	8,440
Other	20	(84)	346	1,471	883	883	1,124
EBITDAX	$ 3,412	$ 3,475	$ (629)	$ 59,980	$ 208,513	$ 152,576	$ 151,469

(2) Capital expenditures as shown in this table differ from the amounts shown in the statement of cash flows in the financial statements because amounts in this table include changes in accounts payable for capital expenditures from the previous reporting period while the amounts in the statement of cash flows in the financial statements are presented on a cash basis.

(3) Our EBITDAX was insufficient to cover our interest expense for this period by approximately $2.1 million.

RATIOS OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratios of combined earnings to fixed charges for the periods presented:

	Year Ended December 31,						Nine Months Ended September 30,		
	2004	2005	2006	2007	2008	Pro forma 2008	2008	2009	Pro forma 2009
Ratio of earnings to fixed charges(1)	—(2)	—(2)	—(2)	—(2)	3.26x	2.34x(1)	3.88x	—(2)	—(1)

(1) For purposes of computing the ratio of earnings to fixed charges, "earnings" consists of pretax income (loss) plus fixed charges. "Fixed charges" represents interest incurred, amortization of deferred debt offering costs and that portion of rental expense on operating leases deemed to be the equivalent of interest. Because the net proceeds of the November 2009 and January 2010 offerings of the old notes were used to repay indebtedness, our ratio of earnings to fixed charges changed by 10% or more. After giving effect to the application of the net proceeds of the November 2009 and January 2010 offerings of the old notes, including the application of the net proceeds therefrom to repay borrowings under our senior secured revolving credit facility as if such transactions had occurred at the beginning of such periods (which borrowings repaid under our senior secured revolving credit facility may be reborrowed from time to time, including for general corporate purposes and to fund our capital expenditure program), our pro forma ratio of earnings to fixed charges for the year ended December 31, 2008 would have been 2.34x. For the nine months ended September 30, 2009, on a pro forma basis after giving effect to the application of the net proceeds of the November 2009 and January 2010 offerings of the old notes, earnings would have been inadequate to cover fixed charges by $108.8 million. This pro forma data does not give effect to the application of the net proceeds of our November 2009 $125 million equity placements. At September 30, 2009, we had approximately $387 million of borrowings outstanding under our senior secured revolving credit facility. The average interest rate paid on amounts outstanding under our senior secured revolving credit facility for the nine months ended September 30, 2009 was 5.0% (excluding the impact of our interest rate swaps).

(2) We generated operating losses for each of the years ended December 31, 2004, 2005, 2006 and 2007. Accordingly, our earnings were inadequate to cover total fixed charges during such periods by approximately $2.9 million, $46.6 million, $8.6 million and $38.2 million, respectively. Earnings for the nine months ended September 30, 2009 were inadequate to cover total fixed charges by $90.4 million.

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 combined financial statements and related notes appearing elsewhere in this prospectus. The following discussion contains "forward-looking statements" that reflect our future plans, estimates, beliefs and expected performance. We caution that assumptions, expectations, projections, intentions, or beliefs about future events may, and often do, vary from actual results and the differences can be material. Some of the key factors which could cause actual results to vary from our expectations include changes in natural gas and oil prices, the timing of planned capital expenditures, availability of acquisitions, uncertainties in estimating proved reserves and forecasting production results, operational factors affecting the commencement or maintenance of producing wells, the condition of the capital markets generally, as well as our ability to access them and uncertainties regarding environmental regulations or litigation and other legal or regulatory developments affecting our business, as well as those factors discussed below and elsewhere in this prospectus, all of which are difficult to predict. In light of these risks, uncertainties and assumptions, the forward-looking events discussed may not occur. See "Cautionary Statement Regarding Forward-Looking Statements." In this section, references to "Antero," "we," "us," "our" and "operating entities" refer to the five corporations referred to as the operating entities in the other portions of this prospectus (Antero Resources Corporation, Antero Resources Midstream Corporation, Antero Resources Piceance Corporation, Antero Resources Pipeline Corporation and Antero Resources Appalachian Corporation), unless otherwise indicated or the context otherwise requires.

Overview

Antero Resources is an independent oil and natural gas company engaged in the exploration, development and production of natural gas properties located onshore in the United States. We focus on unconventional reservoirs, which can generally be characterized as fractured shales and tight sand formations. Our properties are primarily located in the Appalachian Basin in West Virginia and Pennsylvania, the Arkoma Basin in Oklahoma and the Piceance Basin in Colorado. Our corporate headquarters are in Denver, Colorado.

Our management team has worked together for many years and has a successful track record of reserve and production growth as well as significant expertise in unconventional resource plays. Our strategy is to leverage our team's experience delineating and developing natural gas resource plays to profitably grow our reserves and production, primarily through internally generated projects on our existing acreage. As of December 31, 2008, our estimated proved reserves were 679.6 Bcfe, consisting of 672.2 Bcf of natural gas and 1.2 MMBbl of oil and condensate. As of December 31, 2008, 99% of our proved reserves were natural gas, 35% were proved developed and 74% were operated by us. From December 31, 2006 through December 31, 2008, we grew our estimated proved reserves from 87.0 Bcfe to 679.6 Bcfe. In addition, we grew our average daily production from 30.8 MMcfe/d for the year ended December 31, 2007 to 105.9 MMcfe/d for the nine months ended September 30, 2009. For the twelve months ended December 31, 2008 and the nine months ended September 30, 2009, we generated cash flow from operations of $157.5 million and $118.2 million, respectively, net income (loss) of $84.0 million and $(86.8) million, respectively, and EBITDAX of $208.5 million and $151.5 million, respectively. See "Selected Historical Combined Financial Data" for a definition of EBITDAX (a non-GAAP measure) and a reconciliation of EBITDAX to net income (loss).

We have assembled a diversified portfolio of long-lived properties that are characterized by what we believe to be low geologic risk and a large inventory of repeatable drilling opportunities. Our drilling opportunities are focused in the Marcellus Shale of the Appalachian Basin, the Woodford Shale of the Arkoma Basin (the Arkoma Woodford), the Fayetteville Shale of the Arkoma Basin and the Mesaverde tight sands and Mancos Shale of the Piceance Basin. From inception, we have drilled and operated 311 wells through July 31, 2009 with a success rate of approximately 98%. Our drilling

inventory consists of approximately 14,800 potential locations, all of which are resource-style opportunities and approximately 5% of which are included in our estimated proved reserve base as of December 31, 2008. For information on the possible limitations on our ability to drill our potential locations, see "Risk Factors—Risks Relating to Our Business—Our identified drilling locations are scheduled out over many years, making them susceptible to uncertainties that could materially alter the occurrence or timing of their drilling. In addition, we may not be able to raise the substantial amount of capital that would be necessary to drill a substantial portion of our potential drilling locations."

Part of our business strategy is to build and control midstream assets, including gathering, compression, treating and processing assets, in order to maximize the profitability of our operations in our core areas and to secure firm takeaway capacity. We own two midstream systems in the Arkoma and Piceance Basins, and we believe we have secured sufficient long-term firm takeaway capacity on major pipelines that are in existence or currently under construction in each of our core operating areas to accommodate our existing and foreseeable production.

Through September 30, 2009, we have spent approximately $144.5 million of our 2009 capital budget of $200 million, approximately 86% of which is allocated to low-risk development projects with the remaining capital budget allocated to infrastructure projects and land acquisition. Our board of directors has approved a capital budget of up to $297 million for 2010, approximately 86% of which is allocated to drilling. Of our 2010 drilling budget, approximately 46% is allocated to the Appalachian Basin, 34% to the Arkoma Basin Woodford Shale and 20% to the Piceance Basin. Consistent with our historical practice, we periodically review our capital expenditures and adjust our budget based on liquidity, commodity prices and drilling results.

We believe we have a conservative financial position characterized by modest leverage, a strong hedge position and ample liquidity. We have entered into hedging contracts covering a total of approximately 122 Bcf of our natural gas production from October 1, 2009 through December 31, 2013 at a weighted average index price of $6.52 per Mcf. For 2010, we have hedged approximately 31.3 Bcf of our production at a weighted average index price of $6.29 per Mcf. On November 17, 2009, we completed an offering of $375 million principal amount of our 9.375% senior notes due 2017. On January 19, 2010, we completed an offering of $150 million additional principal amount of our 9.375% senior notes due 2017. As a result of the January 2010 notes offering, the borrowing base under our senior secured revolving credit facility was automatically reduced by 25 cents per dollar of those notes issued in excess of $25 million. Accordingly, as of September 30, 2009, on a pro forma basis after giving effect to the use of the net proceeds of $124 million from our November 2009 equity placements described below and the November 2009 and January 2010 offerings of the old notes, we would have had approximately $366 million of available borrowing capacity under our senior secured revolving credit facility.

We operate in one industry segment, which is the exploration, development and production of natural gas and oil, and all of our operations are conducted in the United States. Our gathering and processing assets are primarily dedicated to supporting the natural gas volumes we produce.

Source of Our Revenues

Our production is entirely from the continental United States and currently is comprised of 95% natural gas and 5% oil. Gas prices reached historically high levels in recent years and reached over $13.00 per Mcf in July 2008. Since then, natural gas prices have declined sharply to less than $7.00 per Mcf in December 2008 and to less than $4.00 per Mcf in September 2009. Natural gas and oil prices are inherently volatile and are influenced by many factors outside of our control. To achieve more predictable cash flows and to reduce our exposure to downward price fluctuations, we use derivative instruments to hedge future sales prices on a significant portion of our natural gas production. We currently use fixed price natural gas swaps in which we receive a fixed price for future production in

exchange for a payment of the variable market price received at the time future production is sold. For example, for the nine months ended September 30, 2009, we received approximately $90.4 million in cash flows pursuant to our hedges. At each period end we estimate the fair value of these swaps and recognize an unrealized gain or loss. We have not elected hedge accounting and, accordingly, the unrealized gains and losses on open positions are reflected currently in earnings. During the years ended December 31, 2006, 2007 and 2008, we recognized significant unrealized commodity gains on these swaps as market prices were lower than our fixed price swaps. We expect continued volatility in the fair value of these swaps. We do not enter into derivatives to manage volatility for our oil or NGL sales.

Principal Components of Our Cost Structure

- *Lease operating and gathering, compression and transportation expenses.* These are daily costs incurred to bring natural gas and oil out of the ground and to the market, together with the daily costs incurred to maintain our producing properties. Such costs also include maintenance, repairs and workover expenses related to our natural gas and oil properties. These costs are expected to be moderate in 2009 and the first half of 2010, as we expect industry demand for these services to remain at relatively low levels.

- *Production taxes.* Production taxes are paid on produced natural gas and oil based on a percentage of market prices (not hedged prices) or at fixed rates established by federal, state or local taxing authorities.

- *Exploration expense.* These are geological and geophysical costs, including payroll and benefits for the geological and geophysical staff, seismic costs, delay rentals and the costs of unsuccessful exploratory dry holes and unsuccessful leasing efforts.

- *Impairment of unproved and proved properties.* These costs include unproved property impairment and costs associated with lease expirations. We could also record impairment charges for proved properties if the carrying value were to exceed estimated future cash flows. Through September 30, 2009, it has not been necessary to record any impairment for proved properties.

- *Depreciation, depletion and amortization.* This includes the systematic expensing of the capitalized costs incurred to acquire, explore and develop gas and oil. As a successful efforts company, we capitalize all costs associated with our acquisition and development efforts and all successful exploration efforts, and allocate these costs to each unit of production using the units of production method.

- *General and administrative expense.* These costs include overhead, including payroll and benefits for our corporate staff, costs of maintaining our headquarters, costs of managing our production and development operations, franchise taxes, audit and other professional fees and legal compliance are included in general and administrative expenses.

- *Interest expense.* We finance a portion of our working capital requirements and acquisitions with borrowings under our bank credit facilities. As a result, we incur substantial interest expense that is affected by both fluctuations in interest rates and our financing decisions. We will likely continue to incur significant interest expense as we continue to grow. We have also entered into various variable to fixed interest rate swaps to mitigate the effects of interest rate changes. We do not designate these swaps as hedges and therefore do not accord them hedge accounting treatment. Realized and unrealized gains or losses on these interest rate derivative instruments are included as a separate line item in other income (expense).

- *Income tax expense.* Each of the operating entities files separate federal and state income tax returns; therefore, our provision for income taxes consists of the sum of our income tax provisions for each of the operating entities. We are subject to state and federal income taxes

but are currently not in a tax paying position for regular federal income taxes, primarily due to the current deductibility of intangible drilling costs ("IDC"). We do pay some state income or franchise taxes where our IDC deductions do not exceed our taxable income or where state income or franchise taxes are determined on another basis. Collectively, the operating entities have generated net operating loss carryforwards which expire starting in 2026 through 2028. We have not recognized the full value of these net operating losses on our balance sheets because our management team believes it is more likely than not that we will not realize a future benefit equal to the full amount of the loss carryforward over time. The amount of deferred tax assets considered realizable, however, could change in the near term as we generate taxable income or estimates of future taxable income are reduced.

Significant Acquisitions

The following table presents a summary of our significant property acquisitions in 2007 and 2008:

Primary locations of acquired properties	Date acquired	Purchase price (in millions)
Arkoma Basin Woodford Shale (OK)	December 2007	$ 61.0
Piceance Basin (CO)	July 2008	$ 39.2
Appalachian Basin (PA, WV)	September 2008	$ 347.0

Our acquisitions were financed with a combination of funding from equity contributions, borrowings under our credit facilities and cash flow from operations.

Results of Operations

Year Ended December 31, 2007 Compared to Year Ended December 31, 2008

The following table sets forth selected operating data for the year ended December 31, 2007 compared to the year ended December 31, 2008:

(in thousands, except per unit data)	Year Ended December 31, 2007	Year Ended December 31, 2008	Amount of Increase (Decrease)	Percent Change
Operating revenues:				
Natural gas sales	$ 63,975	$ 220,219	$ 156,244	244.2%
Oil sales	3,749	9,496	5,747	153.3%
Realized commodity derivative gains	14,373	26,053	11,680	81.3%
Unrealized commodity derivative gains	4,619	90,301	85,682	1,855.0%
Gathering and processing	4,778	20,421	15,643	327.4%
Total operating revenues	91,494	366,490	274,996	300.6%
Operating expenses:				
Lease operating expense	4,435	13,350	8,915	201.0%
Gathering, compression and transportation expense	10,016	29,033	19,017	189.9%
Production taxes	2,233	10,281	8,048	360.4%
Exploration expense	17,970	22,998	5,028	28.0%
Impairment of unproved properties expense	4,995	10,112	5,117	102.4%
Depletion, depreciation and amortization	50,091	124,821	74,730	149.2%
Accretion of asset retirement obligations	68	176	108	158.8%
General and administrative	11,682	16,171	4,489	38.4%
Total operating expenses	101,490	226,942	125,452	123.6%
Operating income (loss)	(9,996)	139,548	149,544	*

(in thousands, except per unit data)	Year Ended December 31, 2007	2008	Amount of Increase (Decrease)	Percent Change
Other income (expense):				
Interest expense	$ (25,507)	$ (38,185)	$ (12,678)	49.7%
Interest income	383	591	208	54.3%
Interest rate derivative gains (losses)	(3,033)	(15,245)	(12,212)	402.6%
Total other income (expense)	(28,157)	(52,839)	(24,682)	87.7%
Income (loss) before income taxes	(38,153)	86,709	124,862	*
Provision for income tax (expense) benefit	400	(3,029)	(3,429)	*
Net income (loss)	(37,753)	83,680	121,433	*
Non-controlling interest in net loss (income) of consolidated subsidiary	—	276	276	*
Net income (loss) attributable to Antero stockholders	$ (37,753)	83,956	121,709	*
Production data:				
Natural gas (Bcf)	10.9	30.3	19.4	178.0%
Oil (MBbl)	49.4	114.9	65.5	132.6%
NGLs (Bcfe)(1)	—	0.9	0.9	*
Combined (Bcfe)	11.2	31.9	20.7	184.8%
Average prices before effects of hedges(2):				
Natural gas (per Mcf)	$ 5.85	$ 7.27	$ 1.42	24.3%
Oil (per Bbl)	$ 76.51	$ 82.57	$ 6.06	7.9%
Combined (per Mcfe)	$ 6.03	$ 7.41	$ 1.38	22.9%
Average realized prices after effects of hedges(2) :				
Natural gas (per Mcf)	$ 6.49	$ 8.13	$ 1.64	25.3%
Oil (per Bbl)	$ 76.51	$ 82.57	$ 6.06	7.9%
Combined (per Mcfe):	$ 6.65	$ 8.25	$ 1.60	24.1%
Average costs (per Mcfe):				
Lease operating costs	$ 0.39	$ 0.43	$ 0.04	10.3%
Gathering, compression and transportation	$ 0.89	$ 0.94	$ 0.05	5.6%
Production taxes	$ 0.20	$ 0.33	$ 0.13	65.0%
Depletion, depreciation, amortization	$ 4.46	$ 4.03	$ (0.43)	(9.6)%
General and administrative	$ 1.04	$ 0.52	$ (0.52)	(50.0)%

(1) Represents NGLs retained by our midstream business as compensation for processing third-party gas under long term contracts. These amounts are not reflected in the per Mcfe data in this table.

(2) Average prices shown in the table reflect both of the before-and-after effects of our realized commodity hedging transactions. Our calculation of such after-effects includes realized gains or losses on cash settlements for commodity derivatives, which do not qualify for hedge accounting because we do not designate or document them as hedges. Over 95% of our revenues in 2007 and 2008 were from natural gas. Oil production was converted at 6 Mcf per Bbl to calculate total Bcfe production and per Mcfe amounts.

* Not meaningful or applicable.

Natural gas and oil sales. Revenues from sales of natural gas and oil increased to $229.7 million for the year ended December 31, 2008 from $67.7 million for the year ended December 31, 2007, an increase of 239%. Our annual production increased by 175.7% from 11.2 Bcfe in 2007 to 31.0 Bcfe in 2008 due to increased production in the Arkoma Woodford and Piceance Basins. This net increase in production added approximately $119.1 million of production revenues, and the increase in prices on a

per-Mcfe basis increased production revenues by approximately $42.9 million. The following table presents additional information concerning our production for the years ended December 31, 2007 and 2008:

	Year Ended December 31,		Percent
(in Bcfe)	2007	2008	Increase
Arkoma Woodford	6.3	18.7	196.8%
Piceance Basin	4.9	12.3	151.0%
Total	11.2	31.0	176.8%

Commodity hedging activities. To achieve more predictable cash flows and to reduce our exposure to downward price fluctuations, we enter into derivative contracts using fixed for variable swap contracts when management believes that favorable future sales prices for our natural gas production can be secured. Because we do not designate these derivatives as accounting hedges, they do not receive accounting hedge treatment and all mark-to-market gains or losses, as well as realized gains or losses on the derivative instruments, are currently recognized in our results of operations. The unrealized gains and losses represent the changes in the fair value of these swap agreements as the future strip prices fluctuate from the fixed price we will receive from future production. In 2008, approximately 59% of our natural gas volumes were hedged, which resulted in a realized gain on such hedges of $26.1 million. In 2007, we hedged approximately 81% of our natural gas volumes, which resulted in realized gains on such hedges of $14.4 million. Unrealized gains in these periods were $4.6 million and $90.3 million in 2007 and 2008, respectively. The significant unrealized gains in 2008 are attributable to the sharp decline in natural gas prices in the fourth quarter as a result of market turmoil and a weakened U.S. and global economy.

Gathering and processing revenues. Gathering and processing revenues increased from $4.8 million in 2007 to $20.4 million in 2008 primarily as a result of recognizing a full year of operations for our Coalgate plant in Oklahoma, which began processing volumes in September 2007. Additionally, in February 2008, we entered into a joint venture with MarkWest and began operating our two processing plants under our Centrahoma joint venture.

Lease operating expense. Lease operating expenses increased from $4.4 million in 2007 to $13.4 million in 2008, an increase of 201% primarily as a result of an increase in our production volumes. On a per-Mcfe basis, lease operating expenses increased from $0.39 per Mcfe in 2007 to $0.43 per Mcfe in 2008 primarily due to increased water disposal expenses in the Piceance Basin. The following table displays our lease operating expenses per Mcfe by basin:

	Year Ended December 31,			
	2007		2008	
(in thousands, except per Mcfe data)	Amount	Per Mcfe	Amount	Per Mcfe
Arkoma Woodford	$ 1,758	$ 0.28	$ 5,069	$ 0.27
Piceance Basin	$ 2,677	$ 0.54	$ 8,281	$ 0.68
Total lease operating expense	$ 4,435	$ 0.39	$ 13,350	$ 0.43

Gathering, compression and transportation expense. Gathering and transportation expense increased from $10.0 million in 2007 to $29.0 million in 2008 primarily as a result of an increase in production. On a per-Mcfe basis, these expenses increased from $0.89 per Mcfe in 2007 to $0.94 per Mcfe as a result of start-up expenses for the Coalgate plant.

Production taxes. Total production taxes increased from $2.2 million in 2007 to $10.3 million in 2008 primarily as a result of an increase in natural gas and oil revenues before the effects of hedging. Production taxes as a percentage of natural gas and oil revenues before the effects of hedging were 4.5% for 2008 and 3.3% for 2007. Production taxes are primarily based on the wellhead values of production, and the tax rates vary across the different areas in which we operate. As the proportion of our production changes from area to area, our production tax rate will vary depending on the quantities produced from each area and the production tax rates in effect.

Exploration expense. Exploration expense increased from $18.0 million in 2007 to $23.0 million in 2008. Exploration expense for 2008 consisted of $5.5 million for seismic programs in the Arkoma and Piceance areas, $6.6 million in dry hole costs, $6.0 million in impairment of rig upgrades and $4.9 million of contract landman costs that did not result in leasehold acquisitions. Exploration expense for 2007 consisted of $9.8 million for seismic programs in the Arkoma Woodford and Piceance areas, $4.4 million of dry hole costs and $3.8 million of contract landman costs that did not result in leasehold acquisitions.

Impairment of unproved properties. Our impairment of unproved property expense increased from $5.0 million in 2007 to $10.1 million in 2008, primarily because we elected to abandon certain leaseholds within our Ardmore Basin acreage and certain non-core Arkoma Basin acreage. We abandon expired or soon to be expired leases when we determine they are impaired through lack of drilling activities or based on other factors, such as remaining lease terms, reservoir performance, commodity price outlook or future plans to develop the acreage and accordingly recognize corresponding impairment costs.

Depreciation, depletion and amortization (DD&A). DD&A increased from $50.1 million in 2007 to $124.8 million in 2008, an increase of $74.7 million, primarily as a result of increased production in 2008 as compared to 2007. The weighted average DD&A rate decreased from $4.46 per Mcfe during 2007 to $4.03 per Mcfe during 2008 because our exploration, development and acquisition costs (total funding costs) have declined on a per Mcf basis in our two primary producing areas.

Under successful efforts accounting, DD&A expense is separately computed for each producing area based on geologic and reservoir delineation. The capital expenditures for each producing area compared to the proved reserves corresponding to each producing area determine a weighted average DD&A rate for current production. Future DD&A rates will be adjusted to reflect future capital expenditures and proved reserve changes in specific areas. We anticipate that DD&A expense per unit will decline over time as our development projects mature.

We evaluate the impairment of our proved natural gas and oil properties on a field-by-field basis whenever events or changes in circumstances indicate that a property's carrying amount may not be recoverable. If the carrying amount exceeds the property's estimated fair value, we adjust the carrying amount of the property to fair value through a charge-to-impairment expense. There were no impairment expenses recorded in 2007 or 2008 for proved properties. Additionally, there were no exploratory wells in progress at December 31, 2007 or 2008 included in unevaluated natural gas and oil properties pending determination of whether proved reserves could be assigned to any such wells.

General and administrative expense. General and administrative expense increased from $11.7 million in 2007 to $16.2 million in 2008, an increase of $4.5 million, primarily as a result of increased costs of $2.7 million related to salaries and employee benefits for additional personnel required for our capital program and production activities. As of December 31, 2008, we had 56 full-time employees, compared to 40 full-time employees as of December 31, 2007. On a per-Mcfe basis, general and administrative expense decreased from $1.04 per Mcfe in 2007 to $0.52 per Mcfe in 2008 primarily as a result of an increase in production volumes without a corresponding increase in general and administrative expense.

Interest expense and realized and unrealized gains and losses on interest rate derivatives. Interest expense increased from $25.5 million in 2007 to $38.2 million in 2008, primarily as a result of higher average outstanding debt balances in 2008 in order to fund our exploration and development activities. While interest rates on our senior secured revolving credit facility and second lien term loan facility decreased during 2008 from 2007 levels, average borrowings outstanding increased from approximately $259.5 million during 2007 to approximately $538.1 million during 2008.

We have entered into various variable-to-fixed interest rate swap agreements that hedge our exposure to interest rate variations on our senior secured revolving credit facility and second lien term loan facility. At December 31, 2008, we had interest rate swaps outstanding for a notional amount of $426.0 million with fixed pay rates ranging from 2.79% to 4.11% and terms expiring from December 2009 through July 2011. During 2008, we realized losses on interest rate swap agreements of $1.4 million, whereas, during 2007, we realized a gain on interest rate swap agreements of $0.4 million. At December 31, 2008, the estimated fair value of our interest rate swap agreements was a liability of $17.3 million, which is included in current and long-term liabilities. As of such date, we were in a liability position on our interest rate swaps because of the large decline in interest rates since having entered into the agreements. The amount of future gain or loss actually recognized on such swaps is dependent upon future interest rates, which will affect the value of the swaps.

Income tax expense. Income tax expense reflects the fact that each of the operating entities files separate federal and state income tax returns; therefore our provision for income taxes consists of the sum of our income tax provisions for each of the operating entities. In general, none of the operating entities have generated current taxable income in either the current or prior years, which is primarily attributable to the differing book and tax treatment of unrealized derivative gains and intangible drilling costs. Accordingly, valuation allowances have generally been established against net operating loss (NOLs) carryforwards to the extent that such NOLs exceed net deferred tax liabilities resulting in no income tax expense or benefit in prior years. During the year ended December 31, 2008, the operating entities had significant net income on a combined basis primarily related to unrealized derivative gains which are not taxable until realized and, accordingly, we recognized related deferred tax expense. This deferred income tax expense was substantially offset by a reduction in valuation allowances. At December 31, 2008, the operating entities had a combined total of approximately $156.9 million of NOLs, which expire starting in 2026 and through 2028. We have not recognized the full value of these net operating losses on our balance sheets because our management team believes it is more likely than not that we will not realize a future benefit for the full amount of the loss carryforward over time. Congress recently proposed legislation that would eliminate or limit future deductions for intangible drilling costs and could adversely affect our future taxable position. The impact of any change is recorded in the period that legislation is enacted.

Year Ended December 31, 2006 Compared to Year Ended December 31, 2007

Comparisons of operating results for the years ended December 2006 and 2007 are affected significantly by the increase in equity and debt capital in 2007 and the resulting increase in acquisition and development activity in 2007 compared to 2006. We spent approximately $367 million on capitalized oil and gas acquisition and development activity in 2006 compared to approximately $646 million in 2007. Proved developed producing reserves increased from 27.2 Bcfe at December 31, 2006 to 98.9 Bcfe at December 31, 2007. Our activities were primarily in the Arkoma and Piceance basins in both years. Over half of our revenues in 2006 resulted from unrealized commodity derivative gains as we began to hedge expected increases in production in 2007.

The following table sets forth selected operating data for the year ended December 31, 2006 compared to the year ended December 31, 2007:

(in thousands, except per unit data)	Year Ended December 31, 2006	2007	Amount of Increase (Decrease)	Percent Change
Operating revenues:				
Natural gas sales	$ 14,271	63,975	49,704	348.3%
Oil sales	523	3,749	3,226	616.8%
Realized commodity derivative gains (losses)	(4,325)	14,373	18,698	*
Unrealized commodity derivative gains	18,656	4,619	(14,037)	(75.2)%
Gathering and processing	717	4,778	4,061	566.4%
Total operating revenues	29,842	91,494	61,652	206.6%
Operating expenses:				
Lease operating expense	1,189	4,435	3,246	273.0%
Gathering, compression and transportation expense	2,482	10,016	7,534	303.5%
Production taxes	1,012	2,233	1,221	120.7%
Exploration expense	8,832	17,970	9,138	103.5%
Impairment of unproved properties	8,117	4,995	(3,122)	(38.5)%
Depletion, depreciation and amortization	7,940	50,091	42,151	530.9%
Accretion of asset retirement obligations	9	68	59	655.6%
General and administrative	7,478	11,682	4,204	56.2%
Total operating expenses	37,059	101,490	64,431	173.9%
Operating income (loss)	(7,217)	(9,996)	(2,779)	*
Other income (expense):				
Interest expense	(1,479)	(25,507)	(24,028)	*
Interest income	113	383	270	238.9%
Interest rate derivative gains (losses)	—	(3,033)	(3,033)	*
Total other income (expense)	(1,366)	(28,157)	(26,791)	*
Income (loss) before income taxes	(8,583)	(38,153)	(29,570)	*
Provision for income tax (expense) benefit	(400)	400	800	*
Net income (loss)	(8,983)	(37,753)	(28,770)	*
Non-controlling interest in net loss (income) of consolidated subsidiary	—	—	—	*
Net income (loss) attributable to Antero stockholders	$ (8,983)	(37,753)	(28,770)	*
Production data:				
Natural gas (Bcf)	2.0	10.9	8.9	445.0%
Oil (MBbl)	8.0	49.0	41	512.5%
Combined (Bcfe)	2.1	11.2	9.2	433.3%
Average prices before effects of hedges(1):				
Natural gas (per Mcf)	$ 7.08	$ 5.85	$ (1.23)	(17.4)%
Oil (per Bbl)	$ 65.38	$ 76.51	$ 11.13	17.0%
Combined (per Mcfe)	$ 7.16	$ 6.03	$ (1.13)	(15.8)%
Average realized prices after effects of hedges(1) :				
Natural gas (per Mcf)	$ 4.93	$ 6.49	$ 1.56	31.6%
Oil (per Bbl)	$ 65.38	$ 76.51	$ 11.13	17.0%
Combined (per Mcfe):	$ 5.07	$ 6.65	$ 1.58	31.2%

(in thousands, except per unit data)	Year Ended December 31, 2006	2007	Amount of Increase (Decrease)	Percent Change
Average costs (per Mcfe):				
Lease operating costs	$ 0.58	$ 0.39	$ (0.19)	(32.8)%
Gathering, compression and transportation	$ 1.20	$ 0.89	$ (0.31)	(25.8)%
Production taxes	$ 0.49	$ 0.20	$ (0.29)	(59.2)%
Depletion, depreciation, amortization	$ 3.85	$ 4.46	$ 0.61	15.8%
General and administrative	$ 3.62	$ 1.04	$ (2.58)	(71.3)%

(1) Average prices shown in the table reflect both of the before-and-after effects of our realized commodity hedging transactions. Our calculation of such after-effects includes realized gains or losses on cash settlements for commodity derivatives, which do not qualify for hedge accounting because we do not designate or document them as hedges. Substantially all of our revenues in 2006 and 2007 were from natural gas. Oil production was converted at 6 Mcf per Bbl to calculate total Bcfe production and per Mcfe amounts.

* Not meaningful or applicable.

Natural gas and oil sales. Revenues from sales of natural gas and oil increased to $67.7 million for the year ended December 31, 2007 from $14.8 million for the year ended December 31, 2006, an increase of 357%. Our annual production increased by 433.3% from 2.1 Bcfe in 2006 to 11.2 Bcfe in 2007 due to increased production in the Arkoma Woodford and Piceance Basins. This net increase in production added approximately $65.7 million of production revenues while the decrease in prices on a per-Mcfe basis partially offset the increased production revenues by approximately $12.7 million. The following table presents additional information concerning our production for the years ended December 31, 2006 and 2007:

(in Bcfe)	Year Ended December 31, 2006	2007	Percent Increase
Arkoma Woodford	0.9	6.3	600.0%
Piceance Basin	1.2	4.9	308.3%
Total	2.1	11.2	433.3%

Commodity hedging activities. To achieve more predictable cash flows and to reduce our exposure to downward price fluctuations, we enter into derivative contracts using fixed for variable swap contracts when management believes that favorable future sales prices for our natural gas production can be secured. Because we do not designate these derivatives as accounting hedges, they do not receive accounting hedge treatment and all mark-to-market gains or losses, as well as realized gains or losses on the derivative instruments, are currently recognized in our results of operations. In 2007, we hedged approximately 81% of our natural gas volumes, which resulted in realized gains on such hedges of $14.4 million as market prices dropped below our fixed price swaps.

Gathering and processing revenues. Gathering and processing revenues increased from $0.7 million in 2006 to $4.8 million in 2007 primarily as a result of beginning operations at our Coalgate plant in Oklahoma, which began processing volumes in September 2007.

Lease operating expense. Lease operating expenses increased from $1.2 million in 2006 to $4.4 million in 2007, an increase of 273.0% primarily as a result of an increase in our production

volumes. On a per-Mcfe basis, lease operating expenses decreased from $0.58 per Mcfe in 2006 to $0.39 per Mcfe in 2007. The following table displays our lease operating expenses per Mcfe by basin:

	Year Ended December 31,			
	2006		2007	
(in thousands, except per Mcfe data)	Amount	Per Mcfe	Amount	Per Mcfe
Arkoma Woodford	$ 580	$ 0.64	$ 1,758	$ 0.28
Piceance Basin	$ 609	$ 0.51	$ 2,677	$ 0.54
Total lease operating expense	$ 1,189	$ 0.58	$ 4,435	$ 0.39

Gathering, compression and transportation expense. Gathering and transportation expense increased from $2.5 million in 2006 to $10.0 million in 2007 primarily as a result of an increase in production. On a per-Mcfe basis, these expenses decreased from $1.20 per Mcfe in 2006 to $0.89 per Mcfe.

Production taxes. Total production taxes increased from $1.0 million in 2006 to $2.2 million in 2007 primarily as a result of an increase in natural gas and oil revenues before the effects of hedging. Production taxes as a percentage of natural gas and oil revenues before the effects of hedging were 6.8% for 2006 and 4.5% for 2007. Production taxes are primarily based on the wellhead values of production, and the tax rates vary across the different areas in which we operate. As the proportion of our production changes from area to area, our production tax rate will vary depending on the quantities produced from each area and the production tax rates in effect.

Exploration expense. Exploration expense increased from $8.8 million in 2006 to $18.0 million in 2007. Exploration expense for 2007 consisted of $9.8 million for seismic programs in the Arkoma Woodford and Piceance areas, $4.4 million of dry hole costs and $3.8 million of contract landman costs that did not result in leasehold acquisitions. Exploration expense for 2006 consisted of $5.7 million for seismic programs in the Arkoma and Piceance areas, $1.2 million in dry hole costs and $1.9 million of contract landman costs that did not result in leasehold acquisitions.

Impairment of unproved properties. Our impairment of unproved property expense decreased from $8.1 million in 2006 to $5.0 million in 2007, primarily because of an impairment charge of $3.5 million in 2006 to adjust the valuation of properties sold in May 2006. We abandon expired or soon to be expired leases when we determine they are impaired through lack of drilling activities or based on other factors, such as remaining lease terms, reservoir performance, commodity price outlook or future plans to develop the acreage and accordingly recognize corresponding impairment costs.

Depreciation, depletion and amortization (DD&A). DD&A increased from $7.9 million in 2006 to $50.1 million in 2007, an increase of $42.2 million, primarily as a result of increased production and capitalized development costs in 2007 as compared to 2006. The weighted average DD&A rate increased from $3.85 per Mcfe during 2006 to $4.46 per Mcfe during 2007.

Under successful efforts accounting, DD&A expense is separately computed for each producing area based on geologic and reservoir delineation. The capital expenditures for each producing area compared to the proved reserves corresponding to each producing area determine a weighted average DD&A rate for current production. Future DD&A rates will be adjusted to reflect future capital expenditures and proved reserve changes in specific areas.

We evaluate the impairment of our proved natural gas and oil properties on a field-by-field basis whenever events or changes in circumstances indicate that a property's carrying amount may not be recoverable. If the carrying amount exceeds the property's estimated fair value, we adjust the carrying amount of the property to fair value through a charge-to-impairment expense. There were no impairment expenses recorded in 2006 or 2007 for proved properties. Additionally, there were no exploratory wells in progress at December 31, 2006 or 2007 included in unevaluated natural gas and oil properties pending determination of whether proved reserves could be assigned to any such wells.

General and administrative expense. General and administrative expense increased from $7.5 million in 2006 to $11.7 million in 2007, an increase of $4.2 million, primarily as a result of increased salaries, employee benefits and contract personnel expense for additional personnel required for our capital program and production activities. On a per-Mcfe basis, general and administrative expense decreased from $3.62 per Mcfe in 2006 to $1.04 per Mcfe in 2007 primarily as a result of an increase in production volumes without a pr rata increase in general and administrative expense.

Interest expense and realized and unrealized gains and losses on interest rate derivatives. Interest expense increased from $1.5 million in 2006 to $25.5 million in 2007 as a result of higher average outstanding debt balances in 2007 in order to fund our exploration and development activities.

Income tax expense. Income tax expense reflects the fact that each of the operating entities files separate federal and state income tax returns; therefore, our provision for income taxes consists of the sum of our income tax provisions for each of the operating entities. In general, none of the operating entities have generated current taxable income in either the current or prior years, which is primarily attributable to the differing book and tax treatment of unrealized derivative gains and intangible drilling costs. Accordingly, valuation allowances have generally been established against net operating loss (NOLs) carryforwards to the extent that such NOLs exceed net deferred tax liabilities. One of the operating entities had a $400 thousand provision for deferred tax expense in 2006 and a deferred tax benefit of $400 thousand in 2007. We have not recognized the full value of net operating losses on our balance sheets because our management team believes it is more likely than not that we will not realize a future benefit for the full amount of the loss carryforward over time. Congress recently proposed legislation that would eliminate or limit future deductions for intangible drilling costs and could adversely affect our future taxable position. The impact of any change is recorded in the period that legislation is enacted.

Nine Months Ended September 30, 2008 Compared to Nine Months Ended September 30, 2009

The following table sets forth selected operating data for the nine months ended September 30, 2008 compared to the nine months ended September 30, 2009:

(in thousands, except per unit data)	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2009	Amount of Increase (Decrease)	Percent Change
Operating revenues:				
Natural gas sales	$ 176,958	$ 91,603	$ (85,355)	(48.2)%
Oil sales	7,953	4,251	(3,702)	(46.5)%
Realized commodity derivative gains	727	90,411	89,684	*
Unrealized commodity derivative gains (losses)	63,582	(70,742)	(134,324)	*
Gathering and processing	14,974	15,902	928	6.2%
Total operating revenues	264,194	131,425	(132,769)	*
Operating expenses:				
Lease operating expense	8,569	14,389	5,820	67.9%
Gathering compression and transportation expense	20,442	19,183	(1,259)	(6.2)%
Production taxes	8,378	4,393	(3,985)	(47.6)%
Exploration	15,824	8,440	(7,384)	(46.7)%
Impairment of unproved properties expense	5,122	24,583	19,461	379.9%
Depletion depreciation and amortization	85,791	108,987	23,196	27.0%
Accretion of asset retirement obligations	120	194	74	61.7%
General and administrative expense	11,443	14,396	2,953	25.8%
Total operating expenses	155,689	194,565	38,876	25.0%
Operating income (loss)	108,505	(63,140)	(171,645)	*

(in thousands, except per unit data)	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2009	Amount of Increase (Decrease)	Percent Change
Other income expense:				
Interest expense	$ (28,586)	$ (23,439)	$ 5,147	(18.0)%
Interest income	2,218	29	(2,189)	(98.7)%
Realized interest rate derivative gains losses	(1,712)	(7,667)	(5,955)	*
Unrealized interest rate derivative gains losses	2,129	3,811	1,682	*
Total other income expense	(25,951)	(27,266)	(1,315)	*
Income (loss) before income taxes	82,554	(90,406)	(172,960)	*
Provision for income taxes expense benefit	(3,029)	3,029	6,058	*
Net income loss	79,525	(87,377)	(166,902)	*
Non-controlling interest in net (loss) income of consolidated subsidiary	(87)	539	626	*
Net income (loss) attributable to Antero stockholders	$ 79,438	$ (86,838)	$ (166,276)	*
Production data:				
Natural gas (Bcf)	20.3	26.3	6.0	29.6%
Oil (MBbl)	79.9	92.1	12.2	15.3%
NGLs (Bcfe)(1)	0.3	2.0	1.7	566.7%
Combined (Bcfe)	21.1	28.9	7.8	37.0%
Average prices before effects of hedges(2):				
Natural gas (per Mcf)	$ 8.72	$ 3.48	$ (5.24)	(60.1)%
Oil (per Bbl)	$ 99.54	$ 46.16	$ (53.38)	(53.6)%
Combined (per Mcfe)	$ 8.90	$ 3.57	$ (5.33)	(59.9)%
Average realized prices after effects of hedges(2):				
Natural gas (per Mcf)	$ 8.76	$ 6.92	$ (1.84)	(21.0)%
Oil (per Bbl)	$ 99.54	$ 46.16	$ (53.38)	(53.6)%
Combined (per Mcfe)	$ 8.94	$ 6.93	$ (2.01)	(22.5)%
Average Costs (per Mcfe):				
Lease operating costs	$ 0.41	$ 0.54	$ 0.13	31.7%
Gathering compression and transportation	$ 0.98	$ 0.71	$ (0.27)	(27.6)%
Production taxes	$ 0.40	$ 0.16	$ (0.24)	(60.0)%
Depletion depreciation amortization and accretion	$ 4.13	$ 4.06	$ (0.07)	(1.7)%
General and administrative	$ 0.55	$ 0.54	$ (0.01)	(1.8)%

(1) Represents NGLs retained by our midstream business as compensation for processing third-party gas under long term contracts. These amounts are not reflected in the per Mcfe data in this table.

(2) Average prices shown in the table reflect both of the before-and-after effects of our realized commodity hedging transactions. Our calculation of such after-effects includes realized gains or losses on cash settlements for commodity derivatives, which do not qualify for hedge accounting because we do not designate or document them as hedges for accounting purposes. Oil production was converted at 6 Mcf per Bbl to calculate total Bcfe production and per Mcfe amounts.

* Not meaningful or applicable

Natural gas and oil sales Revenues from production of natural gas and oil decreased from $184.9 million for the nine months ended September 30, 2008 to $95.9 million for the nine months ended September 30, 2009, a decrease of $89.0 million or 48.1%. Our production increased by 29.3% from 20.8 Bcfe for this period in 2008 to 26.9 Bcfe for the corresponding period of 2009 as shown below. The net decrease in revenues resulted from commodity price declines which accounted for a $143.2 million decrease in revenues as partially offset by increased production volumes which increased

revenues by $54.2 million. Realized gains from our commodity hedging contracts mitigated, but did not eliminate, the effect of these price declines by $90.4 million. The following table sets forth additional information concerning our production volumes for the nine months ended September 30, 2008 and 2009:

	Nine Months Ended September 30,		
(Bcfe)	2008	2009	Percent Change
Arkoma Woodford	12.2	18.0	47.5%
Piceance Basin	8.6	8.9	3.5%
Total	20.8	26.9	29.3%

Commodity hedging activities. To achieve more predictable cash flows and to reduce our exposure to downward price fluctuations, we enter into derivative contracts using fixed for variable swap contracts when management believes that favorable future sales prices for our natural gas production can be secured. Because we do not designate these derivatives as accounting hedges, they do not receive accounting hedge treatment and all mark-to-market gains or losses, as well as realized gains or losses on the derivative instruments, are recognized in our results of operations. The unrealized gains and losses represent the changes in the fair value of these swap agreements as the future strip prices fluctuate from the fixed price we will receive on future production. For the nine months ended September 30, 2008 and 2009, our hedges resulted in realized gains of $0.7 million and $90.4 million, respectively. For the nine months ended September 30, 2009 and 2008, our hedges resulted in unrealized gains of $63.6 million and unrealized losses of $(70.7) million, respectively. Unrealized gains in 2008 occurred as commodity prices began to fall below our fixed price swaps as a result of the weakening U.S. and global economy. During 2009, prices began to recover thus partially reversing the unrealized gains recorded in 2008.

Gathering and processing revenues. Gathering and processing revenues increased from $15.0 million for the nine months ended September 30, 2008 to $15.9 million for the same interim period in 2009 as our plants increased utilization and recoveries.

Lease operating expenses. Lease operating expenses increased from $8.6 million for the nine months ended September 30, 2008 to $14.4 million for the same period in 2009, an increase of 67.4%, primarily as a result of an increase in production volumes and water disposal costs in the Piceance Basin. On a per-Mcfe basis, lease operating expenses increased from $0.41 per Mcfe in 2008 to $0.54 per Mcfe in 2009. In August 2009, two water injection wells were completed in the Piceance Basin and we believe this will substantially decrease water disposal costs. The following table displays the lease operating expense per Mcfe by basin for the nine months ended September 30, 2008 and 2009:

	Nine Months Ended September 30,			
	2008		2009	
(in thousands, except per Mcfe data)	Amount	Per Mcfe	Amount	Per Mcfe
Arkoma Woodford	$ 3,593	$ 0.30	$ 4,380	$ 0.24
Piceance Basin	4,976	$ 0.58	10,009	$ 1.12
Total lease operating expense	$ 8,569	$ 0.41	$ 14,389	$ 0.54

Gathering, compression and transportation expense. Gathering and transportation expense decreased from $20.4 million for the nine months ended September 30, 2008 to $19.2 million for the same interim period in 2009. On a per-Mcfe basis, these expenses decreased from $0.98 per Mcfe for the nine months ended September 30, 2008 to $0.71 per Mcfe for the nine months ended

September 30, 2009 as production has increased in the Arkoma Basin as a proportion of our total production. Gathering expenses are less in the Arkoma Basin than in the Piceance Basin because of higher water production rates in the Piceance Basin.

Production tax expense. Total production taxes decreased from $8.4 million for the nine months ended September 30, 2008 to $4.4 million for the same period in 2009, primarily as a result of a decrease in natural gas and oil revenues. Production taxes as a percentage of natural gas and oil revenues before the effects of hedging were 4.6% for the nine months ended September 30, 2009 and 4.5% for the same period in 2008. Production taxes are primarily based on the wellhead values of production and the applicable rates vary across the areas in which we operate. As the proportion of our production changes from area to area, our production tax rate will vary depending on the quantities produced from each area and the applicable production tax rates then in effect.

Exploration expense. Exploration expense decreased from $15.8 million for the nine months ended September 30, 2008 to $8.4 million for the same period in 2009. Exploration expense during the nine months ended September 30, 2009 primarily consisted of $0.5 million of seismic costs, $0.8 million in dry hole costs, $5.0 million of standby rig costs and $2.1 million of contract landman costs that did not result in leasehold acquisitions. Exploration expense for the nine months ended September 30, 2008 primarily consisted of $5.5 million for seismic programs in the Arkoma and Piceance areas, $6.6 million of dry hole costs and $3.7 million of contract landman costs that did not result in leasehold acquisitions.

Impairment of unproved properties. Our impairment of unproved property expense increased from $5.1 million for the nine months ended September 30, 2008 to $24.6 million for the same period in 2009, primarily because we elected to abandon certain leaseholds within our Ardmore Basin acreage and certain non-core Arkoma Basin acreage. We abandon expired or soon to be expired leases when we determine they are impaired through lack of drilling activities or based on other factors, such as remaining lease terms, reservoir performance, commodity price outlooks or future plans to develop the acreage and recognize impairment costs accordingly.

Depreciation, depletion and amortization (DD&A). DD&A increased from $85.8 million for the nine months ended September 30, 2008 to $109.0 million for the same period in 2009, an increase of $23.2 million, primarily as a result of increased production for 2009 compared to 2008. DD&A per Mcfe decreased slightly from $4.13 per Mcfe during the nine months ended September 30, 2008 to $4.06 per Mcfe for the same period in 2009.

We evaluate the impairment of our proved natural gas and oil properties on a field-by-field basis whenever events or changes in circumstances indicate that a property's carrying amount may not be recoverable. If the carrying amount exceeds the estimated undiscounted future cash flows, we reduce the carrying amount of the oil and gas properties to their estimated fair value. There were no impairment expenses recorded for the nine months ended September 30, 2008 or 2009 for proved properties. Additionally, there were no exploratory wells in progress at September 30, 2008 or 2009 that were included in unevaluated natural gas and oil properties pending determination of whether proved reserves could be assigned to any such wells.

General and administrative expense. General and administrative expense increased from $11.4 million for the nine months ended September 30, 2008 to $14.4 million for the same period in 2009, an increase of $3.0 million, primarily as a result of increased costs of $1.8 million related to salaries, employee benefits, contract personnel and professional services expenses for additional personnel required for our capital program and production levels. Additionally, franchise and property taxes increased by approximately $0.7 million for the nine months ended September 30, 2009 compared to the same period of 2008. On a per-Mcfe basis, general and administrative expense decreased from $0.55 per Mcfe during the nine months ended September 30, 2008 to $0.54 per Mcfe for the same

period in 2009 primarily as a result of an increase in production volumes without a proportionate increase in general and administrative expense.

Interest expense and realized and unrealized gains and losses on interest rate derivatives. Interest expense decreased from $28.6 million for the nine months ended September 30, 2008 to $23.4 million during the same interim period in 2009, a decrease of $5.2 million, primarily as a result of lower interest rates in 2009.

We have entered into various variable-to-fixed interest rate swap agreements that hedge our exposure to interest rate variations on our senior secured revolving credit facility and second lien term loan facility. At September 30, 2009, we had interest rate swaps outstanding for a notional amount of $426.0 million with fixed pay rates ranging from 2.79% to 4.11% and terms expiring from December 2009 through July 2011. During the nine months ended September 30, 2009, we realized a loss on interest rate swap agreements of $7.7 million; whereas, during 2008 the nine months ended September 30, 2008, we had a realized loss on interest rate swap agreements of $1.7 million. At September 30, 2009, the estimated fair value of our interest rate swap agreements was a liability of $13.4 million, which is included in current and long-term liabilities. As of September 30, 2009, we were in a liability position on our interest rate swaps because of the large decline in interest rates since having entered into the agreements. The amount of future gain or loss actually recognized on such swaps is dependent upon future interest rates, which will affect the value of the swaps. Additionally, we did not terminate the portion of the interest rate swaps related to the $225 million second lien term loan facility when it was repaid in November 2009; therefore, a portion of our interest rate swaps do not currently have floating rate debt associated with them.

Income tax expense. Income tax expense reflects the fact that each of the operating entities files separate federal and state income tax returns; therefore, our provision for income taxes consists of the sum of our income tax provisions for each of the operating entities. In general, none of the operating entities have generated current taxable income in either the current or prior nine month periods, which is primarily attributable to the differing book and tax treatment of unrealized derivative gains and intangible drilling costs. Accordingly, valuation allowances have generally been established against net operating loss (NOLs) carryforwards to the extent that such NOLs exceed net deferred tax liabilities resulting in no income tax expense or benefit. During the nine months ended September 30, 2008, the operating entities had significant net income on a combined basis primarily related to unrealized derivative gains which are not taxable until realized. Net income tax expense in 2008 reflects the net deferred tax liabilities relating to these unrealized derivative gains which were partially offset by a decrease in the valuation allowance. During the nine months ended September 30, 2009, we recognized a tax benefit to the extent of existing deferred tax liabilities. We have not recognized the full value of these net operating losses on our balance sheets because our management team believes it is more likely than not that we will not realize a future benefit for the full amount of the loss carryforward over time. At December 31, 2008, the operating entities had a combined total of approximately $156.9 million of NOLs, which expire starting in 2026 and through 2029. Congress recently proposed legislation that would eliminate or limit future deductions for intangible drilling costs and could significantly affect our future taxable position. The impact of any change is recorded in the period that legislation is enacted.

Capital Resources and Liquidity

Our primary sources of liquidity have been through issuances of equity securities, borrowings under bank credit facilities, our second lien term loan facility, net cash provided by operating activities and proceeds from sales of interests in our properties. Our primary use of capital has been for the exploration, development and acquisition of natural gas and oil properties. As we pursue reserve and production growth, we continually monitor what capital resources, including equity and debt financings, are available to meet our future financial obligations, planned capital expenditure activities and

liquidity requirements. Our future success in growing proved reserves and production will be highly dependent on the capital resources available to us. We have approximately 14,800 potential drilling locations, of which only approximately 5% are included in our proved reserve base as of December 31, 2008. We would be required to generate or raise significant capital to conduct drilling activities on these potential drilling locations.

By the end of the fourth quarter of 2008, natural gas and oil prices had declined significantly from their record highs in the summer of 2008, which reduced our operational cash flows. In response, we began reducing capital expenditures during the fourth quarter of 2008 and prepared our capital expenditure budget for 2009 assuming lower commodity prices. However, reducing capital expenditures to reflect lower cash flows takes place over time; as a result, our indebtedness increased during the fourth quarter of 2008. In January and March 2009, we raised an aggregate of approximately $105 million from the issuance of additional Series B preferred stock to our existing investors in order to repay a portion of these increased borrowings. Over the last eighteen months, dislocations in the credit markets, steep stock market declines, financial institution failures and government capital infusions reflect a weakened global economy. Although the stock markets have recently improved and the credit markets appear to be stabilizing, financing transactions remain difficult and expensive to complete, if they can be completed at all. Our current senior secured revolving credit facility is backed by a syndicate of 10 banks. We believe that our current syndicate banks have the capability to fund up to their current commitment. If one or more banks should not be able to do so, we may not have the full availability of our $400 million commitment.

As of September 30, 2009, our borrowing base under our senior secured revolving credit facility was $400 million (which borrowing base was reaffirmed in connection with our October 2009 amendment), and we had total secured indebtedness of approximately $387 million outstanding under our senior secured revolving credit facility and $3 million of letters of credit outstanding under our senior secured revolving credit facility. In addition, we had $225 million outstanding under the second lien term loan facility and approximately $1 million outstanding under capital leases. To provide additional liquidity, in November 2009, we obtained additional equity financing of approximately $125 million in cash, the net proceeds of approximately $124 million of which were used to repay a portion of the borrowings outstanding under our senior secured revolving credit facility. In addition, we used a portion of the net proceeds from the November 2009 senior notes offering to repay in full our second lien term loan facility and repay a portion of the borrowings outstanding under our senior secured revolving credit facility and used the net proceeds of the January 2010 senior notes offering to repay a portion of the borrowings outstanding under our senior secured revolving credit facility. As of September 30, 2009, after giving effect to the application of the net proceeds of the November 2009 equity placements and the November 2009 and January 2010 offerings of the old notes, we would have had a borrowing base of approximately $369 million and $366 million of borrowing capacity available under our senior secured revolving credit facility. As of such date, we also had approximately $16 million of cash. In addition, our hedge position provides us with the relative certainty of receiving a significant portion of our expected cash flows from operations despite potential further declines in the price of natural gas. We actively review acquisition opportunities on an ongoing basis. Our ability to make significant additional acquisitions for cash would require us to obtain additional equity or debt financing, which we may not be able to obtain on terms acceptable to us or at all.

We believe that funds from operating cash flows and available borrowings under our senior secured revolving credit facility should be sufficient to meet our cash requirements, including normal operating needs, debt service obligations, capital expenditures, and commitments and contingencies for at least the next 12 months.

For more information on our outstanding indebtedness, see "—Cash Flow Provided by Financing Activities."

Cash Flow Provided by Operating Activities

Net cash provided by (used in) operating activities was $(18.1) million, $24.7 million and $157.5 million for the years ended December 31, 2006, 2007 and 2008, respectively, and $129.1 million and $118.2 million for the nine months ended September 30, 2008 and 2009, respectively. The increase in cash flow from operations for the year ended December 31, 2008 compared to 2007 and for 2007 compared to 2006 was primarily the result of an increase in natural gas and oil production. Changes in current assets and liabilities increased net cash provided by operations by $4.0 million during the year ended December 31, 2008 and had a minimal effect in the prior year period. Cash flow from operations during the nine months ended September 30, 2009 increased compared to the prior year interim period primarily related to changes in working capital attributable to the levels of accrued revenue.

Our operating cash flow is sensitive to many variables, the most significant of which is the volatility of prices for natural gas and oil production. Prices for these commodities are determined primarily by prevailing market conditions. Regional and worldwide economic activity, weather, infrastructure capacity to reach markets and other variable factors influence market conditions for these products. These factors are beyond our control and are difficult to predict. For additional information on the impact of changing prices on our financial position, see—Quantitative and Qualitative Disclosure About Market Risk" below.

Cash Flow Used in Investing Activities

During the years ended December 31, 2006, 2007 and 2008 and the nine months ended September 30, 2008 and 2009, we had cash flows used in investing activities of $158.3 million, $600.9 million, $1.0 billion, $912.4 million and $230.0 million, respectively, as a result of our capital expenditures for drilling, development and acquisition costs. Cash flows used in investing activities for the year ended December 31, 2008 are net of proceeds of $24.6 million from the sale of a 40% interest in our Centrahoma gas processing plant. The increase in cash flows used in investing activities during the year ended December 31, 2008 compared to the prior year period is a result of an increase in the capital program in the Piceance Basin as well as leasehold acquisition costs incurred in the Appalachian Basin totaling $361.4 million. The decrease in cash used in investing activities for the nine months ended September 30, 2009 compared to the prior year period of $682.4 million is a result of the investment in 2008 of $347 million in the Appalachian basin and curtailed investment activity in 2009 in all our projects in response to decreased cash flow from operations as a result of the decline in natural gas and oil prices in 2009.

Our capital expenditures for drilling, development and acquisition costs for the years ended December 31, 2006, 2007 and 2008 are summarized in the following table. Capital expenditures reflected in the table below differ from the amounts shown in the statements of cash flows in the financial statements because amounts reflected in the above table include changes in accounts payable from the previous reporting period for capital expenditures, while the amounts in the statements of cash flows in the financial statements are presented on a cash basis.

	Year Ended December 31,		
(in thousands)	2006	2007	2008
Arkoma Basin	$ 155,808	$ 409,465	$ 335,516
Piceance Basin	78,929	147,094	297,285
Appalachian	—	—	361,379
Gas plant, gathering, pipeline, and other	34,785	89,910	47,568
Total capital expenditures	$ 269,522	$ 646,469	$ 1,041,748

Our 2009 capital budget was $200 million. Our board of directors has approved a capital budget of up to $297 million for 2010. Our capital budget 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 and oil prices decline to levels below our acceptable levels or costs increase to levels above our acceptable levels, we could choose to defer a significant portion of our budgeted capital expenditures until later periods 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 flow. We routinely monitor and adjust our capital expenditures in response to changes in prices, availability of financing, drilling and acquisition costs, industry conditions, the timing of regulatory approvals, the availability of rigs, success or lack of success in drilling activities, contractual obligations, internally generated cash flow and other factors both within and outside our control.

Cash Flow Provided by Financing Activities

Net cash provided by financing activities of $874.4 million during the year ended December 31, 2008 was primarily the result of the issuance of $670.0 million of Series B preferred stock and $207.2 million of net borrowings under our senior secured revolving credit facility. Net cash provided by financing activities of $585.3 million during the year ended December 31, 2007 was primarily the result of the issuance of $225.0 million of Series B preferred stock, borrowings of $225.0 million under the second lien term loan facility, and $106.9 million of net borrowings on our senior secured revolving credit facility. Net cash provided by financing activities of $178.3 million during the year ended December 31, 2006 was primarily the result of the issuance of $110.0 million of Series A preferred stock and borrowings of $69.0 million under our senior secured revolving credit facility. Cash flows from financing activities of $89.0 million for the nine months ended September 30, 2009 were primarily a result of the issuance of $105.0 million of Series B preferred stock, net of $25.0 million of repayments on our senior secured revolving credit facility. Cash flows from financing activities for the nine months ended September 30, 2008 of $818.8 million were primarily a result of the issuance of $620.0 million of Series B preferred stock and borrowings under our senior secured revolving credit facility.

Senior Secured Revolving Credit Facility. Our senior secured revolving credit facility was amended and restated as of January 14, 2009 and amended in October and November 2009 and in January 2010 and matures on March 15, 2012. As of September 30, 2009, we had $386.6 million outstanding under this facility and a borrowing base of $400.0 million. The October 2009 and January 2010 amendments to our senior secured revolving credit facility provide that, prior to our next scheduled borrowing base redetermination in April 2010, we may not issue senior debt securities in excess of $550 million (including the $525 million principal amount of the old notes issued in the November 2009 and January 2010 senior notes offerings). In addition, any indebtedness that we issue during this period in excess of $400 million will result in an automatic reduction in our borrowing base by 25 cents for every dollar of incremental indebtedness incurred. As a result of the January 2010 offering of the old notes, the borrowing base under our senior secured revolving credit facility was automatically reduced by 25 cents per dollar of notes issued in excess of $25 million. As of September 30, 2009, on a pro forma basis after giving effect to the use of the net proceeds of $124 million from our November 2009 equity placements and the November 2009 and January 2010 offerings of the old notes, we would have had approximately $366 million of available borrowing capacity under our senior secured revolving credit facility. Future borrowing bases will be computed based on proved natural gas and oil reserves and estimated future cash flow from these reserves and hedge positions, as well as any other outstanding indebtedness. The borrowing base is redetermined semiannually; the next redetermination is scheduled to occur in April 2010. Following the next scheduled borrowing base redetermination, we may be subject to similar restrictions on our ability to incur indebtedness or our borrowing base may be reduced.

Principal amounts borrowed are payable on the maturity date with such borrowings bearing interest that is payable quarterly. We have a choice of borrowing in Eurodollars or at the base rate. Eurodollar loans bear interest at a rate per annum equal to the rate appearing on the Reuters BBA Libor Rates Page 3750 for one, two, three, six or twelve months plus an applicable margin ranging from 200 to 300 basis points, depending on the percentage of our borrowing base utilized. 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 an applicable margin ranging from 100 to 200 basis points, depending on the percentage of our borrowing base utilized. The amounts outstanding under the facility are secured by a first priority lien on substantially all of our natural gas and oil properties and associated assets and are cross-guaranteed by each borrower entity along with each of their current and future wholly owned subsidiaries. For information concerning the effect of changes in interest rates on interest payments under this facility, see "—Quantitative and Qualitative Disclosure About Market Risk—Interest Rate Risks and Hedges."

As of December 31, 2008, 2007 and 2006, borrowings outstanding under our senior secured revolving credit facility totaled $396.6 million, $189.4 million and $82.5 million, respectively, and had a weighted average interest rate (excluding the impact of our interest rate swaps) of 5.0%, 7.5% and 8.75% respectively. The 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 payments to Antero;
- incur liens; and
- engage in certain other transactions without the prior consent of the lenders.

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

- a current ratio, which is the ratio of our consolidated current assets to our consolidated current liabilities, of not less than 1.0 to 1.0 as of the end of each fiscal quarter; and
- a leverage ratio, which is (i) for fiscal quarters ended on or prior to June 30, 2009, the ratio of our consolidated funded indebtedness (minus amounts of unsatisfied capital calls) as of the end of such fiscal quarter to our consolidated EBITDAX for such quarter times four, of not greater than 4.0 to 1.0 or (2) for fiscal quarters ending on or after September 30, 2009, the ratio of our consolidated funded indebtedness (minus amounts of unsatisfied capital calls) as of the end of such fiscal quarter to our consolidated EBITDAX for the trailing four fiscal quarter period, of not greater than 4.0 to 1.0.

We were in compliance with such covenants and ratios as of December 31, 2008 and as of September 30, 2009.

Second Lien Term Loan Facility. We repaid our $225.0 million second lien term loan facility in full with the net proceeds of the November 2009 offering of notes. This facility matures on April 12, 2014. The principal amount borrowed under the second lien term loan facility was payable on the maturity date, with such amount borrowed bearing interest, payable quarterly. Interest accrues on Eurodollar loans at a rate per annum equal to the Eurodollar rate, plus an applicable margin of 450 basis points. Interest accrued on base rate loans at a rate per annum equal to the greater of (i) the prime lending

rate as set forth on the British Banking Association Telerate Page 5 and (ii) the federal funds effective rate plus 50 basis points, plus an applicable margin of 350 basis points. The amounts outstanding under the second lien term loan facility were secured by a second priority lien on substantially all of our natural gas and oil properties and associated assets and are cross-guaranteed by each borrower entity along with each of their current and future wholly owned subsidiaries. The second lien term loan facility contained various covenants including restrictions on our ability to incur indebtedness, dispose of assets, make loans or investments or certain payments, or enter into mergers. The second lien term loan facility also required us to maintain certain financial ratios, including interest coverage, leverage and net present value to funded indebtedness. We were in compliance with such covenants and ratios at December 31, 2008 and September 30, 2009.

Interest Rate Hedges. We have entered into various variable to fixed interest rate swap agreements which hedge our exposure to interest rate variations on our senior secured revolving credit facility and second lien term loan facility. At December 31, 2008, we had interest rate swaps outstanding for a notional amount of $426.0 million with fixed pay rates of from 2.79% to 4.11% with terms expiring from December 2009 through July 2011. During the years ended December 31, 2006, 2007 and 2008, we had realized gains (losses) on interest rate swap agreements of $0 million, $0.4 million and $1.4 million, respectively. At December 31, 2008, we had unrealized losses on interest rate swap agreements of $17.3 million. The amount of future gain or loss actually recognized on such swaps is dependent upon future interest rates. See "—Quantitative and Qualitative Disclosure About Market Risk—Interest Rate Risk and Hedges." We did not terminate the portion of the interest rate swaps related to the $225.0 million second lien term facility when it was retired in November 2009; therefore, a portion of the interest rate swaps do not currently have debt associated with them.

Capital Leases. We lease certain compressors under agreements that are classified as capital leases having a balance of approximately $1.2 million at September 30, 2009 and approximately $1.5 million, $1.4 million and $1.3 million at December 31, 2006, 2007 and 2008, respectively.

Commodity Hedging Activities

Our primary market risk exposure is in the price we received for our natural gas and oil production. Realized pricing is primarily driven by the prevailing worldwide price for crude oil and spot regional market prices applicable to our U.S. natural gas production. Pricing for natural gas and oil production has been volatile and unpredictable for several years, and we expect this volatility to continue in the future. The prices we receive for production depend on many factors outside of our control, including volatility in the differences between product prices at sales points and the applicable index price.

To mitigate some of the potential negative impact on our cash flow caused by changes in natural gas prices, we have entered into financial commodity swap contracts to receive fixed prices for a portion of our natural gas and oil production when management believes that favorable future prices can be secured. We typically hedge a fixed price for natural gas at our sales points (New York Mercantile Exchange ("NYMEX") less basis) to mitigate the risk of differentials to the Centerpoint East, CIG Hub, Transco Zone 4 and Columbia Gas Transmission (CGTAP) Indexes.

Our financial hedging activities are intended to support natural gas and oil prices at targeted levels and to manage our exposure to natural gas price fluctuations. The counterparty is required to make a payment to us for the difference between the fixed price and the settlement price if the settlement price is below the fixed price. We are required to make a payment to the counterparty for the difference between the fixed price and the settlement price if the fixed price is below the settlement price. These contracts may include financial price swaps whereby we will receive a fixed price for our production and pay a variable market price to the contract counterparty and cashless price collars that set a floor and ceiling price for the hedged production. If the applicable monthly price indices are outside of the ranges set by the floor and ceiling prices in the various collars, we and the counterparty to the collars would be required to settle the difference.

At December 31, 2008, we had in place natural gas swaps covering portions of our 2009 and 2010 production. Our senior secured revolving credit facility allows us to hedge up to 85% of our estimated production from proved reserves for up to 12 months in the future, 75% for 13 to 24 months in the future, 65% for 25 to 36 months in the future, 55% for 37 to 48 months in the future and 45% for 49 to 60 months in the future. Since December 31, 2008, we have entered into natural gas swaps covering portions of our anticipated 2011, 2012 and 2013 production. Based on our average daily production and our fixed price swap contracts in place during 2008, our annual income before taxes for the year ended December 31, 2008 would have decreased by approximately $1.2 million for each $0.10 decrease per MMBtu in natural gas prices and approximately $0.1 million for each $1.00 per barrel decrease in crude oil prices.

All derivative instruments, other than those that meet the normal purchase and normal sales exception as mentioned above, are recorded at fair market value in accordance with US GAAP and are included in the combined balance sheets as assets or liabilities. Fair values are adjusted for non-performance risk. As required under US GAAP, all fair values are adjusted for non-performance risk. Because we do not designate these hedges as accounting hedges, we do not receive accounting hedge treatment and all mark-to-market gains or losses as well as realized gains or losses on the derivative instruments are recognized in our results of operations. We present realized and unrealized gains or losses on commodity derivatives in our operating revenues as "Realized and unrealized gains (losses) on commodity derivative instruments." In 2008, approximately 59% of our natural gas volumes were hedged, which resulted in realized gains on hedges of $26.1 million. In 2007, we hedged approximately 81% of our natural gas volumes, which resulted in realized gains on hedges of $14.4 million.

Mark-to-market adjustments of derivative instruments produce earnings volatility but have no cash flow impact relative to changes in market prices. We expect continued volatility in the fair value of our derivative instruments. Our cash flow is only impacted when the underlying physical sales transaction takes place in the future and when the associated derivative instrument contract is settled by making or receiving a payment to or from the counterparty. At December 31, 2008 and September 30, 2009, the estimated fair value of all of our commodity derivative instruments was a net asset of $102.3 million and $31.5 million, respectively, comprised of current assets and noncurrent liabilities.

The table below summarizes the realized and unrealized gains related to natural gas derivative instruments for years ended December 31, 2006, and 2007 and 2008 and the nine months ended September 30, 2008 and 2009:

	Year Ended December 31,			Nine Months Ended September 30,	
(in thousands)	2006	2007	2008	2008	2009
Realized gains (losses) on commodity derivative contracts	$ (4,325)	$ 14,373	$ 26,053	$ 727	$ 90,411
Unrealized gains on commodity derivative contracts	18,656	4,619	90,301	63,582	(70,742)
Total	$ 14,331	$ 18,992	$ 116,354	$ 64,309	$ 19,669

Through September 30, 2009, and including swaps entered into since September 30, 2009 through February 10, 2009, we have entered into fixed price natural gas swaps in order to hedge a portion of our natural gas production from October 1, 2009 through December 31, 2013 as summarized in the following table. Hedge agreements referenced to the Centerpoint, NYMEX and Transco Zone 4 indices are for our production in the Arkoma Basin. Hedge agreements referenced to the CIG index are for

our production in the Piceance Basin. Hedge agreements referenced to the CGTAP index are for our production from the Appalachian Basin.

	MMbtu/d	Weighted average index price
Three months ending December 31, 2009:		
Centerpoint	40,000	$ 7.86
CIG	30,000	$ 7.58
NYMEX	10,000	$ 4.82
Year ending December 31, 2010:		
Centerpoint	30,000	$ 7.33
CIG	30,000	$ 5.54
NYMEX	10,000	$ 6.14
CGTAP	20,000	$ 5.92
Year ending December 31, 2011:		
CIG	35,000	$ 5.78
Transco Zone 4	35,000	$ 6.91
CGTAP	20,000	$ 6.75
Year ending December 31, 2012:		
CIG	35,000	$ 6.06
Transco Zone 4	35,000	$ 7.05
CGTAP	20,000	$ 6.94
Year ending December 31, 2013:		
CIG	20,000	$ 6.04
Transco Zone 4	20,000	$ 6.67
CGTAP	20,000	$ 6.83

By removing price volatility from a portion of our expected natural gas production through December 2013, we have mitigated, but not eliminated, the potential effects of changing prices on our operating cash flow for those periods. While mitigating negative effects of falling commodity prices, these derivative contracts also limit the benefits we would receive from increases in commodity prices.

By using derivative instruments that are not traded on an exchange to hedge exposures to changes in commodity prices, we expose ourselves to the credit risk of our counterparties. Credit risk is the potential failure of the counterparty to perform under the terms of the derivative contract. When the fair value of a derivative contract is positive, the counterparty is expected to owe us, which creates credit risk. To minimize the credit risk in derivative instruments, it is our policy to enter into derivative contracts only with counterparties that are creditworthy financial institutions deemed by management as competent and competitive market makers. The creditworthiness of our counterparties is subject to periodic review. We have economic hedges in place with four different counterparties, of which all but one are lenders in our senior secured revolving credit facility. As of September 30, 2009, JP Morgan Chase & Company accounted for 93.3% of the net fair market value of our commodity derivative asset position. BNP Paribas, KeyBank N.A. and Wells Fargo accounted for the remainder. We believe all of these institutions currently are acceptable credit risks. We are not required to provide credit support or collateral to any of our counterparties under current contracts, nor are they required to provide credit support to us. As of September 30, 2009, we have no past due receivables from any of our counterparties.

Contractual Obligations. A summary of our contractual obligations as of December 31, 2008 is provided in the following table.

	As of December 31,						
(in millions)	2009	2010	2011	2012	2013	Thereafter	Total
Senior secured revolving credit facility(1)	$ —	$ —	$ —	$ 396.6	$ —	$ —	$ 396.6
Second lien term loan facility(1)	—	—	—	—	—	225.0	225.0
Capital leases	0.2	0.2	0.2	0.2	0.2	0.6	1.6
Drilling rig commitments(2)	16.8	—	—	—	—	—	16.8
Derivative instruments(3)	7.1	6.8	3.3	—	—	—	17.2
Asset retirement obligations(4)	—	—	—	—	—	3.0	3.0
Office and equipment leases	0.5	0.5	0.5	0.5	0.5	1.6	4.1
Total	$ 24.6	$ 7.5	$ 4.0	$ 397.3	$ 0.7	$ 230.2	$ 664.3

(1) Includes outstanding principal amount at December 31, 2008. This table does not include future commitment fees, interest expense or other fees on these facilities 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) At December 31, 2008 we had three drilling rigs under contracts which expire in 2009. Any other rig performing work for us is doing so on a well-by-well basis and therefore can be released without penalty at the conclusion of drilling on the current well. These types of drilling obligations have not been included in the table above. The values in the table represent the gross amounts that we are committed to pay. However, we will record in our financials our proportionate share based on our working interest.

Drilling rig commitments do not include contingent commitments to drill wells on our unproved properties in order to retain oil and natural gas leasehold interests, including the estimated $625 million that we are required to spend between January 1, 2009 and June 30, 2018 pursuant to the acquisition agreement relating to the purchase of our properties in the Appalachian Basin in 2008.

(3) Derivative instruments represent the fair value for interest rate derivatives presented as liabilities in our combined balance sheet as of December 31, 2008. The ultimate settlement amounts of our derivative liabilities are unknown because they are subject to continuing market fluctuations.

(4) Neither the ultimate settlement amounts nor the timing of our asset retirement obligations can be precisely determined in advance; however, we believe it is likely that a very small amount of these obligations will be settled within the next five years.

In addition to amounts shown in the above table, we have entered into contracts with third party pipeline owners that provide firm processing rights and firm takeaway capacity on pipeline systems. The remaining terms on these contracts range from one to 14 years and require us to pay transportation demand and commodity charges regardless of the amount of pipeline capacity utilized by us.

Contractual obligations at September 30, 2009 do not differ significantly from the amounts shown in the above table at December 31, 2008, except that drilling rig commitments in 2009 have been reduced to approximately $11.3 million. In addition, the table above does not give effect to the application of the net proceeds of the November 2009 equity placements or of the November 2009 and January 2010 offerings of the old notes to repay our second lien term loan in full and reduce amounts outstanding under our senior secured revolving credit facility.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations are based upon our combined financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of our 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 combined financial statements. We provide expanded discussion of our more significant accounting policies, estimates and judgments below. We believe these accounting policies reflect our more significant estimates and assumptions used in preparation of our combined financial statements. See Note 2 of the notes to the combined financial statements for a discussion of additional accounting policies and estimates made by management.

Natural Gas and Oil Properties

Successful Efforts Method

Our natural gas and oil exploration and production activities are accounted for using the successful efforts method. Under this method, costs of drilling successful exploration wells and development costs are capitalized and amortized on a field basis using the unit-of-production method as natural gas and oil is produced. Geological and geophysical costs, delay rentals and costs to drill exploratory wells that do not discover proved reserves are expensed as exploration costs. The costs of development wells are capitalized whether productive or nonproductive. Natural gas and oil lease acquisition costs are also capitalized. The sale of a partial interest in a proved property is accounted for as a cost recovery and no gain or loss is recognized as long as this treatment does not significantly affect the unit-of-production amortization rate. Maintenance and repairs are charged to expense, and renewals and betterments are capitalized to the appropriate property and equipment accounts.

Unproved property costs are costs related to unevaluated properties and are transferred to proved natural gas and oil properties if the properties are determined to be productive. Proceeds from sales of partial interests in unproved leases are accounted for as a recovery of cost without recognizing any gain until all costs are recovered. Unevaluated natural gas and oil properties are assessed periodically for impairment on a property-by-property basis based on remaining lease terms, drilling results, reservoir performance, commodity price outlooks or future plans to develop acreage. If it is determined that it is probable that reserves will not be discovered, the cost of unproved leases is charged to impairment of unproved properties. During 2008, we charged impairment expense for abandoned leases with a cost of $10.1 million. The assessment of unevaluated natural gas and oil properties to determine any possible impairment requires managerial judgment.

The successful efforts method of accounting can have a significant impact on the operational results reported when we are entering a new exploratory area in anticipation of finding a gas and oil field that will be the focus of future development drilling activity. The initial exploratory wells may be unsuccessful and will be expensed. Seismic costs can be substantial, which will result in additional exploration expenses when incurred. Additionally, the application of the successful efforts method of accounting requires managerial judgment to determine the proper classification of wells designated as developmental or exploratory, which will ultimately determine the proper accounting treatment of the costs incurred.

Natural Gas and Oil Reserve Quantities and Standardized Measure of Future Cash Flows

Our independent engineers and internal technical staff prepare the estimates of natural gas and oil reserves and associated future net cash flows. Current accounting guidance allows only proved natural and oil reserves to be included in our financial statement disclosures. The SEC has defined proved reserves as the estimated quantities of natural gas and oil which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Our independent engineers and internal technical staff must make a number of subjective assumptions based on their professional judgment in developing reserve estimates. Reserve estimates are updated annually and consider recent production levels and other technical information about each field. Natural gas and oil reserve engineering is a subjective process of estimating underground accumulations of natural gas and oil that cannot be precisely measured. The accuracy of any reserve estimate is a function of the quality of available data and of engineering and geological interpretation and judgment. Periodic revisions to the estimated reserves and future cash flows may be necessary as a result of a number of factors, including reservoir performance, new drilling, natural gas and oil prices, cost changes, technological advances, new geological or geophysical data, or other economic factors. Accordingly, reserve estimates are generally different from the quantities of natural gas and oil that are ultimately recovered. We cannot predict the amounts or timing of future reserve revisions. If such revisions are significant, they could significantly affect future amortization of capitalized costs and result in impairment of assets that may be material.

Impairment of Proved Properties

We review our proved natural gas and oil properties for impairment whenever events and circumstances indicate that a decline in the recoverability of their carrying value may have occurred. We estimate the expected future cash flows of our gas and oil properties and compare these future cash flows to the carrying amount of the gas and oil properties to determine if the carrying amount is recoverable. If the carrying amount exceeds the estimated undiscounted future cash flows, we will adjust the carrying amount of the natural gas and oil properties to fair value. The factors used to determine fair value are subject to our judgment and expertise and include, but are not limited to, recent sales prices of comparable properties, the present value of future cash flows, net of estimated operating and development costs using estimates of proved reserves, future commodity pricing, future production estimates, anticipated capital expenditures, and various discount rates commensurate with the risk associated with realizing the expected cash flows projected. Because of the uncertainty inherent in these factors, we cannot predict when or if future impairment charges for proved properties will be recorded. We did not record any impairment charges for proved properties in 2008 or 2007.

New Accounting Pronouncements

SFAS No. 168, The FASB Accounting Codification and the Hierarchy of Generally Accepted Accounting Principles or SFAS 168—In July 2009, the Financial Accounting Standards Board ("FASB") issued SFAS 168 which will establish the Financial Accounting Standards Board Accounting Standards Codification (the "Codification") as the source of authoritative U.S. generally accepted accounting principles ("GAAP") recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases issued by the SEC are also sources of authoritative GAAP for SEC registrants.

SFAS No. 161, Disclosures about Derivative Instruments and Hedging Activities—an amendment of FASB Statement No. 133, or SFAS 161 codified in FASB ASC Topic 815—In March 2008, the FASB issued SFAS 161, which requires disclosures of how and why an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for and how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. SFAS 161 was effective for us on January 1, 2009 and has been adopted in the September 30, 2009 financial statements.

SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements, an amendment of Accounting Research Bulletin No. 51 or SFAS 160 codified in FASB ASC Topic 810—In December 2007, the FASB issued SFAS 160, which establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent's ownership interest and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. SFAS 160 also establishes reporting requirements that provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS 160 is effective for us on January 1, 2009. We have retroactively applied the provisions of this standard in these financial statements. The application of SFAS 160 did not affect our results of operations.

SFAS No. 157, Fair Value Measurements or SFAS 157 codified in FASB ASC Topic 820—In September 2006, the FASB issued SFAS 157, which was effective for us on January 1, 2008. SFAS 157:

- Defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date;
- Establishes a framework for measuring fair value;
- Establishes a three level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date;
- Nullifies the guidance in Emerging Issues Task Force or EITF 02-3, Issues Involved in Accounting for Derivative Contracts Held for Trading Purposes and Involved in Energy Trading and Risk Management Activities, which required the deferral of profit at inception of a transaction involving a derivative financial instrument in the absence of observable data supporting the valuation technique; and
- Significantly expands the disclosure requirements around instruments measured at fair value.

Upon the adoption of this standard we incorporated the marketplace participant view as prescribed by SFAS 157. Such changes included, but were not limited to, changes in valuation policies to reflect an exit price methodology, the effect of considering our own nonperformance risk on the valuation of liabilities, and the effect of any change in our credit rating or standing. The adoption of SFAS 157 did not significantly affect our valuation of our financial assets or liabilities. All changes in our valuation methodology have been incorporated into our fair value calculations subsequent to adoption.

Pursuant to FASB Staff Position 157 2, the FASB issued a partial deferral, ending on December 31, 2008, of the implementation of SFAS 157 as it relates to all nonfinancial assets and liabilities where fair value is the required measurement attribute by other accounting standards.

Revised Natural Gas and Oil Standard

In December 2008, the SEC released the final rule for Modernization of Oil and Gas Reporting, or Modernization. The Modernization disclosure requirements will require reporting of natural gas and oil reserves using an average price based upon the prior 12 month period rather than year end prices and the use of new technologies to determine proved reserves, if those technologies have been demonstrated to result in reliable conclusions about reserves volumes. Companies will also be allowed to disclose probable and possible reserves to investors in SEC filed documents. In addition, companies will be required to report the independence and qualifications of their reserves preparer or auditors and file reports when a third party is relied upon to prepare reserves estimates or conduct a reserves audit. The Modernization disclosure requirements have become effective for the year ending December 31, 2009. The SEC is coordinating with the FASB to obtain the revisions necessary under SFAS No. 19, Financial Accounting and Reporting by Oil and Gas Producing Companies, and SFAS

No. 69, Disclosures about Oil and Gas Producing Activities, to provide consistency with the Modernization. The FASB has issued Accounting Standards Update 2010-03 (ASU 2010-03) "Extractive Industries—Oil and Gas" to align its rules for oil and gas reserve estimation and disclosure requirements with the SEC's final rule. In October 2009, the SEC issued Staff Accounting Bulletin No. 113 (SAB No. 113), which revises portions of the interpretive guidance included in the section of the Staff Accounting Bulletin Series titled Topic 12: Oil and Gas Producing Activities. The principal changes involve revisions to bring Topic 12 into conformity with the contents of the Modernization. We are currently evaluating the impact of adopting SAB No. 113 on our financial statements and disclosures.

Quantitative and Qualitative Disclosure 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 natural gas and oil 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. All of our market risk sensitive instruments were entered into for hedging purposes, rather than for speculative trading.

Commodity Price Risk and Hedges

For a discussion of how we use financial commodity swap contracts to mitigate some of the potential negative impact on our cash flow caused by changes in natural gas prices, see "—Commodity Hedging Activities."

Interest Rate Risks and Hedges

At December 31, 2008, we had indebtedness outstanding under our senior secured revolving credit facility of $396.6 million and $225.0 million under our second lien term loan facility, which bear interest at floating rates. The average annual interest rate incurred on this indebtedness for the years ended December 31, 2008 and 2007 was approximately 6.9% and 9.7%, respectively. A 1.0% increase in each of the average LIBOR rate and federal funds rate for the year ended December 31, 2008 would have resulted in an estimated $5.4 million increase in interest expense for the year ended December 31, 2008 and an estimated $4.4 million increase in interest expense for the nine months ended September 30, 2009 before giving effect to interest rate swaps.

Through interest rate derivative contracts, we have attempted to mitigate our exposure to changes in interest rates. We have entered into various variable to fixed interest rate swap agreements which hedge our exposure to interest rate variations on our senior secured revolving credit facility and second lien term loan facility. At September 30, 2009, we have interest rate swaps outstanding for a notional amount of $426 million with fixed pay rates of from 2.79% to 4.11% with terms expiring from December 2009 through July 2011. Of the total notional amount of swaps outstanding, $225.0 million relates to the floating rate second lien term loan, which was repaid in full with the net proceeds of the November 2009 senior notes offering. We did not terminate the portion of the interest rate swaps related to the $225.0 million second lien term loan facility when it was repaid in November 2009; therefore, a portion of our interest rate swaps do not currently have floating rate debt associated with them.

Counterparty and Customer Credit Risk

Our principal exposures to credit risk are through receivables resulting from commodity derivatives contracts ($32.6 million at September 30, 2009), joint interest receivables ($3.2 million at September 30,

2009) and the sale of our natural gas production ($11.2 million in receivables at September 30, 2009), which we market to energy marketing companies, refineries and affiliates. Joint interest receivables arise from billing entities who own partial interest in the wells we operate. These entities participate in our wells primarily based on their ownership in leases on which we wish to drill. We can do very little to choose who participates in our wells. We are also subject to credit risk due to concentration of our natural gas receivables with several significant customers. We do not require our customers to post collateral. The inability or failure of our significant customers to meet their obligations to us or their insolvency or liquidation may adversely affect our financial results.

Off-Balance Sheet Arrangements

Currently, we do not have any off-balance sheet arrangements other than operating leases.

BUSINESS

Our Company

Antero Resources is an independent oil and natural gas company engaged in the exploration, development and production of natural gas properties located onshore in the United States. We focus on unconventional reservoirs, which can generally be characterized as fractured shales and tight sand formations. Our properties are primarily located in the Appalachian Basin in West Virginia and Pennsylvania, the Arkoma Basin in Oklahoma and the Piceance Basin in Colorado. Our corporate headquarters are in Denver, Colorado.

Our management team has worked together for many years and has a successful track record of reserve and production growth as well as significant expertise in unconventional resource plays. Our strategy is to leverage our team's experience delineating and developing natural gas resource plays to profitably grow our reserves and production, primarily through internally generated projects on our existing acreage. As of December 31, 2008, our estimated proved reserves were 679.6 Bcfe, consisting of 672.2 Bcf of natural gas and 1.2 MMBbl of oil and condensate. As of December 31, 2008, 99% of our proved reserves were natural gas, 35% were proved developed and 74% were operated by us. From December 31, 2006 through December 31, 2008, we grew our estimated proved reserves from 87.0 Bcfe to 679.6 Bcfe. In addition, we grew our average daily production from 30.8 MMcfe/d for the year ended December 31, 2007 to 105.9 MMcfe/d for the nine months ended September 30, 2009. For the twelve months ended December 31, 2008 and the nine months ended September 30, 2009, we generated cash flow from operations of $157.5 million and $118.2 million, respectively, net income (loss) of $84.0 million and $(86.8) million, respectively, and EBITDAX of $208.5 million and $151.5 million, respectively. See "Selected Historical Combined Financial Data" for a definition of EBITDAX (a non-GAAP measure) and a reconciliation of EBITDAX to net income (loss).

We have assembled a diversified portfolio of long-lived properties that are characterized by what we believe to be low geologic risk and a large inventory of repeatable drilling opportunities. Our drilling opportunities are focused in the Marcellus Shale of the Appalachian Basin, the Woodford Shale of the Arkoma Basin (the Arkoma Woodford), the Fayetteville Shale of the Arkoma Basin and the Mesaverde tight sands and Mancos Shale of the Piceance Basin. From inception, we have drilled and operated 311 wells through July 31, 2009 with a success rate of approximately 98%. Our drilling inventory consists of approximately 14,800 potential locations, all of which are resource-style opportunities and approximately 5% of which are included in our estimated proved reserve base as of December 31, 2008. For information on the possible limitations on our ability to drill our potential locations, see "Risk Factors—Risks Relating to Our Business—Our identified drilling locations are scheduled out over many years, making them susceptible to uncertainties that could materially alter the occurrence or timing of their drilling. In addition, we may not be able to raise the substantial amount of capital that would be necessary to drill a substantial portion of our potential drilling locations."

Part of our business strategy is to build and control midstream assets, including gathering, compression, treating and processing assets, in order to maximize the profitability of our operations in our core areas and to secure firm takeaway capacity. We own two midstream systems in the Arkoma and Piceance Basins, and we believe we have secured sufficient long-term firm takeaway capacity on major pipelines that are in existence or currently under construction in each of our core operating areas to accommodate our existing and foreseeable production.

Through September 30, 2009, we have spent approximately $144.5 million of our 2009 capital budget of $200 million, approximately 86% of which is allocated to low-risk development projects with the remaining capital budget allocated to infrastructure projects and land acquisition. Our board of directors has approved a capital budget of up to $297 million for 2010, approximately 86% of which is allocated to drilling. Of our 2010 drilling budget, approximately 46% is allocated to the Appalachian Basin, 34% to the Arkoma Basin Woodford Shale and 20% to the Piceance Basin. Consistent with our

historical practice, we periodically review our capital expenditures and adjust our budget based on liquidity, commodity prices and drilling results.

We believe we have a conservative financial position characterized by modest leverage, a strong hedge position and ample liquidity. We have entered into hedging contracts covering a total of approximately 122 Bcf of our natural gas production from October 1, 2009 through December 31, 2013 at a weighted average index price of $6.52 per Mcf. For 2010, we have hedged approximately 31.3 Bcf of our production at a weighted average index price of $6.29 per Mcf. On November 17, 2009, we completed an offering of $375 million principal amount of our 9.375% senior notes due 2017. On January 19, 2010, we completed an offering of $150 million additional principal amount of our 9.375% senior notes due 2017. As a result of the January 2010 notes offering, the borrowing base under our senior secured revolving credit facility was automatically reduced by 25 cents per dollar of notes issued in excess of $25 million. Accordingly, as of September 30, 2009, on a pro forma basis after giving effect to the use of the net proceeds of $124 million from our November 2009 equity placements described below and the November 2009 and January 2010 offerings of the old notes, we would have had approximately $366 million of available borrowing capacity under our senior secured revolving credit facility.

Business Strategy

Our objective is to build value through consistent growth in estimated reserves and production on a cost-efficient basis while delineating future drilling locations. Our strategy is to emphasize internally generated drillbit growth on our potential drilling locations in low-risk, repeatable, unconventional resource plays. We have made significant investments in technical staff, acreage and seismic data and technology to build our drilling inventory. Our strategy has the following principal elements:

- *Concentrate on unconventional resources in core operating areas.* We currently operate in three primary basins: the Appalachian Basin in West Virginia and Pennsylvania, the Arkoma Basin in Oklahoma and the Piceance Basin in Colorado. Concentrating our drilling and producing activities on unconventional resources in these core areas allows us to capitalize on the regional expertise that we have developed in interpreting specific geological and operating trends and optimizing drilling and completion techniques. Operating in multiple core areas allows us to optimize capital allocation between basins based on risked well economics to balance our portfolio and achieve consistent and profitable production and reserve growth.

- *Drive growth through low-risk development drilling in established resource plays.* We expect to generate profitable, long-term reserve and production growth predominantly through repeatable, low-risk development drilling on our assets. We typically allocate the substantial majority of our drilling budget to our development and delineation projects. We have a multi-year drilling inventory and have over 14,800 potential drilling locations on our existing leasehold acreage. We have drilled 311 wells from inception through July 31, 2009 and have achieved an approximate 98% success rate.

- *Focus on cost efficiency.* We believe concentrating on our sizeable oil and gas resources in place will allow us to consistently increase production while controlling, and typically reducing, per well costs. Our experience suggests that as we increase the density of development within our operating areas, we increase our expected recovery while reducing costs on a per well basis. We endeavor to control costs such that our cost to find, develop and produce natural gas is within the best performing quartile of our peer group based on publicly available information.

- *Maintain financial flexibility and conservative financial position.* We typically use equity capital to fund land acquisitions, exploratory drilling and initial infrastructure, while using cash flow from operations and debt financing to fund our drilling program. We repaid our $225 million second lien term loan facility in full with proceeds from the November 2009 $375 million senior notes

offering. In addition, we have applied the net proceeds of $124 million from our November 2009 equity placements and applied the balance of the net proceeds from the November senior notes offering and the net proceeds of the January 2010 notes offering to reduce the outstanding balance under our senior secured revolving credit facility. As of September 30, 2009, on a pro forma basis after giving effect to the use of the net proceeds from the November 2009 equity placements and the November 2009 and January 2010 offerings of the old notes, we would have had approximately $366 million of available borrowing capacity under our senior secured revolving credit facility, which, together with our operating cash flow and the $16 million of cash we held as of September 30, 2009, is expected to provide us with the financial flexibility to pursue our currently planned delineation and development drilling activities.

- *Manage commodity price exposure through an active hedging program.* We maintain an active hedging program designed to mitigate volatility in commodity prices and regional basis differentials. We have entered into hedging contracts covering a total of approximately 122 Bcf of our natural gas production from October 1, 2009 through December 31, 2013 at a weighted average index price of $6.52 per Mcf. For 2010, we have hedged approximately 31.3 Bcf of our production at a weighted average index price of $6.29 per Mcf. Substantially all of our hedges are at regional sales points in our operating regions, which mitigates the risk of basis differential to the Henry Hub index.

- *Control midstream assets and secure firm takeaway capacity.* We own two midstream systems in the Arkoma Woodford and Piceance Basin, which we believe enhance the profitability of our drilling operations in those areas. We believe the control of gathering and processing infrastructure allows us to decrease dependence on third parties, better manage the timing of our development and optimize the markets to which we sell our production. We expect that our midstream assets will accommodate our anticipated drilling program, resulting in an increase in our throughput volumes, plant capacity and operating cash flows. In addition, we believe we have secured sufficient long-term firm takeaway capacity on major pipelines that are in existence or currently under construction to accommodate our existing and foreseeable production.

Business Strengths

We believe we have the following strengths:

- *Proven track record of efficient production and reserve growth.* We have a proven track record of growth in our production and estimated proved reserves. For example, we grew our production from an average of 30.8 MMcfe/d for the year ended December 31, 2007 to 105.9 MMcfe/d for the nine months ended September 30, 2009. In addition, we have grown our estimated proved reserves from 87.0 Bcfe at December 31, 2006 to 679.6 Bcfe at December 31, 2008.

- *Multi-year, low-risk, development drilling inventory.* Our drilling inventory consists of approximately 14,800 potential locations, all of which are resource-style opportunities and approximately 5% of which are included in our estimated proved reserve base as of December 31, 2008. From inception in 2004 through July 31, 2009, we have drilled and operated 311 wells, achieving an approximate 98% success rate. Our concentrated leasehold position has been delineated largely through drilling done by us as well as other industry players, which we believe will help us to achieve predictable and repeatable future well results and minimize investment risk.

- *Control over operating decisions and capital program.* As of July 31, 2009, we had a net leasehold interest of 61.9% on our acreage and operated 69% of our production. Our high percentage of operated wells allows us to effectively control operating costs, timing of development activities, application of technological enhancements, marketing of production and allocation of our capital budget. In addition, the timing of most of our capital expenditures is discretionary, which allows

us a significant degree of flexibility to adjust the size and timing of our development in response to changes in market conditions.

- *Proven executive management team with track record of value creation.* We believe our management team's experience and expertise in the Midcontinent and Rocky Mountain operating regions coupled with our multiple resource plays provides a distinct competitive advantage. Our eight corporate officers have an average of 25 years of industry experience in the Midcontinent and Rocky Mountain operating regions and have successfully built, grown and sold three unconventional resource-focused companies in the past 20 years. Our Chairman and Chief Executive Officer and our President and Chief Financial Officer and many other members of our management team worked together as managers or executives while at Amoco, Barrett Resources, Pennaco Energy, Inc. or Antero Resources Corporation, a former affiliate of our company that operated in the Barnett Shale and was sold to XTO Energy in 2005.

- *Leading technical team with significant unconventional shale and tight sand experience.* All of our proved reserves and resources are classified as unconventional resources, including fractured shale gas plays and basin-centered tight gas. Since 2003, our technical team has drilled and operated over 200 horizontal and over 150 vertical wells in the Barnett, Woodford and Marcellus shales and over 150 directional wells in the Piceance tight sands. Our technical team has significant experience in drilling horizontal and directional wells in addition to fracture stimulation of unconventional formations. We utilize the latest geologic, drilling and completion technologies to increase the predictability and repeatability of finding and recovering resources in these unconventional gas plays. We were an early user of microseismic imaging to monitor frac performance in real time, completed one of the first simul-fracs stimulating three horizontal wells simultaneously in the Barnett Shale and have drilled some of the longest lateral shale gas wells completed to date.

- *Strong sponsor support.* We are backed by a number of well known financial sponsors, including Warburg Pincus, Yorktown Energy Partners and Trilantic Capital Partners. To date, our equity investors have made total equity investments of approximately $1.4 billion, including our November 2009 $125 million equity placements.

Our Operations

Estimated Proved Reserves

The information with respect to our estimated proved reserves presented below has been prepared by our independent reserve engineering firms or by our internal reserve engineers, as applicable, in accordance with rules and regulations of the SEC applicable to companies involved in oil and natural gas producing activities and applicable to fiscal years ending before December 31, 2009. In this prospectus, proved reserve estimates do not include any value for probable or possible reserves which may exist. Our estimated proved reserves included in this prospectus were determined using constant prices and unescalated costs based on the prices received on a field-by-field basis as of December 31, 2006, 2007 and 2008, as applicable.

The following table summarizes our estimated proved reserves and related PV-10 at December 31, 2008 for each of our core operating areas. The reserve estimates for the Arkoma Basin Woodford Shale in the table below are based on reports prepared by DeGolyer and MacNaughton, independent reserve engineers. In preparing its report, DeGolyer and MacNaughton evaluated properties representing all of our PV-10 in the Arkoma Basin Woodford Shale at December 31, 2008 and approximately 54% of our total PV-10 at December 31, 2008. Our reserve estimates for the Piceance Basin in the table below are based on reports prepared by Ryder Scott Company, L.P., independent reserve engineers. In preparing its report, Ryder Scott evaluated properties representing all of our PV-10 in the Piceance Basin at December 31, 2008 and approximately 44% of our total PV-10 at

December 31, 2008. The remaining reserve estimates in the table below were prepared by our internal reserve engineers and technical staff. Properties evaluated by our internal reserve engineers and technical staff represented approximately 2% of our total PV-10 at December 31, 2008. Reserves attributable to our properties in the Fayetteville Shale and the Ardmore Basin Woodford Shale constitute the "Other" line item in the table below. The information in the following table does not give any effect to or reflect our commodity hedges.

	At December 31, 2008		
Area	Proved reserves (Bcfe)	PV-10 (in millions)	Pricing used (per Mcf)
Appalachian Basin	—	—	—
Arkoma Basin	321.0	$ 349.7	$ 4.61
Piceance Basin	347.2	287.1	$ 4.61
Other	11.4	12.3	$ 4.61
Total	679.6	$ 649.1	

The following table sets forth more information regarding our total estimated proved reserves at December 31, 2006, 2007 and 2008:

	At December 31,		
	2006	2007	2008
Estimated proved reserves:			
Natural gas (Bcf)	84.9	228.7	672.2
Oil and condensate (MMBbl)	0.4	1.0	1.2
Total estimated proved reserves (Bcfe)	87.0	234.7	679.6
Proved developed producing (Bcfe)	27.2	98.9	238.1
Proved developed non-producing (Bcfe)	11.9	10.2	0.7
Proved undeveloped (Bcfe)	47.9	125.6	440.8
Percent developed	44.9%	46.5%	35.1%
PV-10 (in millions)(1)	$ 79.1	$ 425.9	$ 649.1
Standardized measure (in millions)(2)	$ 89.8	$ 432.1	$ 688.6

(1) PV-10 was prepared using prices in effect at the end of the periods presented, discounted at 10% per annum, without giving effect to taxes. PV-10 may be considered a non-GAAP financial measure. We believe that the presentation of PV-10 is relevant and useful to our investors as supplemental disclosure to the standardized measure, or after tax amount, because it presents the discounted future net cash flows attributable to our proved reserves prior to taking into account future corporate income taxes and our current tax structure. While the standardized measure is dependent on the unique tax situation of each company, PV-10 is based on prices and discount factors that are consistent for all companies. Because of this, PV-10 can be used within the industry and by creditors and securities analysts to evaluate estimated net cash flows from proved reserves on a more comparable basis. The difference between the standardized measure and the PV-10 amount is the discounted estimated future income tax.

(2) Standardized measure represents the present value of estimated future cash inflows from proved natural gas and oil reserves, less future development, production and income tax expenses, discounted at 10% per annum to reflect timing of future cash flows. Our reserves and the future net revenues were determined using market prices for natural gas and oil, without giving effect to hedging transactions, at each of December 31, 2008, 2007 and 2006, and are held constant throughout the life of the properties.

The following table sets forth the estimated future net cash flows, excluding open hedging contracts, from proved reserves, the present value of those net cash flows (PV-10), and the expected benchmark prices used in projecting net cash flows at December 31, 2006, 2007 and 2008:

	At December 31,		
(In millions, except per Mcf data)	2006	2007	2008
Future net cash flows	$ 222.5	$ 972.3	$ 1,695.6
Present value of future net cash flows:			
Before income tax (PV-10)	$ 79.1	$ 425.9	$ 649.1
After income tax (Standardized measure)	$ 89.8	$ 432.1	$ 688.6
Benchmark price (NYMEX) ($/Mcf)	$ 6.25	$ 6.99	$ 5.92

Future net cash flows represent projected revenues from the sale of proved reserves net of production and development costs (including operating expenses and production taxes). Such calculations, prepared in accordance with "Disclosures about Natural Gas Producing Activities," are based on costs and prices in effect at December 31 of each year, without escalation. There can be no assurance that the proved reserves will be produced within the periods indicated or that prices and costs will remain constant. There are numerous uncertainties inherent in estimating reserves and related information and different reservoir engineers often arrive at different estimates for the same properties.

Production, Revenues and Price History

Natural gas is a commodity. The price that we receive for the natural gas we produce is largely a function of market supply and demand. Demand for natural gas in the United States has increased dramatically during this decade; however, the current economic slowdown reduced this demand during the second half of 2008 and through the first nine months of 2009. Demand is impacted by general economic conditions, weather and other seasonal conditions, including hurricanes and tropical storms. Over or under supply of natural gas can result in substantial price volatility. Historically, commodity prices have been volatile and we expect that volatility to continue in the future. A substantial or extended decline in gas prices or poor drilling results could have a material adverse effect on our financial position, results of operations, cash flows, quantities of gas reserves that may be economically produced and our ability to access capital markets.

The following table sets forth information regarding gas production, revenues and realized prices and production costs for the years ended December 31, 2006, 2007 and 2008 and for the nine months

ended September 30, 2008 and 2009. For additional information on price calculations, see information set forth in "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Year Ended December 31,			Nine Months Ended September 30,	
	2006	2007	2008	2008	2009
Production data:					
Natural gas (Bcf)	2.0	10.9	30.3	20.3	26.3
Oil (MBbl)	8.0	49.4	114.9	79.9	92.1
NGLs (Bcfe)(1)	—	—	0.9	0.3	2.0
Combined (Bcfe)	2.1	11.2	31.9	21.1	28.9
Daily combined (MMcfe/d)	5.7	30.8	87.4	77.3	105.9
Gas and oil production revenues (in millions)	$ 14.8	$ 67.7	$ 229.7	$ 184.9	$ 95.9
Average prices before effects of hedges (per Mcfe)(2)	$ 7.16	$ 6.03	$ 7.41	$ 8.90	$ 3.57
Average realized prices after effects of hedges (per Mcfe)(2)	$ 5.07	$ 6.65	$ 8.25	$ 8.94	$ 6.93
Average costs per Mcfe:					
Lease operating costs	$ 0.58	$ 0.39	$ 0.43	$ 0.41	$ 0.54
Gathering, compression and transportation	$ 1.20	$ 0.89	$ 0.94	$ 0.98	$ 0.71
Production taxes	$ 0.49	$ 0.20	$ 0.33	$ 0.40	$ 0.16
Depreciation, depletion, amortization and accretion	$ 3.85	$ 4.46	$ 4.03	$ 4.13	$ 4.06
General and administrative	$ 3.62	$ 1.04	$ 0.52	$ 0.55	$ 0.54

(1) Represents NGLs retained by our midstream business as compensation for processing third-party gas under long term contracts. These amounts are not reflected in the per Mcfe data in this table.

(2) Average prices shown in the table reflect both of the before-and-after effects of our realized commodity hedging transactions. Our calculation of such after-effects includes realized gains or losses on cash settlements for commodity derivatives, which do not qualify for hedge accounting because we do not designate or document them as hedges.

Productive Wells

The following table sets forth information relating to productive wells in each of our core areas at July 31, 2009. We also own royalty and overriding royalty interests in a small number of wells in which we do not own a working interest.

	Total Producing Wells		Average Working Interest
	Gross	Net	
Appalachian Basin(1)	—	—	—%
Arkoma Basin	539.0	117.5	21.8%
Piceance Basin	182.0	123.6	67.9%
Other(2)	72.0	3.7	5.0%
Total	793.0	244.8	30.9%

(1) Wells drilled in the Appalachian Basin were not brought online until August 2009.

(2) Represents data from our properties in the Fayetteville Shale and the Ardmore Basin Woodford Shale.

Acreage

The following table sets forth certain information regarding the developed and undeveloped acreage in which we own an interest as of July 31, 2009 for each of our core operating areas. Acreage related to royalty, overriding royalty and other similar interests is excluded from this table.

	Developed Acres		Undeveloped Acres		Total Acres		Percent Leasehold Interest
	Gross	Net	Gross	Net	Gross	Net	
Appalachian Basin	421	421	138,376	118,484	138,797	118,905	85.7%
Arkoma Basin	112,884	49,552	88,946	40,713	201,830	90,265	44.7%
Fayetteville Shale	1,487	1,434	4,835	4,528	6,321	5,962	94.3%
Piceance Basin	8,401	6,407	59,268	53,527	67,669	59,934	88.6%
Other(1)	4,762	1,087	80,558	33,401	85,320	34,487	40.4%
Total	127,955	58,901	371,983	250,653	499,937	309,553	61.9%

(1) Represents acreage held in the Barnett Shale, Ardmore Woodford Shale, Arkansas Atoka tight sands and Bakken Shale. Since July 31, 2009, our acreage in the Ardmore Woodford Shale has been significantly reduced as a result of lease expirations.

Undeveloped Acreage Expirations

The following table sets forth the number of gross and net undeveloped acres as of July 31, 2009 that expired during the remainder of 2009 and over the following three years by region unless production is established within the spacing units covering the acreage prior to the expiration dates:

	2009		2010		2011		2012	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Appalachian Basin	—	—	1,176	1,081	1,637	1,288	2,410	1,911
Arkoma Basin	8,682	7,499	51,509	20,507	27,847	11,263	643	183
Piceance Basin	3,950	3,134	3,609	2,329	10,739	8,984	5,206	3,191
Other(1)	29,763	15,904	17,179	9,265	26,493	4,931	583	583
Total	42,395	26,537	73,473	33,182	66,716	26,466	8,842	5,868

(1) Represents acreage held in the Barnett Shale, Ardmore Woodford Shale, Fayetteville Shale, Arkansas Atoka tight sands and Bakken Shale. Since July 31, 2009, our acreage in the Ardmore Woodford Shale has been significantly reduced as a result of lease expirations.

Drilling Activity

The following table summarizes our drilling activity for the years ended December 31, 2006, 2007 and 2008 and for the seven months ended July 31, 2009. Gross wells reflect the sum of all wells in which we own an interest. Net wells reflect the sum of our working interests in gross wells.

	Year Ended December 31,						Seven Months Ended July 31, 2009	
	2006		2007		2008			
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Development wells:								
Productive	—	—	36.0	17.5	38.0	25.4	20.0	1.3
Dry	—	—	—	—	1.0	0.8	—	—
Total development wells	—	—	36.0	17.5	39.0	26.2	20.0	1.3
Exploratory wells								
Productive	176.0	60.9	152.0	51.7	297.0	80.1	73.0	6.7
Dry	1.0	0.4	4.0	1.0	2.0	0.6	—	—
Total exploratory wells	177.0	61.3	156.0	52.7	299.0	80.7	73.0	6.7

Our Core Operating Areas

Appalachian Basin Marcellus Shale

Our properties in the Appalachian Basin are principally located in southwest Pennsylvania and northern West Virginia. As of July 31, 2009, we had approximately 119,000 net leasehold acres in the Appalachian Basin, 87% of which was held by production. All of this acreage includes Marcellus Shale rights. We hold a 100% working interest in approximately 83% of this acreage. As of December 31, 2008, we did not have any estimated proved reserves or related PV-10 in the Appalachian Basin.

Since spudding our first well in the Appalachian Basin in March 2009, through December 31, 2009 we have completed a total of 4 gross (4 net) horizontal wells and 1 gross (1 net) vertical well in the area. We are currently operating two drilling rigs in the Appalachian Basin and plan to have a third rig running by February 28, 2010. As of July 31, 2009, we had 2,253 potential drilling locations in the area.

Our first two wells in the Marcellus Shale of the Appalachian Basin were brought online in August 2009, and three additional wells were brought online in December 2009. We are in the process of drilling and completing six additional wells.

Approximately 35% of our 2009 capital expenditure budget of $200 million has been allocated to the Appalachian Basin, and approximately 46% of our 2010 drilling budget is allocated to the Appalachian Basin.

Arkoma Basin Woodford Shale

Our properties in the Arkoma Woodford are located in eastern Oklahoma. As of July 31, 2009, we had approximately 90,000 net leasehold acres in the area, 56% of which was held by production. As of December 31, 2008, our estimated net proved reserves and related PV-10 attributable to the Arkoma Woodford area were approximately 321.0 Bcfe and $349.7 million, respectively. For the nine months ended September 30, 2009, we had 69.7 MMcfe/d of average daily production in the area, including NGLs retained by our midstream business.

Our activity in the Arkoma Woodford has consisted of a combination of exploratory, step-out and development drilling designed both to secure acreage and to delineate areas of economic production

for further development. As of July 31, 2009, we had a total of 539 gross (117.5 net) producing wells in the area. We have grown our production in the area. We are currently operating one drilling rig in the Arkoma Woodford and, as of July 31, 2009, had 4,574 gross potential drilling locations in the area.

During 2007, we and the industry began to develop this area using alternative spacing to determine the optimum density for development. These results indicate that 80-acre spacing is economically feasible on much of our acreage. In addition, we have reduced our average cost per lateral foot drilled during the first seven months of 2009 through improved mud systems, optimal bit selections, operational efficiencies and reduced drilling day rates. Our development efforts to date have also successfully demonstrated that we are able to drill and complete wells across minor faults that previously limited the length of our lateral drilling.

Approximately 42% of our 2009 capital expenditure budget of $200 million has been allocated to the Arkoma Basin Woodford Shale, and approximately 34% of our 2010 drilling budget is allocated to the Arkoma Basin Woodford Shale.

Piceance Basin

Our properties in the Piceance Basin are located on the western slope of Colorado. As of July 31, 2009, we had approximately 60,000 net leasehold acres in the area and, as of December 31, 2008, our estimated net proved reserves and related PV-10 attributable to the Piceance Basin were approximately 347.2 Bcfe and $287.1 million, respectively.

Since drilling our first well in the Piceance Basin in 2006 and through July 31, 2009, we have completed 182 gross (123.6 net) producing directional wells in the area. For the seven months ended July 31 2009, we completed 7 gross (1.5 net) directional wells in this area. We had average production of 32.4 MMcfe/d for the nine months ended September 30, 2009. We are currently operating one completion rig in the Piceance Basin and, as of July 31, 2009, had 6,339 potential drilling locations in the area. We plan to have one drilling rig running in the area by February 28, 2010.

We believe we are well positioned to take advantage of the significant opportunities we have identified in the development of the Mesaverde tight sands and the Mancos Shale in the Piceance Basin. We initiated a drilling pilot to evaluate potential Mancos Shale reserves in January 2008. This pilot was designed to test productivity and evaluate the economics of low permeability lithologies of the Mancos/Niobrara petroleum system. The nine wells we have completed to date lead us to believe that the entire interval may prove to be productive. We have received formal approval from the Colorado Oil & Gas Commission for 10-acre density for Mancos/Niobrara on 7,000 acres. We also received approval to commingle our Mancos Shale production with production from the overlying Mesaverde tight sand formation, which we believe will enhance our economic returns in this area.

Approximately 23% of our 2009 capital expenditure budget of $200 million has been allocated to the Piceance Basin and approximately 20% of our 2010 drilling budget is allocated to the Piceance Basin.

Other Operating Areas

Fayetteville Shale

As of December 31, 2008, our estimated proved reserves in the Fayetteville Shale were approximately 10.5 Bcfe, representing approximately 1.6% of our PV-10 at such date. As of July 31, 2009, we held approximately 6,000 net acres in the eastern part of the Fayetteville Shale. We had average production of 3.8 MMcfe/d for the nine months ended September 30, 2009. We are currently participating in the drilling of one well in the area and have 68 wells currently on production. We do not operate wells in the Fayetteville Shale but participate in wells operated by others.

Ardmore Basin Woodford Shale

As of December 31, 2008, our estimated proved reserves in the Ardmore Basin Woodford Shale were approximately 0.9 Bcfe, representing less than 1% of our PV-10 at such date. As of July 31, 2009, we held approximately 25,000 acres in the Ardmore Basin, primarily in the Horseshoe East and Peterson prospects, which acreage has since been significantly reduced as a result of lease expirations. We began operations in the Horseshoe East area of the Ardmore Basin in July 2008 and have drilled and completed one horizontal well in the area, which had an initial production rate of 4.1 MMcfe/d.

Our Midstream Operations

Arkoma Midstream System

We own 60% of Centrahoma Processing LLC, a joint venture that operates two cryogenic processing plants in the Arkoma Basin. The remaining 40% interest in Centrahoma is owned by MarkWest. These plants are currently running at or near their operational capacity of 100 MMcf/d, yield 8,000 to 9,000 gross Bbl/d of NGLs and are capable of yielding NGLs of up to 3.8 gallons per Mcf. All of our and the majority of Newfield Exploration's wet gas in the Woodford Play is processed at these plants under long term contracts. In addition, the new Oneok NGL pipeline, which both of our plants deliver NGL products into, became operational in September 2008.

We own and operate an amine treating plant for CO_2 removal in the East Rockpile area of the Arkoma Woodford. This plant is located in one of our key drilling areas, has 42 MMcf/d capacity and is currently running at 26.4 MMcf/d.

We also own approximately 50 miles of gathering pipeline in the Northern Front and East Rockpile areas of the Arkoma Woodford.

Piceance Gathering System

We own approximately 20 miles of gathering pipeline in the Gravel Trend in the Piceance Basin. We do not currently own or operate any compression facilities in the area. Our gas is gathered and delivered to third parties for compression, processing and takeaway.

Takeaway Capacity

Arkoma Basin

We currently have firm takeaway capacity of 20 MMcf/d on the Ozark Gas Transmission Pipeline through August 2012 and 20 MMcf/d of firm takeaway capacity on the Boardwalk Gulf Crossing Pipeline through July 2014. We have also contracted for 10 MMcf/d of additional takeaway capacity on the Boardwalk Gulf Crossing Pipeline to begin in August 2010 and another 10 MMcf/d of additional takeaway capacity to begin in August 2011, with both contracts having five-year terms.

Piceance Basin

We currently have 40MMcf/d of firm takeaway capacity on the WIC Pipeline through September 2020. The El Paso WIC Pipeline expansion from Meeker, Colorado to Opal, Wyoming will provide 230 MMcf/d of incremental capacity to more liquid markets. Additionally, we have contracted for 25 MMcf/d of firm takeaway capacity for 10 years on the El Paso Ruby Pipeline that has applied to FERC for authorization to commence construction. The Ruby Pipeline will begin in Opal, Wyoming and is expected to provide approximately 1.3 Bcf/d of incremental pipeline capacity to the Northwest and West Coast of the United States beginning in the first quarter of 2011.

Appalachian Basin

We have 39.7 MMcf/d of firm transportation on the Columbia Pipeline from August 2009 for 7.5 years. We are also evaluating additional transportation opportunities with major interstate pipeline and midstream companies operating in the Appalachian Basin, including Columbia, Dominion, Equitrans, MarkWest and Texas Eastern.

Corporate Sponsorship and Structure

We began operations in 2004, and have funded development and operating activities of each of the operating subsidiaries primarily through equity capital raised from private equity sponsors and institutional investors, through borrowings under our bank credit facilities and through internal operating cash flows. Our primary private equity sponsors are affiliates of Warburg Pincus, Yorktown Energy Partners and Trilantic Capital Partners.

Antero Resources LLC was formed as a holding company in October 2009 in connection with our November 2009 corporate reorganization of the operating subsidiaries and the issuance of a new class of units. Prior to this reorganization, all of our operations were conducted by five separately capitalized commonly controlled operating subsidiaries.

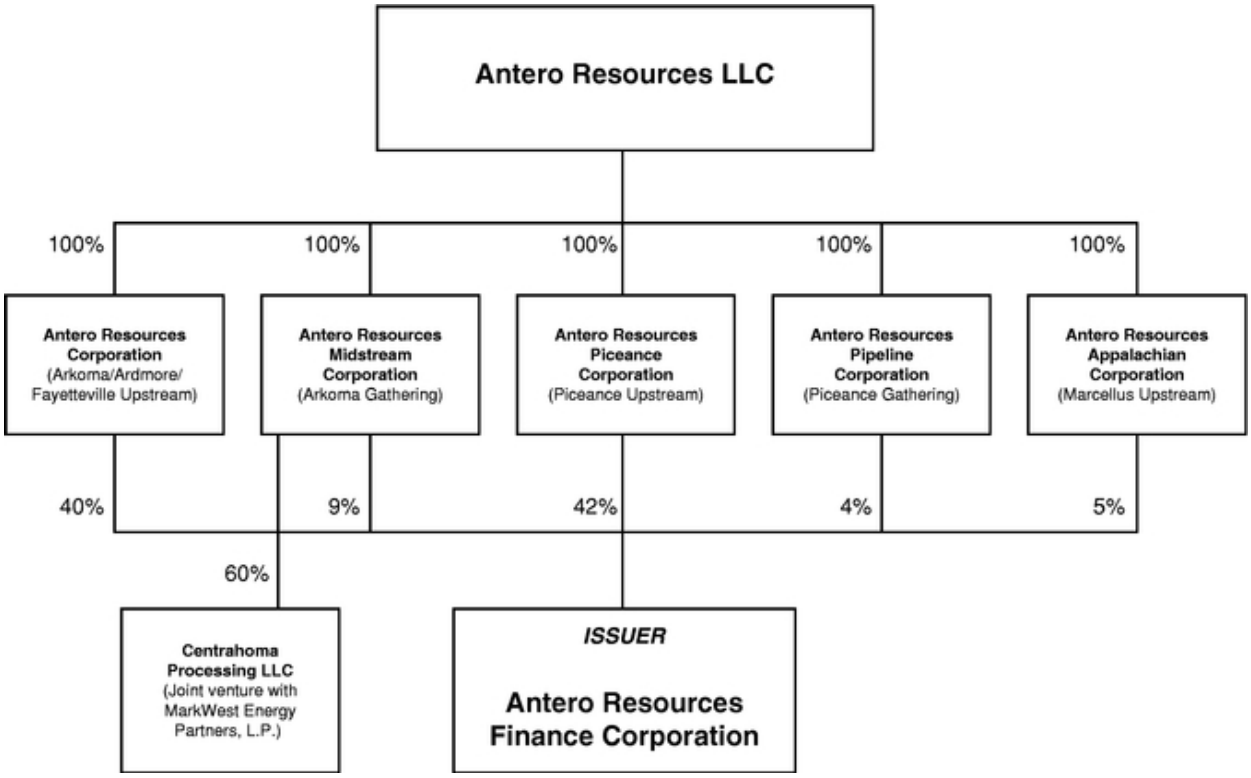
In connection with the November 2009 corporate reorganization, the stockholders of each of the operating subsidiaries contributed all of the outstanding shares of each operating subsidiary to Antero. In return, Antero issued an equivalent number of units of different classes to such stockholders. The newly issued units are substantially similar in character to the contributed stock of each operating subsidiary, including the relative priority of any distributions made by Antero as well as the vesting schedule applicable to shares held by any member of management. Simultaneously with this exchange, Antero issued a new class of units in exchange for $110 million in new equity capital. Later in November 2009, Antero issued additional units of such new class in exchange for an additional $15 million in new equity capital.

None of Antero's outstanding units are entitled to current cash distributions or are convertible into indebtedness, and Antero has no obligation to repurchase these units at the election of the unitholders. Although Antero is required to make quarterly distributions to cover any income taxes allocated to each unitholder, the unitholders have no other rights to cash distributions (except in the case of certain liquidation events). We do not anticipate making any such tax distributions in the foreseeable future. Pursuant to the terms of Antero's limited liability company agreement, upon certain liquidation events, units held by our private equity sponsors and institutional investors are entitled to receive, prior to any amounts received by other unitholders, an amount equal to the initial purchase price of such units plus a special distribution with respect to such units and will continue to participate on a pro rata basis with other unitholders in any excess funds available in liquidation. For more information on the terms of the Antero limited liability company agreement, see "Management—Certain Relationships and Related Party Transactions."

Concurrent with the closing of the reorganization, Antero issued profits interests to Antero Resources Employee Trust, LLC, a newly formed Delaware limited liability company, owned solely by certain of our officers and employees. These profits interests only participate in distributions upon liquidation events meeting certain requisite financial return thresholds. In turn, Antero Resources Employee Trust issued similar profits interests to certain of our officers and employees.

We used the aggregate net proceeds of approximately $124 million from the November 2009 equity placements to repay borrowings outstanding under our senior secured revolving credit facility.

The following diagram shows our organizational structure after giving effect to the November 2009 corporate reorganization:



The issuer was formed in October 2009 as an indirect wholly owned subsidiary of Antero. The issuer was formed to arrange financing for Antero and the operating subsidiaries, including the notes offered hereby. The indenture governing the notes limits the issuer's activity to those of a finance subsidiary. The issuer does not own any significant assets other than intercompany obligations.

The payment of the principal, premium and interest on the notes is fully and unconditionally guaranteed on a senior unsecured basis by Antero Resources LLC, all of its wholly owned subsidiaries (other than the issuer) and certain of its future restricted subsidiaries. Centrahoma Processing LLC is a joint venture owned 60% by Antero and 40% by MarkWest Energy Partners, L.P. and does not guarantee the notes. As of September 30, 2009, Centrahoma Processing LLC, had no outstanding indebtedness and held less than 4% of our consolidated total assets. The guarantees are unsecured senior indebtedness of the guarantors and have the same ranking with respect to the guarantors' indebtedness as the notes have with respect to the issuer's indebtedness. See "Description of Notes—Guarantees."

Marketing and Major Customers

We market the majority of the natural gas production from properties we operate for both our account and the account of the other working interest owners in these properties. We sell substantially all of our production to a variety of purchasers under short-term contracts or spot gas purchase contracts ranging anywhere from one day to seven months, all at market prices. We normally sell production to a relatively small number of customers, as is customary in the exploration, development and production business. However, based on the current demand for natural gas and oil and availability of other purchasers, we believe that the loss of any one or all of our major purchasers would not have a material adverse effect on our financial condition and results of operations. For a list of our

customers that accounted for 10% or more of our natural gas revenues during the last two calendar years, see "Note 2(p)—Concentrations of credit risk" in our combined financial statements for the years ended December 31, 2008, 2007 and 2006 included elsewhere in this prospectus.

Title to Properties

We believe that we have satisfactory title to all of our producing properties in accordance with generally accepted industry standards. As is customary in the industry, in the case of undeveloped properties, often cursory investigation of record title is made at the time of lease acquisition. Investigations are made before the consummation of an acquisition of producing properties and before commencement of drilling operations on undeveloped properties. Individual properties may be subject to burdens that we believe do not materially interfere with the use or affect the value of the properties. Burdens on properties may include:

- customary royalty interests;
- liens incident to operating agreements and for current taxes;
- obligations or duties under applicable laws;
- development obligations under natural gas leases; or
- net profits interests.

In addition, the acquisition agreement relating to the purchase of our properties in the Appalachian Basin in 2008 contains various drilling commitments that require us to spend an estimated $625 million between January 1, 2009 and June 30, 2018 at structured intervals. If we do not fulfill our drilling commitments, title to portions of the properties we purchased may revert to the seller, which could have a material adverse effect on our future business and results of operations.

Seasonality

Demand for natural gas generally decreases during the spring and fall months and increases during the summer and winter months. However, seasonal anomalies such as mild winters or mild summers sometimes lessen this fluctuation. In addition, certain natural gas users utilize natural gas storage facilities and purchase some of their anticipated winter requirements during the summer. This can also lessen seasonal demand fluctuations. Seasonal weather conditions and lease stipulations can limit our drilling and producing activities and other natural gas operations in certain areas of the Rocky Mountain region. These seasonal anomalies can increase competition for equipment, supplies and personnel during the spring and summer months, which could lead to shortages and increase costs or delay our operations.

Competition

The oil and natural gas industry is intensely competitive, and we compete with other companies in our industry that have greater resources than we do. Many of these companies not only explore for and produce natural gas, but also carry on refining operations and market petroleum and other products on a regional, national or worldwide basis. These companies may be able to pay more for productive natural gas properties and exploratory prospects or define, evaluate, bid for and purchase a greater number of properties and prospects than our financial or human resources permit and may be able to expend greater resources to attract and maintain industry personnel. In addition, these companies may have a greater ability to continue exploration activities during periods of low natural gas market prices. Our larger competitors may be able to absorb the burden of existing, and any changes to, federal, state and local laws and regulations more easily than we can, which would adversely affect our competitive position. Our ability to acquire additional properties and to discover reserves in the future will be

dependent upon our ability to evaluate and select suitable properties and to consummate transactions in a highly competitive environment. In addition, because we have fewer financial and human resources than many companies in our industry, we may be at a disadvantage in bidding for exploratory prospects and producing natural gas properties.

Regulation of the Natural Gas and Oil Industry

Our operations are substantially affected by federal, state and local laws and regulations. In particular, natural gas production and related operations are, or have been, subject to price controls, taxes and numerous other laws and regulations. All of the jurisdictions in which we own or operate producing natural gas and oil properties have statutory provisions regulating the exploration for and production of natural gas and oil, including provisions related to permits for the drilling of wells, bonding requirements to drill or operate wells, the location of wells, the method of drilling and casing wells, the surface use and restoration of properties upon which wells are drilled, sourcing and disposal of water used in the drilling and completion process, and the abandonment of wells. Our operations are also subject to various conservation laws and regulations. These include the regulation of the size of drilling and spacing units or proration units, the number of wells which may be drilled in an area, and the unitization or pooling of crude natural gas wells, as well as regulations that generally prohibit the venting or flaring of natural gas, and impose certain requirements regarding the ratability or fair apportionment of production from fields and individual wells.

Failure to comply with applicable laws and regulations can result in substantial penalties. The regulatory burden on the industry increases the cost of doing business and affects profitability. Although we believe we are in substantial compliance with all applicable laws and regulations, such laws and regulations are frequently amended or reinterpreted. Therefore, we are unable to predict the future costs or impact of compliance. Additional proposals and proceedings that affect the natural gas industry are regularly considered by Congress, the states, the Federal Energy Regulatory Commission ("FERC"), and the courts. We cannot predict when or whether any such proposals may become effective.

We believe we are in substantial compliance with currently applicable laws and regulations and that continued substantial compliance with existing requirements will not have a material adverse effect on our financial position, cash flows or results of operations. However, current regulatory requirements may change, currently unforeseen environmental incidents may occur or past non-compliance with environmental laws or regulations may be discovered.

Regulation of Production of Natural Gas and Oil

The production of natural gas and oil is subject to regulation under a wide range of local, state and federal statutes, rules, orders and regulations. Federal, state and local statutes and regulations require permits for drilling operations, drilling bonds and reports concerning operations. All of the states in which we own and operate properties have regulations governing conservation matters, including provisions for the unitization or pooling of natural gas and oil properties, the establishment of maximum allowable rates of production from natural gas and oil wells, the regulation of well spacing, and plugging and abandonment of wells. The effect of these regulations is to limit the amount of natural gas and oil that we can produce from our wells and to limit the number of wells or the locations at which we can drill, although we can apply for exceptions to such regulations or to have reductions in well spacing. Moreover, each state generally imposes a production or severance tax with respect to the production and sale of oil, natural gas and natural gas liquids within its jurisdiction.

We own interests in properties located onshore in a number of U.S. states. These states regulate drilling and operating activities by requiring, among other things, permits for the drilling of wells, maintaining bonding requirements in order to drill or operate wells, and regulating the location of

wells, the method of drilling and casing wells, the surface use and restoration of properties upon which wells are drilled and the plugging and abandonment of wells. The laws of these states also govern a number of environmental and conservation matters, including the handling and disposing or discharge of waste materials, the size of drilling and spacing units or proration units and the density of wells that may be drilled, unitization and pooling of oil and gas properties and establishment of maximum rates of production from oil and gas wells. Some states have the power to prorate production to the market demand for oil and gas.

The failure to comply with these rules and regulations can result in substantial penalties. Our competitors in the natural gas and oil industry are subject to the same regulatory requirements and restrictions that affect our operations.

Regulation of Transportation and Sales of Natural Gas

Historically, the transportation and sale for resale of natural gas in interstate commerce have been regulated by agencies of the U.S. federal government, primarily FERC. FERC regulates interstate natural gas transportation rates and service conditions, which affects the marketing of natural gas that we produce, as well as the revenues we receive for sales of our natural gas. Since 1985, FERC has endeavored to make natural gas transportation more accessible to natural gas buyers and sellers on an open and non-discriminatory basis. FERC has stated that open access policies are necessary to improve the competitive structure of the interstate natural gas pipeline industry and to create a regulatory framework that will put natural gas sellers into more direct contractual relations with natural gas buyers by, among other things, unbundling the sale of natural gas from the sale of transportation and storage services.

In the past, the federal government has regulated the prices at which natural gas could be sold. While sales by producers of natural gas can currently be made at uncontrolled market prices, Congress could reenact price controls in the future. Deregulation of wellhead natural gas sales began with the enactment of the Natural Gas Policy Act ("NGPA") and culminated in adoption of the Natural Gas Wellhead Decontrol Act which removed controls affecting wellhead sales of natural gas effective January 1, 1993. The transportation and sale for resale of natural gas in interstate commerce is regulated primarily under the Natural Gas Act ("NGA") and by regulations and orders promulgated under the NGA by FERC. In certain limited circumstances, intrastate transportation and wholesale sales of natural gas may also be affected directly or indirectly by laws enacted by Congress and by FERC regulations.

Beginning in 1992, FERC issued a series of orders to implement its open access policies. As a result, the interstate pipelines' traditional role as wholesalers of natural gas has been eliminated and replaced by a structure under which pipelines provide transportation and storage service on an open access basis to others who buy and sell natural gas. Although FERC's orders do not directly regulate natural gas producers, they are intended to foster increased competition within all phases of the natural gas industry.

The Domenici-Barton Energy Policy Act of 2005 ("EP Act 2005") is a comprehensive compilation of tax incentives, authorized appropriations for grants and guaranteed loans, and significant changes to the statutory policy that affects all segments of the energy industry. Among other matters, EP Act 2005 amends the NGA to add an anti-market manipulation provision which makes it unlawful for any entity to engage in prohibited behavior to be prescribed by FERC, and furthermore provides FERC with additional civil penalty authority. The EP Act 2005 provides FERC with the power to assess civil penalties of up to $1,000,000 per day for violations of the NGA and increases FERC's civil penalty authority under the NGPA from $5,000 per violation per day to $1,000,000 per violation per day. The civil penalty provisions are applicable to entities that engage in the sale of natural gas for resale in interstate commerce. On January 19, 2006, FERC issued Order No. 670, a rule implementing the anti-market manipulation provision of EP Act 2005, and subsequently denied rehearing. The rules make it unlawful to: (1) in connection with the purchase or sale of natural gas subject to the jurisdiction of FERC, or the purchase or sale of transportation services subject to the jurisdiction of FERC, for any entity, directly or indirectly, to use or employ any device, scheme or artifice to defraud; (2) to make any untrue statement of material fact or omit to make any such statement necessary to make the statements made not misleading; or (3) to engage in any act or practice that operates as a fraud or deceit upon any person. The new anti-market manipulation rule does not apply to activities that relate only to intrastate or other non-jurisdictional sales or gathering, but does apply to activities of gas pipelines and storage companies that provide interstate services, as well as otherwise non-jurisdictional entities to the extent the activities are conducted "in connection with" gas sales, purchases or transportation subject to FERC jurisdiction, which now includes the annual reporting requirements under Order 704. The anti-market manipulation rule and enhanced civil penalty authority reflect an expansion of FERC's NGA enforcement authority.

On December 26, 2007, FERC issued Order 704, a final rule on the annual natural gas transaction reporting requirements, as amended by subsequent orders on rehearing. Under Order 704, wholesale buyers and sellers of more than 2.2 million MMBtus of physical natural gas in the previous calendar year, including natural gas gatherers and marketers, are now required to report, on May 1 of each year beginning in 2009, aggregate volumes of natural gas purchased or sold at wholesale in the prior calendar year to the extent such transactions utilize, contribute to, or may contribute to the formation of price indices. It is the responsibility of the reporting entity to determine which individual transactions should be reported based on the guidance of Order 704. Order 704 also requires market participants to indicate whether they report prices to any index publishers, and if so, whether their reporting complies with FERC's policy statement on price reporting.

On November 20, 2008, FERC issued Order 720, a final rule on the daily scheduled flow and capacity posting requirements. Under Order 720, major non-interstate pipelines, defined as certain non-interstate pipelines delivering, on an annual basis, more than an average of 50 million MMBtus of gas over the previous three calendar years, are required to post daily certain information regarding the pipeline's capacity and scheduled flows for each receipt and delivery point that has a design capacity equal to or greater than 15,000 MMBtu per day. Requests for clarification and rehearing of Order 720 have been filed at FERC and a decision on those requests is pending.

We cannot accurately predict whether FERC's actions will achieve the goal of increasing competition in markets in which our natural gas is sold. Additional proposals and proceedings that might affect the natural gas industry are pending before FERC and the courts. The natural gas industry historically has been very heavily regulated. Therefore, we cannot provide any assurance that the less stringent regulatory approach recently established by FERC will continue. However, we do not believe that any action taken will affect us in a way that materially differs from the way it affects other natural gas producers.

Gathering service, which occurs upstream of jurisdictional transmission services, is regulated by the states onshore and in state waters. Although its policy is still in flux, FERC has reclassified certain

jurisdictional transmission facilities as non-jurisdictional gathering facilities, which has the tendency to increase our costs of getting gas to point of sale locations. State regulation of natural gas gathering facilities generally include various safety, environmental and, in some circumstances, nondiscriminatory-take requirements. Although such regulation has not generally been affirmatively applied by state agencies, natural gas gathering may receive greater regulatory scrutiny in the future.

Section 1(b) of the NGA exempts natural gas gathering facilities from regulation by FERC as a natural gas company under the NGA. We believe that the natural gas pipelines in our gathering systems meet the traditional tests FERC has used to establish a pipeline's status as a gatherer not subject to regulation as a natural gas company. However, the distinction between FERC-regulated transmission services and federally unregulated gathering services is the subject of on-going litigation, so the classification and regulation of our gathering facilities are subject to change based on future determinations by FERC, the courts or Congress.

Our sales of natural gas are also subject to requirements under the Commodity Exchange Act ("CEA") and regulations promulgated thereunder by the Commodity Futures Trading Commission ("CFTC"). The CEA prohibits any person from manipulating or attempting to manipulate the price of any commodity in interstate commerce or futures on such commodity. The CEA also prohibits knowingly delivering or causing to be delivered false or misleading or knowingly inaccurate reports concerning market information or conditions that affect or tend to affect the price of a commodity.

Intrastate natural gas transportation is also subject to regulation by state regulatory agencies. The basis for intrastate regulation of natural gas transportation and the degree of regulatory oversight and scrutiny given to intrastate natural gas pipeline rates and services varies from state to state. Insofar as such regulation within a particular state will generally affect all intrastate natural gas shippers within the state on a comparable basis, we believe that the regulation of similarly situated intrastate natural gas transportation in any states in which we operate and ship natural gas on an intrastate basis will not affect our operations in any way that is of material difference from those of our competitors. Like the regulation of interstate transportation rates, the regulation of intrastate transportation rates affects the marketing of natural gas that we produce, as well as the revenues we receive for sales of our natural gas.

Changes in law and to FERC policies and regulations may adversely affect the availability and reliability of firm and/or interruptible transportation service on interstate pipelines, and we cannot predict what future action FERC will take. We do not believe, however, that any regulatory changes will affect us in a way that materially differs from the way they will affect other natural gas producers, gatherers and marketers with which we compete.

Regulation of Environmental and Occupational Matters

Our operations are subject to numerous stringent federal, state and local statutes and regulations governing the discharge of materials into the environment or otherwise relating to environmental protection, some of which carry substantial administrative, civil and criminal penalties for failure to comply. These laws and regulations may require the acquisition of a permit before drilling commences, restrict the types, quantities and concentrations of various substances that can be released into the environment in connection with drilling, production and transporting through pipelines, govern the sourcing and disposal of water used in the drilling and completion process, limit or prohibit drilling activities in certain areas and on certain lands lying within wilderness, wetlands, frontier and other protected areas, require some form of remedial action to prevent or mitigate pollution from former operations such as plugging abandoned wells or closing earthen pits and impose substantial liabilities for pollution resulting from operations or failure to comply with regulatory filings. In addition, these laws and regulations may restrict the rate of production.

National Environmental Policy Act

Natural gas and oil exploration and production activities on federal lands are subject to the National Environmental Policy Act, or NEPA. NEPA requires federal agencies, including the Departments of Interior and Agriculture, to evaluate major agency actions having the potential to significantly impact the environment. In the course of such evaluations, an agency prepares an environmental assessment to evaluate the potential direct, indirect and cumulative impacts of a proposed project. If impacts are considered significant, the agency will prepare a more detailed environmental impact study ("EIS") that is made available for public review and comment. All of our current exploration and production activities, as well as proposed exploration and development plans, on federal lands require governmental permits that are subject to the requirements of NEPA. This environmental impact assessment process has the potential to delay the development of natural gas and oil projects. Authorizations under NEPA also are subject to protest, appeal or litigation, which can delay or halt projects.

Waste Handling

We also may incur liability under the Resource Conservation and Recovery Act, as amended ("RCRA"), which imposes requirements related to the generation, transportation, treatment, storage, handling, disposal and clean-up of solid and hazardous wastes and the disposal of non-hazardous wastes. Under the auspices of the Environmental Protection Agency, or the EPA, the individual states administer some or all of the provisions of RCRA, sometimes in conjunction with their own, more stringent requirements. Drilling fluids, produced waters and most of the other wastes associated with the exploration, development and production of crude oil, natural gas, or geothermal energy constitute "solid wastes," which are regulated under the less stringent, non-hazardous waste provisions, but there is no guarantee that the EPA or the individual states will not adopt more stringent requirements for the handling of non-hazardous wastes or categorize some non-hazardous wastes as hazardous for future regulation. Indeed, legislation has been proposed from time to time in Congress to re-categorize certain oil and gas exploration and production wastes as "hazardous wastes."

We believe that we are in substantial compliance with the requirements of RCRA and related state and local laws and regulations, and that we held all necessary and up-to-date permits, registrations and other authorizations to the extent that our operations require them under such laws and regulations. Although we believe that the current costs of managing our wastes as they are presently classified are reflected in our budget, any legislative or regulatory reclassification of natural gas and oil exploration and production wastes could increase our costs to manage and dispose of such wastes.

Water Discharges

The Federal Water Pollution Control Act, as amended, also known as the Clean Water Act, and comparable state laws impose restrictions and strict controls regarding the discharge of pollutants, including produced waters and other natural gas wastes, into federal and state waters. The discharge of pollutants into regulated waters is prohibited, except in accordance with the terms of a permit issued by the EPA or the state. The discharge of dredge and fill material in regulated waters, including wetlands, is also prohibited, unless authorized by a permit issued by the U.S. Army Corps of Engineers. Obtaining permits has the potential to delay the development of natural gas and oil projects. These same regulatory programs also limit the total volume of water that can be discharged, hence limiting the rate of development. These laws and any implementing regulations provide for administrative, civil and criminal penalties for any unauthorized discharges of oil and other substances in reportable quantities and may impose substantial potential liability for the costs of removal, remediation and damages.

Pursuant to these laws and regulations, we may be required to obtain and maintain approvals or permits for the discharge of wastewater or storm water and are required to develop and implement spill prevention, control and countermeasure plans, also referred to as "SPCC plans," in connection with on-site storage of significant quantities of oil. We maintain all required discharge permits necessary to conduct our operations, and we believe we are in substantial compliance with the terms thereof. We are currently undertaking a review of recently acquired natural gas properties to determine the need for new or updated SPCC plans and, where necessary, we will be developing or upgrading such plans, the costs of which are not expected to be substantial.

Air Emissions

The Federal Clean Air Act, as amended, and comparable state laws restrict the emission of air pollutants from many sources, including compressor stations, through the issuance of permits and the imposition of other requirements. In addition, the EPA has developed, and continues to develop, stringent regulations governing emissions of toxic air pollutants at specified sources. These laws and any implementing regulations may require us to obtain pre-approval for the construction or modification of certain projects or facilities expected to produce air emissions, impose stringent air permit requirements, or use specific equipment or technologies to control emissions.

While we may be required to incur certain capital expenditures in the next few years for air pollution control equipment in connection with maintaining or obtaining operating permits addressing other air emission-related issues, we do not believe that such requirements will have a material adverse effect on our operations. Obtaining permits has the potential to delay the development of natural gas and oil projects. We believe that we are in substantial compliance with all air emissions regulations and that we hold all necessary and valid construction and operating permits for our operations.

Regulation of "Greenhouse Gas" Emissions

On December 15, 2009, the U.S. Environmental Protection Agency ("EPA") officially published its findings that emissions of carbon dioxide, methane and other "greenhouse gases" present an endangerment to human health and the environment because emissions of such gases are, according to the EPA, contributing to warming of the earth's atmosphere and other climatic changes. These findings by the EPA allow the agency to proceed with the adoption and implementation of regulations that would restrict emissions of greenhouse gases under existing provisions of the federal Clean Air Act. In late September 2009, the EPA had proposed two sets of regulations in anticipation of finalizing its findings that would require a reduction in emissions of greenhouse gases from motor vehicles and that could also lead to the imposition of greenhouse gas emission limitations in Clean Air Act permits for certain stationary sources. In addition, on September 22, 2009, the EPA issued a final rule requiring the reporting of greenhouse gas emissions from specified large greenhouse gas emission sources in the United States beginning in 2011 for emissions occurring in 2010. The adoption and implementation of any regulations imposing reporting obligations on, or limiting emissions of greenhouse gases from, our equipment and operations could require us to incur costs to reduce emissions of greenhouse gases associated with our operations or could adversely affect demand for the oil, natural gas and NGL that we produce.

Also, on June 26, 2009, the U.S. House of Representatives passed the "American Clean Energy and Security Act of 2009," or "ACESA," which would establish an economy wide cap-and-trade program to reduce U.S. emissions of greenhouse gases, including carbon dioxide and methane. ACESA would require a 17 percent reduction in greenhouse gas emissions from 2005 levels by 2020 and just over an 80 percent reduction of such emissions by 2050. Under this legislation, the EPA would issue a capped and steadily declining number of tradable emissions allowances to certain major sources of greenhouse gas emissions so that such sources could continue to emit greenhouse gases into the atmosphere. These allowances would be expected to escalate significantly in cost over time. The net

effect of ACESA will be to impose increasing costs on the combustion of carbon-based fuels such as oil, refined petroleum products, and natural gas. The U.S. Senate has begun work on its own legislation for restricting domestic greenhouse gas emissions and the Obama Administration has indicated its support of legislation to reduce greenhouse gas emissions through an emission allowance system. Although it is not possible at this time to predict when the Senate may act on climate change legislation or how any bill passed by the Senate would be reconciled with ACESA, any future federal laws or implementing regulations that may be adopted to address greenhouse gas emissions could require us to incur increased operating costs and could adversely affect demand for the oil, natural gas and NGLs that we produce.

Even if such legislation is not adopted at the national level, more than one-third of the states have begun taking actions to control and/or reduce emissions of greenhouse gases. Although most of the state-level initiatives have to date been focused on large sources of greenhouse gas emissions, such as coal-fired electric power plants, it is possible that smaller sources of emissions could become subject to greenhouse gas emission limitations or allowance purchase requirements in the future. Any one of these climate change regulatory and legislative initiatives could have a material adverse effect on our business, financial condition and results of operations.

Occupational Safety and Health Act

We are also subject to the requirements of the federal Occupational Safety and Health Act, as amended ("OSHA"), and comparable state laws that regulate the protection of the health and safety of employees. In addition, OSHA's hazard communication standard requires that information be maintained about hazardous materials used or produced in our operations and that this information be provided to employees, state and local government authorities and citizens. We believe that our operations are in substantial compliance with the OSHA requirements.

Endangered Species Act

The Endangered Species Act ("ESA") was established to protect endangered and threatened species. Pursuant to the ESA, if a species is listed as threatened or endangered, restrictions may be imposed on activities adversely affecting that species' habitat. Similar protections are offered to migratory birds under the Migratory Bird Treaty Act. We conduct operations on federal natural gas and oil leases in areas where certain species that are listed as threatened or endangered and where other species, such as the sage grouse, potentially could be listed as threatened or endangered under the ESA exist. The U.S. Fish and Wildlife Service may designate critical habitat and suitable habitat areas that it believes are necessary for survival of a threatened or endangered species. A critical habitat or suitable habitat designation could result in further material restrictions to federal land use and may materially delay or prohibit land access for natural gas and oil development. If we were to have a portion of our leases designated as critical or suitable habitat, it could adversely impact the value of our leases.

In summary, we believe we are in substantial compliance with currently applicable environmental laws and regulations. Although we have not experienced any material adverse effect from compliance with environmental requirements, there is no assurance that this will continue. We did not have any material capital or other non-recurring expenditures in connection with complying with environmental laws or environmental remediation matters in 2008, nor do we anticipate that such expenditures will be material in 2009.

Legal Matters

We are a named defendant in certain lawsuits arising in the ordinary course of business. While the outcome of lawsuits against us cannot be predicted with certainty, our management team does not expect these matters to have a material adverse impact on our financial statements.

In May 2008, we received a notice of violation from the Colorado Department of Public Health and Environment, or CDPHE, that alleged that our construction of a pipeline in Garfield County, Colorado was not in compliance with CDHPE's general permit for stormwater discharges associated with construction activities. The notice of violation was based on an inspection of the construction area by CDHPE in May 2007. Although we believe that we corrected any deficiencies promptly after the inspection, CDHPE has proposed a fine of $157,233 for the alleged violations. We are currently engaged in discussions with CDHPE in an effort to resolve this matter.

In February 2009, we received a grand jury subpoena from the U.S. Environmental Protection Agency regarding an alleged unauthorized discharge at a well site near Atoka, Oklahoma in May 2007. Based on information presently available to us, it appears that well fracturing fluids stored by a third party contractor in a tank leaked into a surrounding berm and were later discharged along with rainwater into a nearby waterway. The site was being managed by the contractor at the time of the incident. We have provided the information that was requested by the subpoena. No claim has been made against us with respect to this matter to date, and, based on information presently available to us, we do not believe that our company is a target of the investigation.

Employees

As of July 31, 2009, we had 55 full-time employees, including nine in geology, 12 in production and engineering, 12 in accounting and administration, 17 in land, three in midstream and two senior executives. We also employed a total of 53 contract personnel who assist our full-time employees with respect to specific tasks and 58 outside lease brokers. Our future success will depend partially on our ability to attract, retain and motivate qualified personnel. We are not a party to any collective bargaining agreements and have not experienced any strikes or work stoppages. We consider our relations with our employees to be satisfactory. We utilize the services of independent contractors to perform various field and other services.

MANAGEMENT

Executive Officers and Directors

The following table sets forth names, ages and titles of our executive officers and directors.

Name	Age	Title
Peter R. Kagan(1)	41	Director
W. Howard Keenan, Jr.(1)	58	Director
Christopher R. Manning(1)	41	Director
Paul M. Rady	56	Chairman of the Board of Directors and Chief Executive Officer
Glen C. Warren, Jr.	53	Director, President, Chief Financial Officer and Secretary
Kevin J. Kilstrom	54	Vice President—Production
Robert E. Mueller	53	Vice President—Geology
Brian A. Kuhn	51	Vice President—Land
Mark D. Mauz	51	Vice President—Gathering, Marketing and Transportation
Steve M. Woodward	51	Vice President—Business Development
Alvyn A. Schopp	51	Vice President—Accounting & Administration and Treasurer

(1) Member of the Audit Committee and the Compensation Committee.

Our directors hold office until the earlier of their death, resignation, removal or disqualification or until their successors have been elected and qualified. Our officers serve at the discretion of the board of directors. There are no family relationships among any of our directors or principal officers.

Peter R. Kagan has served as a director since 2004. Mr. Kagan has been with Warburg Pincus since 1997 and co-leads the firm's investment activities in energy and natural resources. He is also a member of the firm's Executive Management Group. Mr. Kagan received an A.B. degree cum laude from Harvard College and J.D. and M.B.A. degrees with honors from the University of Chicago. Prior to joining Warburg Pincus, he worked in investment banking at Salomon Brothers in both New York and Hong Kong. Mr. Kagan currently also serves on the boards of directors of Broad Oak Energy, Fairfield Energy, Laredo Petroleum, MEG Energy, Resources for the Future, Targa Resources and Targa Resources Partners L.P. In addition, he is a member of the Visiting Committee of the University of Chicago Law School.

W. Howard Keenan, Jr. has served as a director since 2004. Mr. Keenan has over thirty years of experience in the financial and energy businesses. Since 1997, he has been a Member of Yorktown Partners LLC, a private equity investment manager focused on the energy industry. Mr. Keenan currently serves on the Board of Directors of Concho Resources Inc. and GeoMet, Inc. From 1975 to 1997, he was in the Corporate Finance Department of Dillon, Read & Co. Inc. and active in the private equity and energy areas, including the founding of the first Yorktown Partners fund in 1991. He is serving or has served as a director of multiple Yorktown Partners portfolio companies. Mr. Keenan holds an A.B. degree cum laude from Harvard College and an M.B.A. degree from Harvard University.

Christopher R. Manning has served as a director since 2005. Mr. Manning is a Partner of Trilantic Capital Partners, or TCP. Mr. Manning joined TCP in 2009. He was concurrently the Head of Lehman Brothers' Investment Management Division, including both the Asset Management and Private Equity businesses, in Asia-Pacific from 2006 to 2008. He was also a member of the Investment Management Division Global Operating Committee and the Private Equity Division Operating Committee. Lehman Brothers Holdings Inc. filed a voluntary petition for protection under the U.S. bankruptcy code in September 2008. Prior to joining TCP, Mr. Manning was the chief financial officer of The Wing Group, a developer of international power projects. Prior to The Wing Group, he was in the investment banking department of Kidder, Peabody & Co., where he worked on M&A and corporate finance

transactions. Mr. Manning also currently serves on the boards of Enduring Resources, The Cross Group and Mediterranean Resources. He holds an M.B.A. from The Wharton School of the University of Pennsylvania and a B.B.A. from the University of Texas at Austin.

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

Glen C. Warren, Jr. has served as President, Chief Financial Officer and Secretary and as a director since May 2004. Mr. Warren also served as President and Chief Financial Officer and as a director of our predecessor company, Antero Resources Corporation, from its founding in 2002 to its ultimate sale to XTO Energy, Inc. in April 2005. Prior to Antero Resources Corporation, Mr. Warren served as EVP, CFO and Director of Pennaco Energy from 1998 until its sale to Marathon in early 2001. Mr. Warren spent 10 years as a natural resources investment banker focused on equity and debt financing and M&A advisory with Lehman Brothers, Dillon Read and Kidder Peabody. Mr. Warren began his career as a landman in the Gulf Coast region with Amoco, where he spent six years. Mr. Warren is the managing member of Canton Investment Holdings, LLC. Mr. Warren holds a B.A. from the University of Mississippi, a J.D. from the University of Mississippi School of Law and an M.B.A from the Anderson School of Management at U.C.L.A. Mr. Warren has served as a director of Diamond Foods, Inc. since 2005 and served as a director of Venoco Inc. from 2005 to 2008.

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

Robert E. Mueller has served as Vice President of Geology since April 2005. Mr. Mueller also served as Chief Geologist of our predecessor company, Antero Resources Corporation, from its founding in 2002 to its ultimate sale to XTO Energy, Inc. in April 2005. Prior to Antero Resources Corporation, Mr. Mueller was with Williams as a Director of the Raton Basin asset team in 2001 to 2002. Mr. Mueller was Chief Geologist at Barrett Resources from 1996 to 2001. Mr. Mueller worked as a Senior Geologist for North American Resources from 1993 to 1996 after working the prior 11 years for Amoco Production Company. Mr. Mueller holds a B.S. in Geology from Northern Arizona University and an M.S. in Geology from the University of Wyoming.

Brian A. Kuhn has served as Vice President of Land since April 2005. Mr. Kuhn also served as Vice President of Land of our predecessor company, Antero Resources Corporation, from its founding in 2002 to its ultimate sale to XTO Energy, Inc. in April 2005. From 2001 to 2002, Mr. Kuhn served as Head of Denver Land Department for Marathon Oil. Mr. Kuhn was the Vice President—Land at Pennaco Energy from 1998 to 2001. Mr. Kuhn was a Division Landman with Barrett Resources from

1993 to 1998. Mr. Kuhn was a Landman with Amoco for 13 years prior to 1993. Mr. Kuhn holds a B.B.A. in Petroleum Land Management from the University of Oklahoma.

Mark D. Mauz has served as Vice President of Gathering, Marketing and Transportation since April 2006. From 1993 to 2006, Mr. Mauz was with Duke Energy Field Services, most recently as its Managing Director of the Rockies Region. Mr. Mauz spent from 1990 to 1993 with Amoco in natural gas marketing and 9 years prior to 1990 as a Landman. Mr. Mauz holds a B.S. in Business from the University of Colorado.

Steven M. Woodward has served as Vice President of Business Development since April 2005. Mr. Woodward also served as Vice President of Business Development of our predecessor company, Antero Resources Corporation, from its founding in 2002 to its ultimate sale to XTO Energy, Inc. in April 2005. From 1993 until 2002, Mr. Woodward was in senior business/project development roles with Dynegy. From 1990 to 1992, Mr. Woodward was with Reliance Pipeline Company as a Manager of Business Development. From 1988 to 1990, Mr. Woodward was at Western Gas Resources in a Business Development role. From 1981 to 1988, Mr. Woodward was with ARCO Oil & Gas Company in various engineering roles. Mr. Woodward holds a B.S. in Mechanical Engineering from the University of Colorado.

Alvyn A. Schopp has served as Vice President of Accounting and Administration and Treasurer since January 2005. Mr. Schopp also served as Controller and Treasurer from 2003 to 2005 and as Vice President of Accounting and Administration and Treasurer of our predecessor company, Antero Resources Corporation, from January 2005 until its ultimate sale to XTO Energy, Inc. in April 2005. From 2002 to 2003, Mr. Schopp was an Executive and Financial Consultant with Duke Energy Field Services. From 1993 to 2000, Mr. Schopp was CFO, Director and ultimately CEO of T-Netix. From 1980 to 1993 Mr. Schopp was with KPMG, most recently as a Senior Manager. Mr. Schopp holds a B.B.A. from Drake University.

Executive Compensation and Other Information

Compensation Discussion and Analysis

Introduction

This Compensation Discussion and Analysis (1) provides an overview of our compensation policies and programs; (2) explains our compensation objectives, policies and practices with respect to our executive officers; and (3) identifies the elements of compensation for each of the individuals identified in the following table, who we refer to in this Compensation Discussion and Analysis as our "Named Executive Officers."

Name	Principal Position
Paul M. Rady	Chairman of the Board of Directors and Chief Executive Officer
Glen C. Warren, Jr.	Director, President, Chief Financial Officer and Secretary
Kevin J. Kilstrom	Vice President—Production
Robert E. Mueller	Vice President—Geology
Alvyn A. Schopp	Vice President—Accounting and Administration

Each of our Named Executive Officers is an employee of Antero Resources Corporation, which is a wholly owned subsidiary of Antero and one of the parent companies of the issuer. Prior to the November 2009 corporate reorganization, the Compensation Committee of the Board of Directors of Antero Resources Corporation approved all compensation decisions for our officers. Since the reorganization, the Compensation Committee of the Board of Directors of Antero, or the Board of Directors of Antero, as appropriate, has approved all compensation decisions for our officers. The Antero Board of Directors and the Antero Resources Corporation Board of Directors are comprised of the same members.

Compensation Philosophy and Objectives of Our Compensation Program

Since our inception in 2002, we have sought to grow our privately held, independent oil and gas company and our compensation philosophy has been primarily focused on recruiting individuals who would be motivated to help us achieve that goal. As a result, from our inception to September 2009, our executive compensation program was primarily designed to attract, retain and motivate our employees by compensating them with significant amounts of equity relative to cash compensation. In particular, we kept our executive officers' total cash compensation at levels that we believed were sufficient to provide them, in the case of salary amounts, with a modest amount of cash that provided them with an adequate means to support their families and, in the case of annual bonus amounts, discretionary amounts that rewarded them for overall individual performance during the year relative to continually evolving company objectives. With respect to non-cash awards, we have historically provided disproportionately greater amounts of equity, which we believed would ultimately compensate our executive officers as they participated in growing our company and maximizing stakeholder value. We also provided additional opportunities for our executive officers to purchase various classes of preferred and common shares in our company on the same basis as our institutional private equity owners for the purpose of aligning the interests of our officers with those of our stakeholders.

Our strategy since September 2009 has been to structure our compensation program so that we may seek out highly qualified and experienced individuals capable of contributing to the continued growth of our development stage company, both in terms of size and enterprise value, and an effective transition into the new obligations we will face as a SEC registrant. Accordingly, over the course of the past several months, we have undertaken various reporting company preparedness initiatives to ensure the competiveness of our executive compensation programs and further align the interests of our executive officers and other employees with the long-term objectives of our company. In particular, we engaged a compensation consultant to benchmark our officers' compensation to ensure that our programs are roughly in the median range of our peer group companies. This engagement is discussed in more detail below under "—Implementing Our Objectives."

Implementing Our Objectives

Role of the Board of Directors, Compensation Committee and our Executive Officers

Executive compensation decisions are typically made on an annual basis by the Compensation Committee with input from Paul M. Rady, our Chief Executive Officer, and Glen C. Warren, Jr., our President and Chief Financial Officer. Specifically, Messrs. Rady and Warren, based on information provided by the compensation consultant and their review of market data, provide recommendations to the Compensation Committee regarding the compensation levels for our existing executive officers (including themselves) and our executive compensation program as a whole. After considering these recommendations, the Compensation Committee typically adjusts base salary levels, determines the amounts of cash bonus awards and determines the amount and vesting of any equity grants for each of our executive officers. In making executive compensation decisions and recommendations, Messrs. Rady and Warren consider the executive officers' performance during the year and the company's performance during the year, but rely primarily on their business judgment and personal experience.

While the Compensation Committee gives considerable weight to Messrs. Rady and Warren's recommendations on compensation matters, the Compensation Committee has the final decision-making authority on all executive compensation matters. No other executive officers have assumed a role in the evaluation, design or administration of our executive officer compensation program.

Role of External Advisors

In September 2009, our management engaged Cogent Compensation Partners, Inc. ("Cogent") to provide periodic executive compensation consulting services. Cogent does not currently provide any other services to our company. Management's objective when hiring Cogent was to assess our level of competitiveness for executive-level talent and receive recommendations for attracting, motivating and retaining key employees in light of our transition into the new obligations we will face as a SEC registrant. As part of its engagement, Cogent:

- Collected and reviewed all relevant company information, including our historical executive compensation data and our organizational structure, and conducted individual interviews with our executive officers and our largest institutional investors to gain insight into the vision, business strategy, culture and effectiveness of our current executive compensation program as well as expectations for the future;
- With the input of management, established a peer group of companies to use for executive compensation comparisons;
- Assessed our compensation program's position relative to the market for our top eight executive officers and our stated compensation philosophy; and
- Prepared a report of its analysis, findings and recommendations for our executive compensation program.

Cogent's report was presented to the Board of Directors as a whole in September 2009. The report was utilized by Messrs. Rady and Warren when making their recommendations to the Board of Directors for the fiscal 2010 compensation decisions.

Competitive Benchmarking

When formulating their compensation recommendations for the Compensation Committee, Messrs. Rady and Warren compare the pay practices for our executive officers against other companies to assist them in the review and comparison of base salary and incentive compensation for our executive officers. This practice recognizes that, while our compensation practices should be competitive in the marketplace, marketplace information is one of the many factors considered in assessing the reasonableness of our executive compensation program.

Prior to September 2009, Messrs. Rady and Warren made informal comparisons of our executive compensation program to the compensation paid to executives of publicly traded and other privately held companies similar in size and location to our company. In December 2008, Messrs. Rady and Warren used a survey from the Mountain States Employers Council as part of their informal competitive market analysis. Messrs. Rady and Warren did not review the data specific to any company participating in this survey and were not familiar with the identities of such companies. Rather, the aggregate data was merely used as a subjective frame of reference for similarly situated officers to help determine a potential range of compensation, which was then balanced against a variety of factors in making a final recommendation of each officer's compensation.

Beginning in September 2009, Messrs. Rady and Warren took a more formal approach and hired Cogent to assess the compensation levels of our top eight executive officers relative to the market. In addition, Messrs. Rady and Warren used statistical information from the 2009 Oil and Gas E&P

Industry Compensation Survey prepared by Effective Compensation, Incorporated ("ECI") to supplement Cogent's peer group data. Messrs. Rady and Warren considered the results of the Cogent and ECI survey data when making their recommendations to the Board of Directors for the fiscal 2010 compensation decisions.

- *Cogent Survey Data.* Cogent used the following parameters when constructing the peer group for its assessment: (1) resource-focused exploration and production companies that are publicly traded (without regard to size), (2) companies with a good performance track record, (3) companies with a strong management team with technical expertise and (4) companies with more than $1.0 billion in enterprise value. Using these parameters and collaborating with Messrs. Rady and Warren, Cogent developed a 19-company industry reference group (the "Cogent Peer Group"). The Cogent Peer Group included the following companies:

  - Berry Petroleum Company
  - Bill Barrett Corporation
  - Cabot Oil & Gas Corporation
  - Carrizo Oil & Gas, Inc.
  - Comstock Resources, Inc.
  - Concho Resources Inc.
  - Continental Resources, Inc.
  - Encore Acquisition Company
  - EXCO Resources, Inc.
  - Newfield Exploration Company
  - Petrohawk Energy Corporation
  - Quicksilver Resources, Inc.
  - Range Resources Corporation
  - Sandridge Energy, Inc.
  - Southwestern Energy Company
  - Ultra Petroleum Corp.

- *ECI Survey Data.* An ECI survey was used because it is specific to the energy industry and derives its data from direct contributions from a large number of participating companies with which we believe we compete for talent. The survey was used to compare our executive compensation program against the following companies, which were selected by Messrs. Rady and Warren, and which have comparable revenues, market capitalization, capital expenditure budgets, business strategies, geographic and geologic focus and number of employees (the "ECI Peer Group"):

  - Berry Petroleum Company
  - Bill Barrett Corporation
  - Cimarex Energy Co.
  - Comstock Resources, Inc.
  - Concho Resources Inc.

- Forest Oil Corporation
- Mariner Energy, Inc.
- Quicksilver Resources Inc.
- St. Mary Land & Exploration Company
- Whiting Petroleum Corporation

Due to the broad responsibilities of our executive officers and our status as a privately held company, comparing survey data to the job descriptions of our executive officers is sometimes difficult. However, as discussed above, our compensation objective is designed to be competitive with the peer companies listed above and, therefore, Messrs. Rady and Warren target compensation levels that are generally in the 50th percentile of the survey information reviewed when formulating their recommendations for the Compensation Committee. We believe that targeting this level of compensation helps us meet our overall total rewards strategy and executive compensation objectives outlined above.

Elements of Compensation

Compensation of our executive officers includes the following key components:

- Base salaries;
- Annual cash incentive payments; and
- Long-term equity-based incentive awards.

Base Salaries

Base salaries are designed to provide a minimum, fixed level of cash compensation for services rendered during the year. Base salaries are generally reviewed annually, but are not automatically increased if the Compensation Committee believes that (1) our executives are currently compensated at proper levels in light of either our internal performance or external market factors, or (2) an increase or addition to other elements of compensation would be more appropriate in light of our stated objectives.

In addition to providing a base salary that is competitive with other independent oil and gas exploration and production companies, we also consider internal pay equity factors to appropriately align each of our Named Executive Officer's salary levels relative to the salary levels of our other officers so that it accurately reflects the officer's relative skills, responsibilities, experience and contributions to our company. To that end, annual salary adjustments are based on a subjective analysis of many individual factors, including:

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

In addition to individual factors listed above, our overall business performance and implementation of company objectives are taken into consideration. While these metrics generally provide context for making salary decisions, base salary decisions do not depend on attainment of specific goals or performance levels and no specific weighting is given to one factor over another.

Fiscal 2009 Decisions. After reviewing the Mountain States Employers Counsel survey data and considering the individual and business factors described above, Messrs. Rady and Warren recommended, and the Compensation Committee approved, increases in the base salaries of our executive officers in December 2008 as shown in the table below.

Fiscal 2010 Decisions. In October 2009, after comparing base salary levels to the Cogent Peer Group and ECI Peer Group (as described in more detail above under "—Competitive Benchmarking") and considering the individual and business factors described above, Messrs. Rady and Warren recommended, and the Board of Directors approved, increases in the base salaries of our executive officers as shown in the table below. These increases, which were effective as of November 2009, were made as part of the overall shift in our compensation strategy as described in more detail above under "—Compensation Philosophy and Objectives of Our Compensation Program." The adjusted base salary amounts were slightly below or at the median of the Cogent Peer Group and ECI Peer Group.

Executive Officer	Base Salary Prior to December 2008 ($)	Base Salary as of December 2008 ($)	Percentage Increase (%)	Base Salary as of November 2009 ($)	Percentage Increase (%)
Paul M. Rady	235,000	240,000	2	450,000	88
Glen C. Warren, Jr.	218,000	222,500	2	375,000	69
Kevin J. Kilstrom	195,000	200,000	3	280,000	40
Robert E. Mueller	195,000	200,000	3	260,000	30
Alvyn A. Schopp	180,000	185,000	3	275,000	49

Annual Cash Incentive Payments

Annual cash incentive payments, which we also refer to as cash bonuses, are a key part of each Named Executive Officer's annual compensation package. The Compensation Committee believes that discretionary cash bonuses are an appropriate way to further our goals of attracting, retaining, and rewarding highly qualified and experienced officers and avoiding an environment that might cause undue pressure to meet specific financial or individual performance goals. Typically in December of each year, the Compensation Committee determines whether to pay cash bonuses from a bonus pool amount to some or all of our employees, including our executive officers, and, if so, the amount of any such cash bonuses (which may range from 0% to 100% of an executive officer's base salary). The Compensation Committee's decisions are based on recommendations from Messrs. Rady and Warren. The factors considered when determining the amount of discretionary cash bonus awards, if any, are similar to those considered when setting and adjusting base salaries. No particular weight is assigned to any of these factors.

Fiscal 2009 Decisions. A discretionary cash bonus was awarded to each of our Named Executive Officers in November 2009. These awards were based upon the factors noted above. The awards to each Named Executive Officer are reflected below in the "Bonus" column of the Summary Compensation Table.

Long-Term Equity-Based Incentive Awards

Our long-term equity-based incentive program is designed to provide each of our employees with an incentive to focus on the long-term success of our company and to act as a long-term retention tool by aligning the interests of our employees with those of our stakeholders.

Historically, each of the operating subsidiaries sponsored a stock incentive plan from which restricted stock and options were granted to certain employees, including the Named Executive Officers. The Compensation Committee believed that stock options and restricted stock awards incentivized strong performance by our employees, including our executive officers, by providing the opportunity to receive additional compensation as a result of increases in the values of each of the operating subsidiaries. Decisions concerning the granting of stock options and restricted stock awards were made on the same basis, and utilizing the same criteria, as decisions concerning the other compensation elements set forth above. Exercise prices of options granted were pre-determined during the negotiation of our two key equity commitments that were secured in February 2003 and August 2007. This process resulted in the establishment of exercise prices that were sometimes less than the estimated fair market value of the stock underlying the option on the date of grant. Each operating subsidiary's stock options were subject to the following vesting provisions: (1) proportionate vesting to the extent that the officer remained continuously employed on each of the first four anniversaries of a specified vesting commencement date ("time vesting") and (2) proportionate vesting based on the level of preferred equity capital invested in the common stock of the operating subsidiary ("dollar vesting"). Restricted stock awards were also subject to both time vesting and dollar vesting requirements.

The stock incentive plans of each of the operating subsidiaries were terminated immediately prior to the closing of the November 2009 corporate reorganization. In anticipation of the plan terminations and contingent on the closing of the transactions contemplated by our November 2009 corporate reorganization, the boards of directors of each of the operating subsidiaries granted any authorized but unissued in-the-money stock options to certain employees, including certain Named Executive Officers, to ensure that the cash out payments (as described below) would not result in any employee receiving a disproportionately lower level of compensation than the Compensation Committee had anticipated based on the principles and processes outlined above. At the time of the termination of the stock incentive plans, no other equity awards had been granted in 2009. As a result of the stock plan terminations, all of the outstanding options were cancelled through either (1) a mandatory surrender and exercise termination process (as applicable to outstanding options, if any, granted prior to July 13, 2006) ("Non-409A Options") or (2) a discretionary termination and cash out process (as applicable to outstanding options granted on or after July 13, 2006 ("409A Options"), which had been designed to comply with Section 409A ("Section 409A") of the Internal Revenue Code of 1986, as amended (the "Code"). Specifically, with regard to any Non-409A Options, each executive was provided an opportunity to pay the exercise price under some or all of the agreements relating to such options in exchange for a right to receive the number of our Class A-1 units that the executive would have received in connection with the 2009 corporate reorganization if the executive had been the owner of record of the number of shares of common stock underlying the Non-409A Options. However, none of the executives elected to exercise any of their Non-409A Options and, therefore, these options were cancelled without consideration. In exchange for the cancellation of each executive officer's 409A Options that were (a) vested as a result of both time vesting and dollar vesting (as described above) and (b) considered to be "in-the-money" because the fair market value per share of the shares underlying the option was greater than the exercise price per share of such shares, the executive officer became entitled to receive a cash payment from the applicable operating subsidiary that had granted the officer such option equal to the difference between the fair market value per share and the exercise price per share, less applicable taxes. A portion of the cash out payments necessary to satisfy applicable FICA tax requirements was remitted on behalf of each executive officer in December 2009. However, due to the applicable rules imposed under Section 409A, each operating subsidiary will pay the remaining portion of its respective cash out payment, if any, due to each executive officer in November 2010 without interest. The executive officers will receive the remaining portion of any cash out payments to which they are entitled regardless of whether they remain employed by us. All of the other 409A Options granted to the executive officers that did not constitute vested in-the-money options as of the closing of the November 2009 reorganization were cancelled by the operating subsidiaries

effective as of the closing of the November 2009 reorganization without any payment or consideration. Any outstanding restricted stock held by the Named Executive Officers prior to the November 2009 corporate reorganization was either repurchased by the operating subsidiaries at a purchase price equal to the officer's original cost or exchanged for units in Antero in accordance with the Contribution Agreement dated as of November 3, 2009, the stock incentive plans, and the applicable grant agreements. In connection with the termination of the stock incentive plans, each of our employees, including the executive officers, also received a payment equal to $1,000, less applicable taxes, in exchange for signing a release and waiver of all claims and entitlements pursuant to the cancelled options and restricted stock awards granted by the operating subsidiaries.

In connection with the November 2009 corporate reorganization, Antero Resources Employee Holdings LLC ("Holdings") was established to hold a portion of Antero units that were set aside at the time of the reorganization to be used for employee incentive compensation. We grant units in Holdings to our employees, including our Named Executive Officers, as a means of providing them with long-term equity incentive compensation in an affiliated entity that may directly profit from any success we achieve. This structure enables us to identify a fixed number of Antero units on which any distributions will flow through Holdings to our employees. We believe that providing equity compensation from Holdings allows us to retain the ability to incentivize our executives to focus on our long-term success.

In November 2009, we granted certain restricted Class A-2 and Class B-2 unit awards in Holdings to each of our Named Executive Officers. These units are intended to constitute "profits interests" in Holdings that will participate solely in any future profits of Holdings that result from any distributions on our units that are held by Holdings. The allocation of numbers and classes of units in Holdings that were granted to each Named Executive Officer was determined at levels that considered each executives contribution to the growth of the company. The units vest in equal amounts on each of the first four anniversaries of the applicable vesting commencement date set forth in the Named Executive Officer's restricted unit agreement. While the vesting commencement date varies among the awards, the vesting commencement dates applicable to the unit grants were established as of a date that precedes the date on which the units were granted (for example, the Class B-2 units granted to Mr. Rady in November 2009 commenced vesting on August 10, 2007) in order to take into account the Named Executive Officer's prior service to our company. Therefore, as described below under "—Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table," all or a portion of the units granted to each Named Executive Officer were vested on the grant date.

Other Benefits

- *Health and Welfare Benefits.* Our Named Executive Officers are eligible to participate in all of our employee health and welfare benefit plans on the same basis as other employees (subject to applicable law) to meet their health and welfare needs. These plans include medical and dental insurance, as well as medical and dependent care flexible spending accounts. These benefits are provided in order to ensure that we are able to competitively attract and retain officers and other employees. This is a fixed component of compensation, and these benefits are provided on a non-discriminatory basis to all employees.

- *Retirement Benefits.* We maintain an employee retirement savings plan whereby employees may save for retirement or future events on a tax-advantaged basis. We have made only one employer discretionary contribution, in 2004, to the 401(k) plan on behalf of our participating employees. Participation in the 401(k) plan is at the discretion of each individual employee, and our Named Executive Officers participate in the plan on the same basis as all other employees.

- *Perquisites and Other Personal Benefits.* We believe that the total mix of compensation and benefits provided to our executive officers is currently competitive and, therefore, perquisites should not play a significant role in our executive officers' total compensation.

Employment, Severance or Change in Control Agreements

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

As discussed below under "—Potential Payments Upon a Termination or a Change in Control," the Named Executive Officers could be entitled to receive certain payments or accelerated vesting of any of their unit awards that remain unvested upon their termination of employment with us under certain circumstances or the occurrence of certain corporate events.

Other Matters

Equity Ownership Guidelines and Hedging Prohibition

We do not currently have ownership requirements or an equity retention policy for our Named Executive Officers. We do not have a policy that restricts our executive officers from limiting their economic exposure to our equity. We will continue to periodically review best practices and reevaluate our position with respect to equity ownership guidelines and hedging prohibitions.

Tax and Accounting Treatment of Executive Compensation Decisions

The Board of Directors has not yet adopted a policy with respect to the limitation under Section 162(m) of the Code, which generally limits our ability to deduct compensation in excess of $1,000,000 to a particular executive officer in any year.

Summary Compensation

The following table summarizes, with respect to our Named Executive Officers, information relating to the compensation earned for services rendered in all capacities during the fiscal year ended December 31, 2009.

Summary Compensation Table for the Year Ended December 31, 2009

Name and Principal Position	Year	Salary ($)	Bonus ($)	Option Awards(1) ($)	All Other Compensation (2) ($)	Total ($)
Paul M. Rady *(Chairman of the Board of Directors and Chief Executive Officer)*	2009	$ 275,000	$ 225,000	$ 168,013	$ 293,467	$ 961,480
Glen C. Warren, Jr. *(Director, President and Chief Financial Officer and Secretary)*	2009	$ 247,917	$ 175,000	$ 111,120	$ 195,967	$ 730,004
Kevin J. Kilstrom *(Vice President—Production)*	2009	$ 213,333	$ 140,000	$ —	$ 348,973	$ 702,306
Robert E. Mueller *(Vice President—Geology)*	2009	$ 210,000	$ 110,000	$ 78,006	$ 229,406	$ 627,412
Alvyn A. Schopp *(Vice President—Accounting & Administration and Treasurer)*	2009	$ 200,000	$ 140,000	$ 150,007	$ 96,700	$ 586,707

(1) Represents the aggregate grant date fair value of the options granted in fiscal 2009, calculated in accordance with FASB ASC Topic 718. The valuation assumptions used in determining these amounts are described in Note 10 to the financial statements included elsewhere in this prospectus.

(2) Represents the total amounts due to each executive officer as a result of the termination of the stock incentive plans of the operating subsidiaries. The amounts consist of (a) a waiver payment paid to each officer in exchange for signing a release and waiver of all claims and entitlements pursuant to the cancelled options and restricted stock awards and (b) the amount of cash out payments due with respect to certain vested in-the-money options that were cancelled in 2009. The following table sets forth the amounts in the "All Other Compensation" column with respect to each of the items described in (a) and (b) above.

Name	Waiver Payments	Cash Out Payments for Cancelled Options Granted Prior to 2009(a)	Total
Paul M. Rady	$ 1,000	$ 292,467	$ 293,467
Glen C. Warren, Jr.	$ 1,000	$ 194,967	$ 195,967
Kevin J. Kilstrom	$ 1,000	$ 347,973	$ 348,973
Robert E. Mueller	$ 1,000	$ 228,406	$ 229,406
Alvyn A. Schopp	$ 1,000	$ 95,700	$ 96,700

(a) Represents the cash out payments due with respect to vested in-the-money options accrued in 2009. Our executive officers are not required to perform any additional services in order to receive such payments. However, in accordance with the applicable

rules under Section 409A, such payments will be paid by the applicable subsidiary during November 2010 without interest.

Grants of Plan-Based Awards for Fiscal Year 2009

The following table provides information concerning each award granted to our Named Executive Officers under any plan, including awards, if any, that have been transferred during the fiscal year ended December 31, 2009.

Grants of Plan-Based Awards for the Year Ended December 31, 2009

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock or Units(1) (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards(7) ($/Sh)	Grant Date Fair Value of Stock and Option Awards(8)(9) ($)
Paul M. Rady	10/28/2009	—	12,096(2)	$ 3.75	$ 168,013
	11/03/2009	113,670(5)	—	$ —	$ —
	11/03/2009	500,000(6)	—	$ —	$ —
Glen C. Warren, Jr.	10/28/2009	—	8,000(2)	$ 3.75	$ 111,120
	11/03/2009	75,780(5)	—	$ —	$ —
	11/03/2009	333,333(6)	—	$ —	$ —
Kevin J. Kilstrom	11/20/2009	200,000(5)	—	$ —	$ —
	11/20/2009	400,000(6)	—	$ —	$ —
Robert E. Mueller	10/28/2009	—	5,616(2)	$ 3.75	$ 78,006
	11/20/2009	80,600(5)	—	$ —	$ —
	11/20/2009	5,000(5)	—	$ —	$ —
	11/20/2009	400,000(6)	—	$ —	$ —
Alvyn A. Schopp	10/28/2009	—	5,509(3)	$ 2.50	$ 88,199
	10/28/2009	—	640(4)	$ 2.50	$ 21,773
	10/28/2009	—	1,396(4)	$ 20.00	$ 23,062
	10/28/2009	—	1,222(2)	$ 3.75	$ 16,974
	11/20/2009	45,000(5)	—	$ —	$ —
	11/20/2009	5,000(5)	—	$ —	$ —
	11/20/2009	125,000(6)	—	$ —	$ —

(1) Represents the number of restricted Class A-2 and/or Class B-2 units in Holdings granted pursuant to the Limited Liability Company Agreement of Holdings ("Holdings LLC Agreement"). For more information concerning these awards, see the discussion above under "—Compensation Discussion and Analysis—Elements of Compensation—Long-Term Equity-Based Incentive Awards." As described below under "—Payments Upon Termination or Change in Control," the awards may terminate or be subject to accelerated vesting upon the officer's termination of employment or the occurrence of certain corporate events.

(2) Represents options to purchase shares of the Class C common stock of Antero Resources Midstream Corporation ("Midstream") that were granted pursuant to the Midstream Amended and Restated 2006 Stock Incentive Plan (the "Midstream Plan"). These options were immediately vested and cancelled in connection with the termination of the Midstream Plan. The cash out payment, if any, due with respect to the cancellation of such options will be paid by Midstream in November 2010.

(3) Represents options to purchase the Class A common stock of Midstream that were granted pursuant to the Midstream Plan. These options were immediately vested and cancelled in connection with the termination of the Midstream Plan. The cash out payment, if any, due with respect to the cancellation of such options will be paid by Midstream in November 2010.

(4) Represents options to purchase the Class A common stock of Antero Resources Pipeline Corporation ("Pipeline") that were granted pursuant to the Pipeline Amended and Restated 2006 Stock Incentive Plan (the "Pipeline Plan"). These options were immediately vested and cancelled in connection with the termination of the Pipeline Plan. The cash out payment, if any, due with respect to the cancellation of such options will be paid by Pipeline in November 2010.

(5) Represents awards of restricted Class A-2 units in Holdings.

(6) Represents awards of restricted Class B-2 units in Holdings.

(7) There is no exercise or base price for the restricted Class A-2 and Class B-2 unit awards that are reflected in the "All Other Stock Awards: Number of Shares of Stock or Units" column.

(8) The fair market values of the options to purchase shares of common stock of the operating subsidiaries were determined as follows: (a) our Board of Directors received and studied the gross asset values of each of the operating subsidiaries determined through an independent appraisal (the "Appraisal") conducted by the valuation division of an investment banking firm of recognized national standing with valuation expertise in the oil and gas exploration and production sector that received a fixed fee for its work in performing the Appraisal, which fee was not dependent in any manner on the outcome of the Appraisal; and (b) the Board of Directors applied a valuation methodology to such gross asset values that took into account the following factors, as applicable: (i) recent arms' length transactions involving the sale or transfer of each subsidiary's common stock, (ii) discounts for the lack of marketability of such stock, (iii) whether the valuation method was used for other material purposes of the operating subsidiary, its stockholders or creditors, and (iv) other relevant factors, including, without limitation, the capital structure of each operating subsidiary.

(9) The fair market value of each class of units in Holdings was determined based on the aggregate gross asset values of the operating subsidiaries determined through the Appraisal and adjusted to reflect the distribution rights of Holdings with respect to our units pursuant to the Holdings LLC Agreement.

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

The following is a discussion of material factors necessary to an understanding of the information disclosed in the Summary Compensation Table and the Grants of Plan-Based Awards Table set forth above.

Stock Awards

The stock awards reflected above in the "Grants of Plan-Based Awards for Year Ended December 31, 2009" table consist of restricted Class A-2 and Class B-2 units in Holdings. Although these awards were granted in November 2009, the vesting commencement dates applicable to the units granted to each of the Named Executive Officers were set as of a date that precedes the date on which the units were granted in order to take into account service to the company prior to the November 2009 reorganization. Therefore, because all or a portion of the units granted to each Named Executive Officer were vested upon the date of grant, portions of the units granted in 2009 are not reflected below in the "Outstanding Equity Awards Value at 2009 Fiscal Year-End" table.

The Vesting Commencement Dates applicable to the Class A-2 units in Holdings are as follows: Messrs. Rady and Warren—June 20, 2002; Mr. Mueller—August 2, 2002 for 80,600 units and December 10, 2003 for 5,000 units; Mr. Kilstrom—June 4, 2007; Mr. Schopp—May 1, 2003 for 45,000

units and December 10, 2003 for 5,000 units. The Vesting Commencement Date applicable to all Class B-2 units in Holdings granted to each of the Named Executive Officers is August 10, 2007. Absent a termination of employment prior to full vesting of the awards (as described further below in the "—Potential Payments Upon Termination or Change of Control"), full vesting will occur on the fourth year anniversary of the applicable Vesting Commencement Date.

Options Awards

As reflected above in the "Grants of Plan-Based Awards for Year Ended December 31, 2009" table, each of the options granted to the Named Executive Officers were fully vested upon the date of grant. Prior to the November 2009 corporate reorganization, the boards of directors of the operating subsidiaries determined that certain Named Executive Officers would not receive the amount of compensation that the Compensation Committee had originally intended for such officers to receive pursuant to the settlement of previously granted equity-based compensation awards, particularly with respect to certain outstanding option awards. Therefore, to the extent that the applicable stock incentive plan had outstanding shares remaining available for issuance, certain Named Executive Officers were granted "in-the-money" options as an assurance that the officer would indeed receive the level of compensation that the Compensation Committee had originally intended. Immediately prior to the corporate reorganization and in connection with the termination of the stock incentive plans pursuant to which such options were granted, the options described in the table above were cancelled. As a result of the cancellation, each Named Executive Officer became entitled to receive a cash payment during fiscal 2010 from the applicable operating subsidiary that granted the officer that option equal to the difference between the fair market value per share of each such option and the exercise price per share, less applicable taxes.

Salary and Cash Incentive Awards in Proportion to Total Compensation

The following table sets forth the approximate percentage of each Named Executive Officer's total compensation that we paid in the form of base salary and annual cash incentive awards during fiscal 2009.

Name	Percentage of Total Compensation
Paul M. Rady	52%
Glen C. Warren, Jr.	58%
Kevin J. Kilstrom	50%
Robert E. Mueller	51%
Alvyn A. Schopp	58%

Outstanding Equity Awards Value at 2009 Fiscal Year-End

The following table provides information concerning stock that has not vested for our Named Executive Officers as of December 31, 2009. No stock options remained unvested as of December 31, 2009.

Outstanding Equity Awards as of December 31, 2009

	Stock Awards			
Name	Number of Shares of Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested(7) ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested(8) ($)
Paul M. Rady				
Restricted Award Units(1)	—	$ —	250,000(4)	$ —
Glen C. Warren, Jr.				
Restricted Award Units(1)	—	$ —	166,667(4)	$ —
Kevin J. Kilstrom				
Restricted Award Units(1)	—	$ —	100,000(6)	$ —
Restricted Award Units(1)	—	$ —	200,000(5)	$ —
Class I-3 Units(2)	8,000(3)	$ —	—	$ —
Class B-1 Units(2)	100,000(3)	$ —	—	$ —
Class B-3 Units(2)	63,492(3)	$ —	—	$ —
Class B-5 Units(2)	30,769(3)	$ —	—	$ —
Robert E. Mueller				
Restricted Award Units(1)	—	$ —	200,000(5)	$ —
Alvyn A. Schopp				
Restricted Award Units(1)	—	$ —	62,500(5)	$ —

(1) Represents the number of restricted Class A-2 and/or Class B-2 units in Holdings granted pursuant to the Holdings LLC Agreement. For more information concerning these awards, see the discussion above under "—Compensation Discussion and Analysis—Elements of Compensation—Long-Term Equity-Based Incentive Awards." As described below under "—Payments Upon Termination or Change in Control," the restricted unit awards may terminate or be subject to accelerated vesting upon the officer's termination of employment or the occurrence of certain corporate events. Please see footnotes 4, 5 and 6 below for a description of the vesting schedule for the awards that remained outstanding as of December 31, 2009.

(2) Reflects awards that were originally issued by certain of the operating subsidiaries as restricted stock awards with respect to the subsidiary's Series C preferred stock and Series D, E, and F common stock. In connection with the November 2009 corporate reorganization, all awards were exchanged for Class I-3, B-1, B-3 and B-5 units in Antero. The vesting conditions associated with the original restricted stock awards were kept in place upon exchange. Please see footnote 3 below for a description of the awards that remained outstanding as of December 31, 2009.

(3) Represents awards that were granted on August 10, 2007 with a vesting commencement date of August 10, 2007. The awards vested 20% upon issuance and the remaining portion will vest 20% on each of the first four anniversaries of the vesting commencement date.

(4) Represents non-vested restricted unit awards that were granted on November 3, 2009 with a vesting commencement date of August 10, 2007. The awards vest 25% per year beginning on the first anniversary of the vesting commencement date.

(5) Represents non-vested restricted unit awards that were granted on November 20, 2009 with a vesting commencement date of August 10, 2007. The awards vest 25% per year beginning on the first anniversary of the vesting commencement date.

(6) Represents non-vested restricted unit awards that were granted on November 20, 2009 with a vesting commencement date of June 4, 2007. The awards vest 25% per year beginning on the first anniversary of the vesting commencement date.

(7) The fair market value of each class of units in Antero was determined based on the aggregate gross asset values of the operating subsidiaries determined through the Appraisal and adjusted to reflect the distribution rights of Antero with respect to our units pursuant to Antero's LLC Agreement.

(8) The fair market value per unit of each class of units in Holdings subject to the restricted unit awards was $0.00 at the time of issuance of the awards. Therefore, there is no market value associated with the unvested portion of the awards.

Option Exercises and Stock Vested in Fiscal Year 2009

The following table provides information concerning each vesting of stock, including restricted stock, restricted stock units and similar instruments, during fiscal 2009 on an aggregated basis with respect to each of our Named Executive Officers. No options were exercised during fiscal 2009 because all options were terminated.

Option Exercises and Stock Vested for the Year Ended December 31, 2009

	Stock Awards	
Name	Number of Shares Acquired on Vesting(1) (#)	Value Realized Upon Vesting(2) ($)
Paul M. Rady	—	$ —
Glen C. Warren, Jr.	—	$ —
Kevin J. Kilstrom		
Class I-3 Units(3)	4,000	$ —
Class B-1 Units(3)	50,000	$ —
Class B-3 Units(3)	31,746	$ —
Class B-5 Units(3)	15,385	$ —
Robert E. Mueller	—	$ —
Alvyn A. Schopp		
Class I-3 Units(3)	6,000	$ —
Class B-1 Units(3)	75,000	$ —
Class B-3 Units(3)	21,429	$ —
Class B-5 Units(3)	23,077	$ —

(1) The number of shares acquired on vesting represents the gross number of units vested. There were no payroll taxes withheld from these awards.

(2) The value realized upon vesting was the gross number of units vested multiplied by the fair market value of the units. Because our units do not have a public market value and we do not measure the awards on a regular basis, the value realized upon vesting is the value at the point of the last measurement of our units, which was November 3, 2009, the date of the corporate reorganization. The fair market value per unit of each class of our units on that date was $0.00.

(3) Reflects awards that were originally issued by certain of the operating subsidiaries as restricted stock awards with respect to the subsidiary's Series C preferred stock and Series D, E, and F common stock. In connection with the November 2009 corporate reorganization, any vested awards were exchanged for Class I-3, B-1, B-3 and B-5 units in Antero. The vesting conditions associated with the original restricted stock awards were kept in place upon exchange.

Payments Upon Termination or Change in Control

Holdings Units. As described above, we do not maintain individual employment agreements, severance agreements or change in control agreements with the Named Executive Officers; however, each of the Named Executive Officers have been awarded certain units in Holdings that may be affected by the officer's termination of employment or the occurrence of certain corporate events. The impact of such a termination or corporate event upon the units is governed by the terms of both the individual award agreements issued to the officers in connection with the grant of the unit awards, as well as the Holdings LLC Agreement.

The Holdings LLC Agreement provides that upon the termination of a Named Executive Officer's employment with us by reason of death or "disability" (as defined below) or the occurrence of an "exit event" (as defined below) while the Named Executive Officer is employed by us, any unvested portion of the Holdings units granted to the Named Executive Officer will become vested; our termination of the Named Executive Officer's employment with or without "cause," as well as the officer's voluntary termination of employment, generally results in the forfeiture of all unvested Holdings units. In addition, a termination for "cause" results in a forfeiture of all vested units. Any unvested portion of the Holdings units granted to a Named Executive Officer may also become vested upon a "qualified IPO" (as defined below) or under such other circumstances and at such times as the Board of Directors of Holdings determines to be appropriate in its discretion.

The Holdings LLC Agreement also provides that upon the voluntary resignation of a Named Executive Officer or the occurrence of an exit event, any portion of the Holdings units granted to the officer that have vested as of the time of the applicable event are subject to repurchase at Holdings' option at a purchase price equal to the "fair market value" of such units, as determined by the unanimous resolution of the Board of Directors. In addition to the acceleration of vesting described above, in the event of a qualified IPO, the Board of Directors of Holdings may, but is not required to, affect one of the following actions in its discretion: (1) require some or all of the Named Executive Officers to surrender some or all of their vested units in Holdings in exchange for an amount of cash or stock per unit equal to the fair market value of such units; (2) make appropriate adjustments to such units; or (3) require the forfeiture of any unvested Holdings units.

Under the Holdings LLC Agreement, a Named Executive Officer will be considered to have incurred a "disability" if the officer becomes incapacitated by accident, sickness or other circumstance that renders the officer mentally or physically incapable of performing the officer's duties with us on a full-time basis for a period of at least 120 days during any 12-month period. A termination for "cause" will occur following an employee's (1) gross negligence or willful misconduct, (2) conviction of a felony or a crime involving theft, fraud or moral turpitude, (3) refusal to perform material duties or responsibilities, (4) willful and material breach of a corporate policy or code of conduct or (5) willfully

engagement in conduct that damages the integrity, reputation or financial success of Antero or any of its affiliates. Further, an "exit event" generally includes the sale of our company, in one transaction or a series of related transactions, whether structured (1) as a sale or other transfer of all or substantially all of our units (including by way of merger, consolidation, share exchange, or similar transaction); or (2) the sale or other transfer of all or substantially all of our assets promptly followed by a dissolution and liquidation of our company; or (3) a combination of both. A "qualified IPO" means the offering and sale of equity interests or securities in Antero or one of its subsidiaries in a firm commitment underwritten public offering registered under the Securities Act of 1933, as amended, that results in (1) aggregate cash proceeds of not less than $50,000,000 (without deducting underwriting discounts, expenses, and commissions) and (2) the listing of such interests or securities on the New York Stock Exchange, the NYSE Euronext or the Nasdaq Stock Market.

Antero Units. At the time of the 2009 reorganization, Mr. Kilstrom was the only Named Executive Officer that held outstanding unvested restricted stock awards with respect to the operating subsidiaries' Series C preferred stock and Series D, E, and F common stock. Pursuant to the Contribution Agreement entered into as of November 3, 2009 among Antero, each of the operating subsidiaries, certain institutional investors of the operating subsidiaries and members of our management team, these awards were exchanged for Class I-3, B-1, B-3 and B-5 units in Antero and the units retained the same vesting schedules as the original awards. Thus, half of Mr. Kilstrom's Class I-3, B-1, B-3 and B-5 units that remain outstanding will vest on August 10, 2010, and the remaining half will vest on August 10, 2011, subject to certain forfeiture restrictions described below.

The Antero units Mr. Kilstrom received in connection with such exchange will also vest in accordance with the terms and conditions contained within the Antero limited liability company agreement. Upon Mr. Kilstrom's death or "disability," any unvested units will immediately vest. In the event Mr. Kilstrom is terminated without "cause," or he voluntarily resigns, his unvested Antero units will become subject to repurchase at his original cost for such units, if any. Mr. Kilstrom's termination for "cause" will subject his units to repurchase at their original cost. Any vested units in Antero that Mr. Kilstrom holds upon his voluntary resignation will also be subject to repurchase, although such a repurchase would occur at the fair market value of the units at the time of repurchase rather than his original cost for the units. The terms "disability" and "cause" are defined in the Antero limited liability company agreement based on the meanings ascribed to such terms in the Holdings LLC Agreement described above.

All time-based vesting restrictions will also lapse with respect to Mr. Kilstrom's Antero units upon the occurrence of a change of control. The Antero limited liability company agreement generally defines a "change of control" as (1) the disposition of Antero's membership interests, a merger or similar transaction that results in Antero's members immediately prior to the transaction no longer representing a majority of Antero's membership immediately following such transaction, (2) the sale of all or substantially all of Antero's assets, or (3) the consolidation or other form of reorganization that results in Antero's membership interests being exchanged for (or converted into) cash, securities or other property of an entity in which the Antero members do not also own a majority of the voting power. However, in the event Antero conducts a public offering of its interests, certain members of Antero may, in accordance with the terms of the Antero limited liability company agreement, determine that such a transaction does not constitute a change of control.

Potential Payments Upon Termination or Change in Control Table for Fiscal 2009

The information set forth in the table below is based on the assumption that the applicable triggering event occurred on December 31, 2009, the last business day of fiscal 2009. Accordingly, the information reported in the table is our best estimation of our obligations to each Named Executive Officer and will only be determinable with any certainty upon the occurrence of the applicable event. In order to provide the most accurate information possible, neither the acceleration of vesting nor any

repurchase rights that are subject to the absolute discretion of either Holdings' or Antero's Board of Directors have been taken into account for purposes of calculating the values set forth in the table below. Note, however, that because the fair market value per unit of each applicable unit in Holdings and Antero was $0.00 on December 31, 2009, we would not have had any financial obligation to provide benefits to any of the Named Executive Officers upon a termination of employment by reason of death or disability nor upon the occurrence of an exit event as of December 31, 2009.

Name	Termination of Employment by Reason of Death or Disability	Occurrence of an Exit Event or a Change of Control
Paul M. Rady		
Class B-2 Units(1)	$ —	$ —
Glen C. Warren, Jr.		
Class B-2 Units(1)	$ —	$ —
Kevin J. Kilstrom		
Class A-2 Units(2)	$ —	$ —
Class B-2 Units(1)	$ —	$ —
Class I-3 Units(3)	$ —	$ —
Class B-1 Units(3)	$ —	$ —
Class B-3 Units(3)	$ —	$ —
Class B-5 Units(3)	$ —	$ —
Robert E. Mueller		
Class B-2 Units(1)	$ —	$ —
Alvyn A. Schopp		
Class B-2 Units(1)	$ —	$ —

(1) The numbers of unvested Holdings Class B-2 units that would have been subject to accelerated vesting as of December 31, 2009 for each of the officers above are as follows: Mr. Rady—250,000; Mr. Warren —166,667; Mr. Mueller—200,000; Mr. Kilstrom—100,000; and Mr. Schopp—62,500.

(2) The number of unvested Holdings Class A-2 units that would have been subject to accelerated vesting as of December 31, 2009 for Mr. Kilstrom was 200,000.

(3) Mr. Kilstrom held 8,000 Class I-3 units, 100,000 Class B-1 units, 63,492 Class B-3 units, and 30,769 Class B-5 units in Antero that could have potentially been subject to accelerated vesting as of December 31, 2009

Compensation of Directors

The employee and non-employee members of the Board of Directors do not receive compensation for their services as directors. However, our directors may be reimbursed for their expenses in attending board meetings.

Corporate Governance Matters

Our board of directors has appointed an audit committee and a compensation committee. Messrs. Kagan, Keenan and Manning serve as the members of those committees. Because the registration statement of which this prospectus forms a part registers only debt securities and because we do not have and are not seeking to list any securities on a national securities exchange or on an inter-dealer quotation system, we are not subject to a number of the corporate governance requirements of the SEC or of any national securities exchange or inter-dealer quotation system. For example, we are not required to have a board of directors comprised of a majority of independent directors or to have an audit committee comprised of independent directors. Accordingly, our board of directors has not made any determination as to whether any of the members of our board of directors or committees thereof would qualify as independent under the listing standards of any national securities exchange or any inter-dealer quotation system or under any other independence definition.

Compensation Committee Interlocks and Insider Participation

None of our executive officers has served as a director or member of the compensation committee of any other entity whose executive officers served as a director or member of our compensation committee.

Certain Relationships and Related Party Transactions

To date, our equity investors, including our Chief Executive Officer and our President, Chief Financial Officer and Secretary, have invested approximately $1.4 billion in us. For a description of our ownership structure and the ownership of the equity interests in Antero by its principal equity holders and by our directors and executive officers, see "Business—Corporate Sponsorship and Structure" and "Our Principal Owners." We do not currently have any formal policy with respect to the review and approval of related party transactions.

Antero Limited Liability Company Agreement

Antero was formed in connection with our November 2009 corporate reorganization. The limited liability company agreement of Antero provides for a number of different classes of units, which are owned by Antero's equity investors and employees. Under Antero's limited liability company agreement, if Antero proposes to issue certain additional equity securities prior to any initial public offering of its equity securities, certain of the existing holders of Antero's units who are "accredited investors' under the Securities Act will have the right to purchase a pro rata amount of such securities. Certain of the units are subject to rights of first refusal held by Antero and the other members. In addition, if, after complying with the applicable rights of first refusal, any member seeks to sell any units, the terms of such sale must include, from the third party buyer, an offer to purchase, on the same terms, a proportional number of units of the same class of units to be sold by such selling member from each member that holds units of the class that the selling member is proposing to sell. Furthermore, if holders of at least 69% of certain classes of units and the director designated by Warburg Pincus approve a sale of Antero, then all members will be required both to approve the sale and to agree to sell all of their units on the terms and conditions of such approved sale.

None of Antero's outstanding units are entitled to current cash distributions or are convertible into indebtedness, and Antero has no obligation to repurchase these units at the election of the unitholders. Although Antero is required to make quarterly distributions to cover any income taxes allocated to each unitholder, the unitholders have no other rights to cash distributions (except in the case of certain liquidation events). We do not anticipate making any such tax distributions in the foreseeable future. Pursuant to the terms of Antero's limited liability company agreement, upon certain liquidation events, units held by our private equity sponsors and institutional investors are entitled to receive, prior to any

amounts received by other unitholders, an amount equal to the initial purchase price of such units plus a special distribution with respect to such units and will continue to participate on a pro rata basis with other unitholders in any excess funds available in liquidation.

The board of directors of Antero currently consists of five members who have been designated in accordance with Antero's limited liability company agreement. Each of Warburg Pincus, Yorktown Energy Partners and Trilantic Capital Partners currently has the right to designate one director to the board of directors of Antero. The remaining two members of Antero's board of directors are our Chief Executive Officer and our Chief Financial Officer. Warburg Pincus currently has the right to designate one additional member of Antero's board of directors after consultation with the management directors and the other investors in Antero.

Antero Resources Employee Trust

Concurrent with the closing of the November 2009 corporate reorganization, Antero issued profits interests to Antero Resources Employee Trust, LLC, a newly formed Delaware limited liability company, owned solely by certain of our officers and employees. These profits interests only participate in distributions upon liquidation events meeting certain requisite financial return thresholds. In turn, Antero Resources Employee Trust issued similar profits interests to certain of our officers and employees.

Registration Rights Agreement

In connection with the November 2009 restructuring, Antero entered into a registration rights agreement with its members pursuant to which Antero granted certain demand and "piggyback" registration rights to such members.

Under the registration rights agreement, a requisite number of members of Antero may at any time prior to the earlier to occur of an initial public offering by Antero of its equity securities or August 10, 2010, require Antero to file a registration statement for the public sale of their equity securities in Antero. In addition, if, any time after an initial public offering of its equity securities, Antero proposes to file a registration statement with respect to an offering of its equity securities, each of the members will have the right to include his or its equity securities in that offering. The underwriters of any underwritten offering will have the right to limit the number of equity securities of the members to be included in such underwritten offering.

We will pay all expenses relating to any demand or piggyback registration, except for underwriters' or brokers' commission or discounts. The securities covered by the registration rights agreement will no longer be registrable under the registration rights agreement if they have been sold to the public either pursuant to a registration statement or under Rule 144 promulgated under the Securities Act or are otherwise eligible for resale pursuant to Rule 144(b) under the Securities Act.

OUR PRINCIPAL OWNERS

The five operating subsidiaries together own all of the outstanding shares of common stock of the issuer. Antero owns all of the outstanding shares of common stock of each of the five operating subsidiaries.

The following table sets forth the number of voting units in Antero beneficially owned by (1) all persons who, to the knowledge of our management team, beneficially own more than 5% of the outstanding voting units of Antero, (2) each current director of Antero, (3) Antero's named executive officers and (4) all current directors and executive officers of Antero as a group. This information reflects our November 2009 corporate restructuring and equity placements. See "Business—Corporate Sponsorship and Structure."

Name	Total Number of Voting Units	Percent of Total Units Outstanding
Warburg Pincus(1)	56,557,133	40.8%
Yorktown Energy Partners(2)	15,942,448	11.5%
Trilantic Capital Partners(3)	12,471,533	9.0%
Peter R. Kagan(4)	—	—
W. Howard Keenan, Jr.(5)	—	—
Christopher R. Manning(6)	—	—
Paul M. Rady(7)	21,125,461	15.2%
Glen C. Warren, Jr.(8)	14,083,641	10.2%
Robert E. Mueller	827,302	0.6%
Alvyn A. Schopp	855,574	0.6%
Kevin J. Kilstrom	530,653	0.4%
Directors and executive officers as a group (11 persons)	39,515,015	28.5%

(1) The holdings of Warburg Pincus are held by WP Antero LLC. WP Antero LLC is a subsidiary of Warburg Pincus Private Equity X, L.P., Warburg Pincus Private Equity VIII, L.P. and certain of their affiliated funds, which we collectively refer to as the Warburg Pincus Funds, all of which are managed by Warburg Pincus LLC. Warburg Pincus & Co. is the indirect general partner of Warburg Pincus Funds.

(2) The holdings of Yorktown Energy Partners are collectively held by Yorktown Energy Partners V, L.P., Yorktown Energy Partners, VI, L.P., Yorktown Energy Partners VII, L.P. and Yorktown Energy Partners VIII, L.P.

(3) The holdings of Trilantic Capital Partners are collectively held by investment vehicles and individuals affiliated with Trilantic Capital Partners III L.P. and Trilantic Capital Partners IV L.P.

(4) Peter R. Kagan, one of our directors, is a general partner of Warburg Pincus & Co., a managing director and member of Warburg Pincus LLC and a limited partner of certain Warburg Pincus Funds. Mr. Kagan was elected to our board of directors as a Warburg Pincus designee. Mr. Kagan disclaims beneficial ownership of all units owned by the Warburg Pincus entities.

(5) W. Howard Keenan, Jr., one of our directors, is a member and a manager of the general partner of and a limited partner of each of Yorktown Energy Partners V, L.P., Yorktown Energy Partners VI, L.P., Yorktown Energy Partners VII, L.P. and Yorktown Energy Partners VIII, L.P. and holds all securities received as director compensation for the benefit of those entities. Mr. Keenan disclaims beneficial ownership of all such securities

as well as those held by Yorktown Energy Partners V, L.P., Yorktown Energy Partners VI, L.P., Yorktown Energy Partners VII, L.P. and Yorktown Energy Partners VIII, L.P. except to the extent of his pecuniary interest therein. Mr. Keenan was elected to our board of directors as a Yorktown Energy Partners designee.

(6) Christopher R. Manning, one of our directors, is partner of Trilantic Capital Partners. Mr. Manning was elected to our board of directors as a Trilantic Capital Partners designee. Mr. Manning disclaims beneficial ownership of all units owned by the Trilantic Capital Partners entities.

(7) Mr. Rady, our Chief Executive Officer and Chairman of the Board and one of our directors, is the managing member of Salisbury Investment Holdings, LLC and the holdings of Mr. Rady indicated above include both the direct personal holdings of Mr. Rady and the holdings of Salisbury Investment Holdings, LLC.

(8) Mr. Warren, our President, Chief Financial Officer and Secretary and one of our directors, is the managing member of Canton Investment Holdings, LLC and the holdings of Mr. Warren indicated above include both the direct personal holdings of Mr. Warren and the holdings of Canton Investment Holdings, LLC.

* Less than one percent.

DESCRIPTION OF NOTES

We will issue the new Notes under an indenture dated as of November 17, 2009 (the "Indenture"), among us, the Parent Guarantor, the Subsidiary Guarantors and Wells Fargo Bank, National Association, as trustee (the "Trustee"). On November 17, 2009, we issued $375 million principal amount of Notes under the Indenture. On January 19, 2010, we issued an additional $150 million principal amount of Notes, which are Additional Notes (as defined below) under the Indenture, which are treated together with the previously issued Notes as a single series of debt securities. References to the "Notes" in this "Description of Notes" include both the outstanding Notes and the Notes offered hereby. References in this "Description of Notes" to "Issue Date" mean November 17, 2009, the date on which the initial Notes were issued. The terms of the Notes include those expressly set forth in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"). The Indenture is unlimited in aggregate principal amount. We may issue an unlimited principal amount of additional Notes having identical terms and conditions as the Notes (the "Additional Notes"). We will only be permitted to issue such Additional Notes in compliance with the covenant described under the subheading "—Certain Covenants—Limitation on Indebtedness and Preferred Stock." Any Additional Notes will be part of the same series as the Notes that will vote on all matters with the holders of the Notes. Unless the context otherwise requires, for all purposes of the Indenture and this "Description of Notes," references to the Notes include the new Notes and the old Notes and any Additional Notes actually issued.

This "Description of Notes" is intended to be a useful overview of the material provisions of the Notes and the Indenture. Since this description is only a summary, you should refer to these documents for a complete description of the obligations of the Issuer and the Guarantors and your rights. A copy of the Indenture has been filed as an exhibit to the registration statement of which the prospectus is a part.

You will find the definitions of capitalized terms used in this "Description of Notes" under the heading "—Certain Definitions." For purposes of this description, references to "the Issuer," "we," "our" and "us" refer only to Antero Resources Finance Corporation, the issuer of the Notes, and references to "the Parent Guarantor" refer only to Antero Resources LLC and not to any of its subsidiaries.

The registered holder of a new Note will be treated as the owner of it for all purposes. Only registered holders of the Notes have rights under the Indenture, and all references to "holders" in this description are to registered holders of the Notes.

If the exchange offer contemplated by this prospectus is consummated, holders of old Notes who do not exchange those Notes for new Notes in the exchange offer will vote together with holders of new Notes for all relevant purposes under the Indenture. In that regard, the Indenture requires that certain actions by the holders thereunder must be taken, and certain rights must be exercised, by specified minimum percentages of the aggregate principal amount of the outstanding securities issued under the Indenture. In determining whether holders of the requisite percentage in principal amount have given any notice, consent or waiver or taken any other action permitted under the Indenture, any old Notes that remain outstanding after the exchange offer will be aggregated with the new Notes, and the holders of such old Notes and the new Notes will vote together as a single class for all such purposes. Accordingly, all references herein to specified percentages in aggregate principal amount of the Notes outstanding shall be deemed to mean, at any time after the exchange offer is consummated, such percentages in aggregate principal amount of the old Notes and the new Notes then outstanding.

General

The New Notes. The new Notes:

- will be general unsecured, senior obligations of the Issuer;
- will mature on December 1, 2017;
- will be issued in denominations of $2,000 and integral multiples of $1,000 in excess of $2,000;
- will be represented by one or more registered Notes in global form, but in certain circumstances may be represented by Notes in definitive form, see "—Book-Entry; Delivery and Form";
- will rank senior in right of payment to any future Subordinated Obligations of the Issuer;
- will rank equally in right of payment to any other senior Indebtedness of the Issuer (including the Issuer's guarantee under the Senior Secured Credit Agreement), without giving effect to collateral arrangements;
- will be initially unconditionally guaranteed on a senior unsecured basis by the Parent Guarantor and each current wholly-owned Subsidiary of the Parent Guarantor, see "—Guarantees"; and
- will effectively rank junior to any future secured Indebtedness of the Issuer, to the extent of the value of the collateral securing such Indebtedness.

The Guarantees. Initially, the Parent Guarantor and all of its wholly-owned Subsidiaries (other than the Issuer) will unconditionally guarantee the new Notes on a senior unsecured basis. Each Guarantee of the new Notes:

- will be general unsecured, senior obligations of the Guarantor;
- will rank senior in right of payment to any future Guarantor Subordinated Obligations of the Guarantor;
- will rank equally in right of payment to any other existing and future senior Indebtedness of the Guarantor, without giving effect to collateral arrangements;
- will effectively rank junior to all existing and future secured Indebtedness of the Guarantor, including any borrowings and guarantees under the Senior Secured Credit Agreement, to the extent of the value of the collateral securing such Indebtedness; and
- will effectively rank junior to all future Indebtedness of any non-guarantor Subsidiary of the Guarantor.

Currently, all of the Subsidiaries of the Parent Guarantor are Subsidiary Guarantors (except for the Issuer and Centrahoma Processing LLC, a 60% owned Subsidiary), and all of the Subsidiaries of the Parent Guarantor (including Centrahoma Processing LLC) are Restricted Subsidiaries. Certain future Subsidiaries of the Parent Guarantor may not be required to guarantee the Notes. See "—Certain Covenants—Future Subsidiary Guarantors." Also, under the circumstances described below in the definition of "Unrestricted Subsidiary" under the heading "—Certain Definitions," the Parent Guarantor may designate certain of its Subsidiaries as "Unrestricted Subsidiaries." Unrestricted Subsidiaries will not guarantee the Notes and will not be subject to the restrictive covenants in the Indenture. As of September 30, 2009, the only non-guaranteeing Subsidiary, Centrahoma Processing LLC, had no outstanding Indebtedness and held less than 4% of the Parent Guarantor's consolidated total assets.

Interest. Interest on the new Notes will:

- accrue at the rate of 9.375% per annum;

- accrue from the Issue Date or, if interest has already been paid on the Notes, from the most recent interest payment date;
- be payable in cash semi-annually in arrears on June 1 and December 1, commencing on June 1, 2010;
- be payable to the holders of record on the May 15 and November 15 immediately preceding the related interest payment dates; and
- be computed on the basis of a 360-day year comprised of twelve 30-day months.

If an interest payment date falls on a day that is not a Business Day, the interest payment to be made on such interest payment date will be made on the next succeeding Business Day with the same force and effect as if made on such interest payment date, and no additional interest will accrue as a result of such delayed payment. The Issuer will pay interest on overdue principal of the new Notes at the above rate, and overdue installments of interest at such rate, to the extent lawful.

Payments on the Notes; Paying Agent and Registrar

We will pay principal of, premium, if any, and interest on the Notes at the office or agency designated by us in the City and State of New York, except that we may, at our option, pay interest on the Notes by check mailed to holders of the Notes at their registered address as it appears in the registrar's books. We have initially designated the corporate trust office of the Trustee in Minneapolis, Minnesota to act as our paying agent and its corporate trust office in Dallas, Texas to act as registrar. We may, however, change the paying agent or registrar without prior notice to the holders of the Notes, and the Parent Guarantor or any of its Restricted Subsidiaries may act as paying agent or registrar.

We will pay principal of, premium, if any, and interest on, Notes in global form registered in the name of or held by The Depository Trust Company or its nominee in immediately available funds to The Depository Trust Company or its nominee, as the case may be, as the registered holder of such global Note.

Transfer and Exchange

A holder may transfer or exchange Notes in accordance with the Indenture. The registrar and the Trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents in connection with a transfer of Notes. No service charge will be imposed by the Issuer, the Trustee or the registrar for any registration of transfer or exchange of Notes, but the Issuer may require a holder to pay a sum sufficient to cover any transfer tax or other governmental taxes and fees required by law or permitted by the Indenture. The Issuer is not required to transfer or exchange any Note selected for redemption. Also, the Issuer is not required to transfer or exchange any Note for a period of 15 days before a selection of Notes to be redeemed.

The registered holder of a Note will be treated its owner for all purposes.

Optional Redemption

On and after December 1, 2013, we may redeem all or, from time to time, a part of the Notes upon not less than 30 nor more than 60 days' notice, at the following redemption prices (expressed as a percentage of principal amount of the Notes), plus accrued and unpaid interest on the Notes, if any, to the applicable redemption date (subject to the right of holders of record on the relevant record date to

receive interest due on the relevant interest payment date), if redeemed during the 12-month period beginning on December 1 of the years indicated below:

Year	Percentage
2013	104.688%
2014	102.344%
2015 and thereafter	100.000%

On or prior to December 1, 2012, we may, at our option, on any one or more occasions redeem up to 35% of the aggregate principal amount of the Notes (including Additional Notes) issued under the Indenture with the Net Cash Proceeds of one or more Equity Offerings at a redemption price of 109.375% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided* that

(1) at least 65% of the aggregate principal amount of the Notes (including Additional Notes) issued under the Indenture remains outstanding after each such redemption; and

(2) the redemption occurs within 180 days after the closing of the related Equity Offering.

In addition, the Notes may be redeemed, in whole or in part, at any time prior to December 1, 2013 at the option of the Issuer upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each holder of Notes at its registered address, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest to, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

"Applicable Premium" means, with respect to any Note on any applicable redemption date, the greater of:

(1) 1.0% of the principal amount of such Note; or

(2) the excess, if any, of:

(a) the present value at such redemption date of (i) the redemption price of such Note at December 1, 2013 (such redemption price being set forth in the table appearing in the first paragraph of this "Optional redemption" section) plus (ii) all required interest payments (excluding accrued and unpaid interest to such redemption date) due on such Note through December 1, 2013 computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over

(b) the principal amount of such Note.

"Treasury Rate" means, as of any redemption date, the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) which has become publicly available at least two Business Days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to December 1, 2013; *provided*, *however*, that if the period from the redemption date to December 1, 2013 is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the redemption date to December 1, 2013 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used. The Issuer will (a) calculate the Treasury Rate as of the second Business Day preceding the applicable redemption

date and (b) prior to such redemption date file with the Trustee an Officers' Certificate setting forth the Applicable Premium and the Treasury Rate and showing the calculation of each in reasonable detail.

Selection and Notice

If the Issuer is redeeming less than all of the outstanding Notes, the Trustee will select the Notes for redemption in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed or, if the Notes are not listed, then on a pro rata basis, by lot or by such other method as the Trustee in its sole discretion will deem to be fair and appropriate, although no Note of $2,000 in original principal amount or less will be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption relating to such Note will state the portion of the principal amount thereof to be redeemed. A new Note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the partially redeemed Note. On and after the redemption date, interest will cease to accrue on Notes or the portion of them called for redemption unless we default in the payment thereof.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

We are not required to make mandatory redemption payments or sinking fund payments with respect to the Notes. However, under certain circumstances, we may be required to offer to purchase Notes as described under the captions "—Change of Control" and "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock."

The Parent Guarantor and its Subsidiaries may acquire Notes by means other than a redemption or required repurchase, whether by tender offer, open market purchases, negotiated transactions or otherwise, in accordance with applicable securities laws, so long as such acquisition does not otherwise violate the terms of the Indenture. However, other existing or future agreements of the Parent Guarantor or its Subsidiaries may limit the ability of the Parent Guarantor or its Subsidiaries to purchase Notes prior to maturity.

Ranking

The new Notes, like the old Notes, will be general unsecured obligations of the Issuer that rank senior in right of payment to any of its future Indebtedness that is expressly subordinated in right of payment to the Notes. The new Notes will rank equally in right of payment with all other Indebtedness of the Issuer that is not so subordinated and will be effectively subordinated to any of its future secured Indebtedness, to the extent of the value of the collateral securing such Indebtedness.

The obligations of each of the Guarantors under the Guarantees for the Notes will rank equally in right of payment with all other Indebtedness of such Guarantor, except to the extent such other Indebtedness is expressly subordinated in right of payment to the obligations arising under its Guarantee. However, such obligations will effectively rank junior to all existing and future secured Indebtedness of the Guarantors (including any borrowings and guarantees under the Senior Secured Credit Agreement), to the extent of the value of the collateral securing such Indebtedness. In the event of bankruptcy, liquidation, reorganization or other winding up of the Parent Guarantor or the Subsidiary Guarantors, or upon a default in payment with respect to, or the acceleration of, any Indebtedness under the Senior Secured Credit Agreement or other secured Indebtedness, the assets of the Parent Guarantor and the Subsidiary Guarantors that secure secured Indebtedness will be available to pay obligations on the Notes and the Guarantees only after all Indebtedness under the Senior Secured Credit Agreement and other secured Indebtedness has been repaid in full from such assets. In addition, in the event of bankruptcy, liquidation, reorganization or other winding up of a non-guarantor Subsidiary, the assets of such Subsidiary will be available to pay obligations on the Notes and the

Guarantees only after all obligations of such Subsidiary have been repaid in full from such assets. We advise you that there may not be sufficient assets remaining to pay amounts due on any or all the Notes and the Guarantees then outstanding.

As of September 30, 2009, after giving effect to our November 2009 corporate reorganization and $124 million equity placements (the net proceeds of which were used to repay borrowings outstanding under our Senior Secured Credit Agreement) plus the November 2009 and January 2010 offerings of the Notes and the application of net proceeds therefrom:

- we, the Parent Guarantor and the Subsidiary Guarantors would have had approximately $529 million of total Indebtedness (excluding Hedging Obligations, letters of credit outstanding under the Senior Secured Credit Agreement and intercompany Indebtedness); and

- of the $529 million of such total Indebtedness, none would have constituted secured Indebtedness under the Senior Secured Credit Agreement, but letters of credit aggregating approximately $3 million would have been outstanding thereunder, as to which the Subsidiary Guarantees would have been effectively subordinated to the extent of the value of the collateral securing such Indebtedness, and the Subsidiary Guarantors would have had additional availability of approximately $366 million under the Senior Secured Credit Agreement.

Guarantees

The Parent Guarantor and the Subsidiary Guarantors have, jointly and severally, fully and unconditionally guaranteed on a senior unsecured basis our obligations under the Notes and all obligations under the Indenture. The obligations of each of the Guarantors under the Guarantees rank equally in right of payment with all other Indebtedness of such Guarantor, except to the extent such other Indebtedness is expressly subordinated in right of payment to the obligations arising under its Guarantee.

As of September 30, 2009, after giving effect to our November 2009 corporate reorganization and equity placements (the proceeds of which were used to repay borrowings outstanding under our Senior Secured Credit Agreement) and the November 2009 and January 2010 offerings of the Notes and the application of net proceeds therefrom, the Guarantors would have had approximately $529 million of total Indebtedness (excluding Hedging Obligations, letters of credit outstanding under the Senior Secured Credit Agreement and intercompany Indebtedness), consisting of capital leases of approximately $1 million and unsecured guarantees of $528 million under the Notes.

Although the Indenture limits the amount of Indebtedness that the Parent Guarantor and its Restricted Subsidiaries may Incur, such Indebtedness may be substantial and such limitation is subject to a number of significant qualifications. Moreover, the Indenture does not impose any limitation on the Incurrence by such Persons of liabilities that are not considered Indebtedness under the Indenture. See "—Certain Covenants—Limitation on Indebtedness and Preferred Stock."

The obligations of each Guarantor under its Guarantee will be limited as necessary to prevent that Guarantee from constituting a fraudulent conveyance or fraudulent transfer under applicable law, although no assurance can be given that a court would give the holder the benefit of such provision. See "Risk Factors—Risks Relating to Investment in the Notes—Any guarantees of the notes by Antero or the operating subsidiaries could be deemed fraudulent conveyances under certain circumstances, and a court may subordinate or void the guarantees." If a Guarantee were rendered voidable, it could be subordinated by a court to all other indebtedness (including guarantees and other contingent liabilities) of the applicable Guarantor, and, depending on the amount of such indebtedness, a Guarantor's liability on its Guarantee could be reduced to zero. If the obligations of a Guarantor under its Guarantee were avoided, holders of Notes would have to look to the assets of any remaining Guarantors for payment. There can be no assurance in that event that such assets would suffice to pay the outstanding principal and interest on the Notes.

In the event a Subsidiary Guarantor is sold or disposed of (whether by merger, consolidation, the sale of its Capital Stock or the sale of all or substantially all of its assets (other than by lease)) and whether or not the Subsidiary Guarantor is the surviving entity in such transaction to a Person which is not the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor, such Subsidiary Guarantor will be released from its obligations under its Subsidiary Guarantee if the sale or other disposition does not violate the covenants described under "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock."

In addition, a Subsidiary Guarantor will be released from its obligations under the Indenture and its Subsidiary Guarantee, upon the release or discharge of the guarantee of other Indebtedness that resulted in the creation of such Subsidiary Guarantee pursuant to clause (b) of the covenant described under "—Certain Covenants—Future Subsidiary Guarantors," except a release or discharge by or as a result of payment under such guarantee; if the Parent Guarantor designates such Subsidiary as an Unrestricted Subsidiary and such designation complies with the other applicable provisions of the Indenture or in connection with any covenant defeasance, legal defeasance or satisfaction and discharge of the Notes as provided below under the captions "—Defeasance" and "—Satisfaction and Discharge." The Parent Guarantor will be released from its obligations under the Indenture and the Parent Guarantee only in connection with any such legal defeasance or satisfaction and discharge of the Notes.

Change of Control

If a Change of Control occurs, unless the Issuer has previously or concurrently exercised its right to redeem all of the Notes as described under "—Optional Redemption," each holder will have the right to require the Issuer to repurchase all or any part (equal to $2,000 or an integral multiple of $1,000 in excess of $2,000) of such holder's Notes at a purchase price in cash equal to 101% of the principal amount of the Notes plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Within 30 days following any Change of Control, unless we have previously or concurrently exercised our right to redeem all of the Notes as described under "—Optional Redemption," we will mail a notice (the "Change of Control Offer") to each holder, with a copy to the Trustee, stating:

(1) that a Change of Control has occurred and that such holder has the right to require us to purchase such holder's Notes at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on a record date to receive interest on the relevant interest payment date) (the "Change of Control Payment");

(2) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "Change of Control Payment Date");

(3) that any Note not properly tendered will remain outstanding and continue to accrue interest;

(4) that unless we default in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date;

(5) that holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender such Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of such Notes in certificated form completed, to the paying agent specified in the notice at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(6) that holders will be entitled to withdraw their tendered Notes and their election to require us to purchase such Notes, provided that the paying agent receives, not later than the close of business on the third Business Day preceding the Change of Control Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of the holder of the Notes, the principal amount of Notes tendered for purchase, and a statement that such holder is withdrawing its tendered Notes and its election to have such Notes purchased;

(7) that if we are repurchasing a portion of the Note of any holder, the holder will be issued a new Note equal in principal amount to the unpurchased portion of the Note surrendered, *provided* that the unpurchased portion of the Note must be equal to a minimum principal amount of $2,000 and an integral multiple of $1,000 in excess of $2,000; and

(8) the procedures determined by us, consistent with the Indenture, that a holder must follow in order to have its Notes repurchased.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes (in a minimum principal amount of $2,000 and integral multiples of $1,000 in excess of $2,000) properly tendered pursuant to the Change of Control Offer and not properly withdrawn;

(2) deposit with the paying agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes accepted for payment; and

(3) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer.

The paying agent will promptly mail or deliver to each holder of Notes accepted for payment the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided* that each such new Note will be in a minimum principal amount of $2,000 or an integral multiple of $1,000 in excess of $2,000.

If the Change of Control Payment Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest, will be paid to the Person in whose name a Note is registered at the close of business on such record date, and no further interest will be payable to holders who tender pursuant to the Change of Control Offer.

The Change of Control provisions described above will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the holders to require that the Parent Guarantor or any Subsidiary repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

We will not be required to make a Change of Control Offer upon a Change of Control if the Parent Guarantor or any other Person makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by us and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

A Change of Control Offer may be made in advance of a Change of Control, and conditioned upon the occurrence of a Change of Control, if a definitive agreement is in place for the Change of Control at the time of making the Change of Control Offer.

We will comply, to the extent applicable, with the requirements of Rule 14e-1 of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes as a result of a

Change of Control. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, we will comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under in the Indenture by virtue of our compliance with such securities laws or regulations.

Our ability to repurchase Notes pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that constitute a Change of Control would constitute a default under the Senior Secured Credit Agreement. In addition, certain events that may constitute a change of control under the Senior Secured Credit Agreement and cause a default under that agreement will not constitute a Change of Control under the Indenture. Future Indebtedness of the Parent Guarantor and its Subsidiaries may also contain prohibitions of certain events that would constitute a Change of Control or require such Indebtedness to be repaid upon a Change of Control. Moreover, the exercise by the holders of their right to require the Issuer to repurchase the Notes could cause a default under such Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Parent Guarantor and its Restricted Subsidiaries. Finally, the Issuer's ability to pay cash to the holders upon a repurchase may be limited by the then existing financial resources of the Parent Guarantor and its Restricted Subsidiaries. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases.

Even if sufficient funds were otherwise available, the future Indebtedness of the Parent Guarantor or its Restricted Subsidiaries may prohibit the Issuer's repurchase of Notes before their scheduled maturity. Consequently, if the Parent Guarantor and its Restricted Subsidiaries are not able to prepay the Indebtedness under the Senior Secured Credit Agreement and any such other Indebtedness containing similar restrictions or obtain requisite consents, the Issuer will be unable to fulfill its repurchase obligations if holders of Notes exercise their repurchase rights following a Change of Control, resulting in a default under the Indenture. A default under the Indenture may result in a cross-default under the Senior Secured Credit Agreement.

If holders of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not withdraw such Notes in a Change of Control Offer and the Issuer, or any other Person making a Change of Control Offer in lieu of the Issuer as described above, purchases all of the Notes validly tendered and not withdrawn by such holders, the Issuer will have the right, upon not less than 30 nor more than 60 days' prior notice, given not more than 30 days following such purchase pursuant to the Change of Control Offer described above, to redeem all Notes that remain outstanding following such purchase at a redemption price in cash equal to the applicable Change of Control Payment plus, to the extent not included in the Change of Control Payment, accrued and unpaid interest, if any, to the date of redemption (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

The Change of Control provisions described above may deter certain mergers, tender offers and other takeover attempts involving the Parent Guarantor. The Change of Control purchase feature is a result of negotiations between the initial purchasers and the Parent Guarantor. As of the Issue Date, the Parent Guarantor has no present intention to engage in a transaction involving a Change of Control, although it is possible that it could decide to do so in the future. Subject to the limitations discussed below, the Parent Guarantor or its Subsidiaries could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings. Restrictions on the ability of the Parent Guarantor and its Restricted Subsidiaries to incur additional Indebtedness are contained in the covenants described under "—Certain Covenants—Limitation on Indebtedness and Preferred Stock" and "—Certain Covenants—Limitation on Liens." Such restrictions in the Indenture can be waived only with the consent of the holders of a majority in principal amount of the Notes then outstanding. Except for the limitations contained in such covenants, however, the Indenture does not

contain any covenants or provisions that may afford holders of the Notes protection in the event of a highly leveraged transaction.

The definition of "Change of Control" includes a disposition of all or substantially all of the assets of the Parent Guarantor and its Restricted Subsidiaries taken as a whole to any Person. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the assets of a Person. As a result, it may be unclear as to whether a Change of Control has occurred and whether a holder of Notes may require the Issuer to make an offer to repurchase the Notes as described above. In a recent decision, the Chancery Court of Delaware raised the possibility that a Change of Control occurring as a result of a failure to have Continuing Directors comprising a majority of the Board of Directors may be unenforceable on public policy grounds.

The provisions under the Indenture relative to our obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified or terminated with the consent of the holders of a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a tender offer or exchange offer for the Notes) prior to the occurrence of such Change of Control.

Certain Covenants

Limitation on Indebtedness and Preferred Stock

The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness (including Acquired Indebtedness) and the Parent Guarantor will not permit any of its Restricted Subsidiaries to issue Preferred Stock; *provided*, *however*, that the Parent Guarantor may Incur Indebtedness and any of the Subsidiary Guarantors may Incur Indebtedness and issue Preferred Stock if on the date thereof:

(1) the Consolidated Coverage Ratio for the Parent Guarantor and its Restricted Subsidiaries is at least 2.25 to 1.00, determined on a pro forma basis (including a pro forma application of proceeds); and

(2) no Default would occur as a consequence of, and no Event of Default would be continuing following, Incurring the Indebtedness or its application.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness:

(1) Indebtedness under one or more Credit Facilities of (a) the Parent Guarantor, the Issuer or any Subsidiary Guarantor Incurred pursuant to this clause (1) in an aggregate amount not to exceed the greater of (i) $500.0 million or (ii) the sum of $250.0 million and 30.0% of the Parent Guarantor's Adjusted Consolidated Net Tangible Assets determined as of the date of the Incurrence of such Indebtedness after giving effect to the application of the proceeds therefrom and (b) any Foreign Subsidiary Incurred pursuant to this clause (1) in an aggregate amount not to exceed $30.0 million, in each case outstanding at any one time;

(2) guarantees of Indebtedness Incurred in accordance with the provisions of the Indenture; *provided* that in the event such Indebtedness that is being guaranteed is a Subordinated Obligation or a Guarantor Subordinated Obligation, then the related guarantee shall be subordinated in right of payment to the Notes or the Guarantee to at least the same extent as the Indebtedness being guaranteed, as the case may be;

(3) Indebtedness of the Parent Guarantor owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Parent Guarantor or any Restricted Subsidiary; *provided*, *however*, that (a)(i) if the Parent Guarantor is the obligor on

such Indebtedness and the obligee is not a Subsidiary Guarantor, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all obligations with respect to the Notes and (ii) if a Subsidiary Guarantor is the obligor of such Indebtedness and the obligee is neither the Parent Guarantor nor a Subsidiary Guarantor, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all obligations of such Subsidiary Guarantor with respect to its Subsidiary Guarantee and (b)(i) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being held by a Person other than the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor and (ii) any sale or other transfer of any such Indebtedness to a Person other than the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor shall be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Parent Guarantor or such Subsidiary, as the case may be, that was not permitted by this clause;

(4) Indebtedness represented by (a) the Notes issued on the Issue Date and all Guarantees, (b) any Indebtedness (other than the Indebtedness described in clauses (1), (2) and 4(a)) outstanding on the Issue Date, (c) any Exchange Notes and related guarantees issued pursuant to a Registration Rights Agreement and (d) any Refinancing Indebtedness Incurred in respect of any Indebtedness described in this clause (4) or clause (5) or (7) or Incurred pursuant to the first paragraph of this covenant;

(5) Permitted Acquisition Indebtedness;

(6) Indebtedness Incurred in respect of (a) self-insurance obligations, bid, appeal, reimbursement, performance, surety and similar bonds and completion guarantees provided by the Parent Guarantor or a Restricted Subsidiary in the ordinary course of business and any guarantees or letters of credit functioning as or supporting any of the foregoing bonds or obligations and (b) obligations represented by letters of credit for the account of the Parent Guarantor or a Restricted Subsidiary in order to provide security for workers' compensation claims (in the case of clauses (a) and (b) other than for an obligation for money borrowed);

(7) Indebtedness of the Parent Guarantor or any Restricted Subsidiary represented by Capitalized Lease Obligations (whether or not incurred pursuant to Sale/Leaseback Transactions) or other Indebtedness incurred or assumed in connection with the acquisition, construction, improvement or development of real or personal, movable or immovable, property, in each case Incurred for the purpose of financing, refinancing, renewing, defeasing or refunding all or any part of the purchase price or cost of acquisition, construction, improvement or development of property used in the business of the Parent Guarantor or its Restricted Subsidiaries; *provided* that the aggregate principal amount incurred by the Parent Guarantor or any Restricted Subsidiary pursuant to this clause (7) outstanding at any time shall not exceed the greater of (x) $15.0 million and (y) 1.5% of the Parent Guarantor's Adjusted Consolidated Net Tangible Assets; and *provided further* that the principal amount of any Indebtedness permitted under this clause (7) did not in each case at the time of incurrence exceed the Fair Market Value, as determined in accordance with the definition of such term, of the acquired or constructed asset or improvement so financed;

(8) Preferred Stock (other than Disqualified Stock) of any Restricted Subsidiary;

(9) Cash Management Obligations of the Issuer or any Guarantor in an aggregate amount not to exceed $7.5 million outstanding at any one time; and

(10) in addition to the items referred to in clauses (1) through (9) above, Indebtedness of the Parent Guarantor and its Restricted Subsidiaries in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred

pursuant to this clause (10) and then outstanding, will not exceed the greater of $35.0 million or 2.5% of the Parent Guarantor's Adjusted Consolidated Net Tangible Assets, determined as of the date of Incurrence of such Indebtedness after giving effect to such Incurrence and the application of the proceeds therefrom.

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:

(1) in the event an item of that Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, the Parent Guarantor, in its sole discretion, will classify such item of Indebtedness on the date of Incurrence and, subject to clause (2) below may later classify, reclassify or redivide all or a portion of such item of Indebtedness, in any manner that complies with this covenant;

(2) all Indebtedness outstanding on the date of the Indenture under the Senior Secured Credit Agreement shall be deemed Incurred on the Issue Date under clause (1) of the second paragraph of this covenant;

(3) guarantees of, or obligations in respect of letters of credit supporting, Indebtedness which is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(4) if obligations in respect of letters of credit are Incurred pursuant to a Credit Facility and are being treated as Incurred pursuant to clause (1) of the second paragraph above and the letters of credit relate to other Indebtedness, then such other Indebtedness shall not be included;

(5) the principal amount of any Disqualified Stock of the Parent Guarantor or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary that is not a Subsidiary Guarantor, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(6) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness; and

(7) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined in accordance with GAAP.

Accrual of interest, accrual of dividends, the amortization of debt discount or the accretion of accreted value, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock and unrealized losses or charges in respect of Hedging Obligations (including those resulting from the application of Statement of Financial Accounting Standard No. 133) will not be deemed to be an Incurrence of Indebtedness for purposes of this covenant.

The Parent Guarantor will not permit any of its Unrestricted Subsidiaries to Incur any Indebtedness, or issue any shares of Disqualified Stock, other than Non-Recourse Debt. If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under this "Limitation on Indebtedness and Preferred Stock" covenant, the Parent Guarantor shall be in Default of this covenant).

For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Indebtedness, the U.S. dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed, in the case of revolving credit Indebtedness; *provided* that if such Indebtedness is Incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Parent Guarantor may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rates of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

The Indenture does not treat (1) unsecured Indebtedness as subordinated or junior to secured Indebtedness merely because it is unsecured or (2) senior Indebtedness as subordinated or junior to any other senior Indebtedness merely because it has a junior priority with respect to the same collateral.

Limitation on Restricted Payments

The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

(1) declare or pay any dividend or make any payment or distribution on or in respect of the Parent Guarantor's Capital Stock (including any payment or distribution in connection with any merger or consolidation involving the Parent Guarantor or any of its Restricted Subsidiaries) except:

  (a) dividends or distributions by the Parent Guarantor payable solely in Capital Stock of the Parent Guarantor (other than Disqualified Stock but including options, warrants or other rights to purchase such Capital Stock of the Parent Guarantor); and

  (b) dividends or distributions payable to the Parent Guarantor or a Restricted Subsidiary and if such Restricted Subsidiary is not a Wholly-Owned Subsidiary, to minority stockholders (or owners of an equivalent interest in the case of a Subsidiary that is an entity other than a corporation) so long as the Parent Guarantor or a Restricted Subsidiary receives at least its pro rata share of such dividend or distribution;

(2) purchase, repurchase, redeem, defease or otherwise acquire or retire for value any Capital Stock of the Parent Guarantor or any direct or indirect parent of the Parent Guarantor held by Persons other than the Parent Guarantor or a Restricted Subsidiary (other than in exchange for Capital Stock of the Parent Guarantor (other than Disqualified Stock));

(3) purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Obligations or Guarantor Subordinated Obligations (other than (x) Indebtedness permitted under clause (3) of the second paragraph of the covenant "—Limitation on Indebtedness and Preferred Stock" or (y) the purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations or Guarantor Subordinated Obligations purchased in anticipation of satisfying a sinking fund obligation, principal

installment or final maturity, in each case due within one year of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement); or

(4) make any Restricted Investment in any Person;

(any such dividend, distribution, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (4) shall be referred to herein as a "Restricted Payment"), if at the time the Parent Guarantor or such Restricted Subsidiary makes such Restricted Payment:

(a) a Default shall have occurred and be continuing (or would result therefrom);

(b) the Parent Guarantor is not able to Incur an additional $1.00 of Indebtedness pursuant to the covenant described under the first paragraph under "—Limitation on Indebtedness and Preferred Stock" after giving effect, on a pro forma basis, to such Restricted Payment; or

(c) the aggregate amount of such Restricted Payment and all other Restricted Payments declared or made subsequent to the Issue Date would exceed the sum of:

(i) 50% of Consolidated Net Income for the period (treated as one accounting period) from January 1, 2010 to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which internal financial statements are in existence (or, in case such Consolidated Net Income is a deficit, minus 100% of such deficit);

(ii) 100% of the aggregate Net Cash Proceeds and the Fair Market Value of property or securities other than cash (including Capital Stock of Persons engaged primarily in the Oil and Gas Business or assets used in the Oil and Gas Business), in each case received by the Parent Guarantor from the issue or sale of its Capital Stock (other than Disqualified Stock) or other capital contributions subsequent to the Issue Date (other than Net Cash Proceeds received from an issuance or sale of such Capital Stock to (x) management, employees, directors or any direct or indirect parent of the Parent Guarantor, to the extent such Net Cash Proceeds have been used to make a Restricted Payment pursuant to clause (5)(a) of the next succeeding paragraph, (y) a Subsidiary of the Parent Guarantor or (z) an employee stock ownership plan, option plan or similar trust (to the extent such sale to an employee stock ownership plan, option plan or similar trust is financed by loans from or Guaranteed by the Parent Guarantor or any Restricted Subsidiary unless such loans have been repaid with cash on or prior to the date of determination));

(iii) the amount by which Indebtedness of the Parent Guarantor or its Restricted Subsidiaries is reduced on the Parent Guarantor's balance sheet upon the conversion or exchange (other than by a Subsidiary of the Parent Guarantor) subsequent to the Issue Date of any Indebtedness of the Parent Guarantor or its Restricted Subsidiaries convertible or exchangeable for Capital Stock (other than Disqualified Stock) of the Parent Guarantor (less the amount of any cash, or the Fair Market Value of any other property (other than such Capital Stock), distributed by the Parent Guarantor upon such conversion or exchange), together with the net proceeds, if any, received by the Parent Guarantor or any of its Restricted Subsidiaries upon such conversion or exchange; and

(iv) the amount equal to the aggregate net reduction in Restricted Investments made by the Parent Guarantor or any of its Restricted Subsidiaries in any Person after the Issue Date resulting from:

(A) repurchases, repayments or redemptions of such Restricted Investments by such Person, proceeds realized upon the sale of such Restricted Investment (other than to a Subsidiary of the Parent Guarantor), repayments of loans or advances or other transfers of assets (including by way of dividend or distribution) by such Person to the Parent Guarantor or any Restricted Subsidiary;

(B) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued in each case as provided in the definition of "Investment") not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by the Parent Guarantor or any Restricted Subsidiary in such Unrestricted Subsidiary, which amount in each case under this clause (iv) was included in the calculation of the amount of Restricted Payments; *provided*, *however*, that no amount will be included under this clause (iv) to the extent it is already included in Consolidated Net Income; and

(C) the sale by the Parent Guarantor or any Restricted Subsidiary (other than to the Parent Guarantor or a Restricted Subsidiary) of all or a portion of the Capital Stock of an Unrestricted Subsidiary or a distribution from an Unrestricted Subsidiary or a dividend from an Unrestricted Subsidiary (whether any such distribution or dividend is made with proceeds from the issuance by such Unrestricted Subsidiary of its Capital Stock or otherwise).

The provisions of the preceding paragraph will not prohibit:

(1) any Restricted Payment made by exchange for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of the Parent Guarantor (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary of the Parent Guarantor or an employee stock ownership plan or similar trust to the extent such sale to an employee stock ownership plan or similar trust is financed by loans from or Guaranteed by the Parent Guarantor or any Restricted Subsidiary unless such loans have been repaid with cash on or prior to the date of determination) or a substantially concurrent cash capital contribution received by the Parent Guarantor from its shareholders; *provided*, *however*, that (a) such Restricted Payment will be excluded from subsequent calculations of the amount of Restricted Payments and (b) the Net Cash Proceeds from such sale of Capital Stock or capital contribution will be excluded from clause (c)(ii) of the preceding paragraph;

(2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations of the Issuer or Guarantor Subordinated Obligations of any Guarantor made by exchange for, or out of the proceeds of the substantially concurrent sale of, Subordinated Obligations of the Issuer or any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Guarantor Subordinated Obligations made by exchange for or out of the proceeds of the substantially concurrent sale of Guarantor Subordinated Obligations that, in each case, is permitted to be Incurred pursuant to the covenant described under "—Limitation on Indebtedness and Preferred Stock"; *provided*, *however*, that such purchase, repurchase, redemption, defeasance, acquisition or retirement will be excluded from subsequent calculations of the amount of Restricted Payments;

(3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Disqualified Stock of the Parent Guarantor or a Restricted Subsidiary made by exchange for, or out of the proceeds of the substantially concurrent sale of, Disqualified Stock of the Parent Guarantor or such Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to the covenant described under "—Limitation on Indebtedness and Preferred Stock"; *provided*, *however*, that such purchase, repurchase, redemption, defeasance, acquisition or retirement will be excluded from subsequent calculations of the amount of Restricted Payments;

(4) dividends paid or distributions made within 60 days after the date of declaration if at such date of declaration such dividend or distribution would have complied with this covenant; *provided*, *however*, that such dividends and distributions will be included in subsequent calculations of the amount of Restricted Payments; and *provided further*, *however*, that for

purposes of clarification, this clause (4) shall not include cash payments in lieu of the issuance of fractional shares included in clause (9) below;

(5) so long as no Default has occurred and is continuing, (a) the repurchase or other acquisition of Capital Stock (including options, warrants, equity appreciation rights or other rights to purchase or acquire Capital Stock) of the Parent Guarantor held by any existing or former employees, management or directors of the Parent Guarantor or any Restricted Subsidiary of the Parent Guarantor or their assigns, estates or heirs, in each case pursuant to the repurchase or other acquisition provisions under employee stock option or stock purchase plans or agreements or other agreements to compensate management, employees or directors, in each case approved by the Parent Guarantor's Board of Directors; *provided* that such repurchases or other acquisitions pursuant to this subclause (a) during any calendar year will not exceed $2.0 million in the aggregate (with unused amounts in any calendar year being carried over to succeeding calendar years); *provided further*, that such amount in any calendar year may be increased by an amount not to exceed (A) the cash proceeds received by the Parent Guarantor from the sale of Capital Stock of the Parent Guarantor to members of management or directors of the Parent Guarantor and its Restricted Subsidiaries that occurs after the Issue Date (to the extent the cash proceeds from the sale of such Capital Stock have not otherwise been applied to the payment of Restricted Payments by virtue of the clause (c) of the preceding paragraph), plus (B) the cash proceeds of key man life insurance policies received by the Parent Guarantor and its Restricted Subsidiaries after the Issue Date, less (C) the amount of any Restricted Payments made pursuant to clauses (A) and (B) of this clause (5)(a); *provided further*, however, that the amount of any such repurchase or other acquisition under this subclause (a) will be excluded in subsequent calculations of the amount of Restricted Payments and the proceeds received from any such transaction will be excluded from clause (c)(ii) of the preceding paragraph; and (b) loans or advances to employees or directors of the Parent Guarantor or any Subsidiary of the Parent Guarantor, in each case as permitted by Section 402 of the Sarbanes-Oxley Act of 2002, the proceeds of which are used to purchase Capital Stock of the Parent Guarantor, or to refinance loans or advances made pursuant to this clause (5)(b), in an aggregate principal amount not in excess of $2.0 million at any one time outstanding; *provided*, *however*, that the amount of such loans and advances will be included in subsequent calculations of the amount of Restricted Payments;

(6) purchases, repurchases, redemptions or other acquisitions or retirements for value of Capital Stock deemed to occur upon the exercise of stock options, warrants, rights to acquire Capital Stock or other convertible securities if such Capital Stock represents a portion of the exercise or exchange price thereof, and any purchases, repurchases, redemptions or other acquisitions or retirements for value of Capital Stock made in lieu of withholding taxes in connection with any exercise or exchange of warrants, options or rights to acquire Capital Stock; *provided*, *however*, that such acquisitions or retirements will be excluded from subsequent calculations of the amount of Restricted Payments;

(7) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Obligation (i) at a purchase price not greater than 101% of the principal amount of such Subordinated Obligation in the event of a Change of Control in accordance with provisions similar to the covenant described under "—Change of Control" or (ii) at a purchase price not greater than 100% of the principal amount thereof in accordance with provisions similar to the covenant described under "—Limitation on Sales of Assets and Subsidiary Stock"; *provided* that, prior to or simultaneously with such purchase, repurchase, redemption, defeasance or other acquisition or retirement, the Issuer has made the Change of Control Offer or Asset Disposition Offer, as applicable, as provided in such covenant with respect to the Notes and has completed the repurchase or redemption of all Notes validly

tendered for payment in connection with such Change of Control Offer or Asset Disposition Offer; *provided*, *however*, that such acquisitions or retirements will be included in subsequent calculations of the amount of Restricted Payments;

(8) payments or distributions to dissenting stockholders pursuant to applicable law or in connection with the settlement or other satisfaction of legal claims made pursuant to or in connection with a consolidation, merger or transfer of assets; *provided*, *however*, that any payment pursuant to this clause (8) will be included in the calculation of the amount of Restricted Payments;

(9) cash payments in lieu of the issuance of fractional shares; *provided*, *however*, that any payment pursuant to this clause (9) will be excluded in the calculation of the amount of Restricted Payments;

(10) the declaration and payment of scheduled or accrued dividends to holders of any class of or series of Disqualified Stock of the Parent Guarantor issued after the Issue Date in accordance with the covenant captioned "—Limitation on Indebtedness and Preferred Stock", to the extent such dividends are included in Consolidated Interest Expense; *provided*, *however*, that any payment pursuant to this clause (10) will be excluded in the calculation of the amount of Restricted Payments; and

(11) Restricted Payments in an amount not to exceed $25 million in the aggregate since the Issue Date; *provided*, *however*, that the amount of such Restricted Payments will be included in subsequent calculations of the amount of Restricted Payments.

The amount of all Restricted Payments (other than cash) shall be the Fair Market Value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Parent Guarantor or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The Fair Market Value of any cash Restricted Payment shall be its face amount and the Fair Market Value of any non-cash Restricted Payment shall be determined in accordance with the definition of that term. Not later than the date of making any Restricted Payment in excess of $15.0 million that will be included in subsequent calculations of the amount of Restricted Payments, the Parent Guarantor shall deliver to the Trustee an Officers' Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by the this covenant were computed.

In the event that a Restricted Payment meets the criteria of more than one of the exceptions described in (1) through (11) above or is entitled to be made pursuant to the first paragraph above, the Parent Guarantor shall, in its sole discretion, classify such Restricted Payment.

Currently, all of the Parent Guarantor's Subsidiaries are Restricted Subsidiaries. The Parent Guarantor will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the last sentence of the definition of "Unrestricted Subsidiary." For purpose of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by the Parent Guarantor and its Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be Restricted Payments in an amount determined as set forth in the last sentence of the definition of "Investment." Such designation will be permitted only if a Restricted Payment in such amount would be permitted at such time, whether pursuant to the first paragraph of this covenant or under clause (11) of the second paragraph of this covenant, or pursuant to the definition of "Permitted Investments," and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants set forth in the Indenture.

Limitation on Liens

The Parent Guarantor will not, and will not permit either the Issuer or any of its other Restricted Subsidiaries to, directly or indirectly, create, Incur or suffer to exist any Lien (the "Initial Lien") other than Permitted Liens upon any of its property or assets (including Capital Stock of Restricted Subsidiaries), including any income or profits therefrom, whether owned on the date of the Indenture or acquired after that date, which Lien is securing any Indebtedness, unless contemporaneously with the Incurrence of such Lien effective provision is made to secure the Indebtedness due under the Parent Guarantee or, in respect of Liens on any Restricted Subsidiary's property or assets, the Notes (in the case of the Issuer) or any Subsidiary Guarantee of such other Restricted Subsidiary, equally and ratably with (or senior in priority to in the case of Liens with respect to Subordinated Obligations or Guarantor Subordinated Obligations, as the case may be) the Indebtedness secured by such Lien for so long as such Indebtedness is so secured.

Any Lien created for the benefit of the holders of the Notes pursuant to the preceding paragraph shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon the release and discharge of the Initial Lien.

Limitation on Restrictions on Distributions from Restricted Subsidiaries

The Parent Guarantor will not, and will not permit any Restricted Subsidiary (other than the Issuer or a Subsidiary Guarantor) to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any such Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock or pay any Indebtedness or other obligations owed to the Parent Guarantor or any Restricted Subsidiary (it being understood that the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on Common Stock shall not be deemed a restriction on the ability to make distributions on Capital Stock);

(2) make any loans or advances to the Parent Guarantor or any Restricted Subsidiary (it being understood that the subordination of loans or advances made to the Parent Guarantor or any Restricted Subsidiary to other Indebtedness Incurred by the Parent Guarantor or any Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances); or

(3) sell, lease or transfer any of its property or assets to the Parent Guarantor or any Restricted Subsidiary.

The preceding provisions will not prohibit:

(i) any encumbrance or restriction pursuant to or by reason of an agreement in effect at or entered into on the Issue Date, including, without limitation, the Indenture as in effect on such date;

(ii) any encumbrance or restriction with respect to a Person pursuant to or by reason of an agreement relating to any Capital Stock or Indebtedness Incurred by a Person on or before the date on which such Person was acquired by the Parent Guarantor or another Restricted Subsidiary (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person was acquired by the Parent Guarantor or a Restricted Subsidiary or in contemplation of the transaction) and outstanding on such date; *provided* that any such encumbrance or restriction shall not extend to any assets or property of

the Parent Guarantor or any other Restricted Subsidiary other than the assets and property so acquired;

(iii) encumbrances and restrictions contained in contracts entered into in the ordinary course of business, not relating to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of, or from the ability of the Parent Guarantor and the Restricted Subsidiaries to realize the value of, property or assets of the Parent Guarantor or any Restricted Subsidiary in any manner material to the Parent Guarantor or any Restricted Subsidiary;

(iv) any encumbrance or restriction with respect to a Unrestricted Subsidiary pursuant to or by reason of an agreement that the Unrestricted Subsidiary is a party to entered into before the date on which such Unrestricted Subsidiary became a Restricted Subsidiary; provided that such agreement was not entered into in anticipation of the Unrestricted Subsidiary becoming a Restricted Subsidiary and any such encumbrance or restriction shall not extend to any assets or property of the Parent Guarantor or any other Restricted Subsidiary other than the assets and property so acquired;

(v) with respect to any Foreign Subsidiary, any encumbrance or restriction contained in the terms of any Indebtedness or any agreement pursuant to which such Indebtedness was Incurred if either (1) the encumbrance or restriction applies only in the event of a payment default or a default with respect to a financial covenant in such Indebtedness or agreement or (2) the Parent Guarantor determines that any such encumbrance or restriction will not materially affect the Parent Guarantor's ability to make principal or interest payments on the Notes, as determined in good faith by the Board of Directors of the Parent Guarantor, whose determination shall be conclusive;

(vi) any encumbrance or restriction with respect to a Restricted Subsidiary pursuant to an agreement effecting a refunding, replacement or refinancing of Indebtedness Incurred pursuant to an agreement referred to in clauses (i) through (v) or clause (xii) of this paragraph or this clause (vi) or contained in any amendment, restatement, modification, renewal, supplemental, refunding, replacement or refinancing of an agreement referred to in clauses (i) through (v) or clause (xii) of this paragraph or this clause (vi); *provided* that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement taken as a whole are no less favorable in any material respect to the holders of the Notes than the encumbrances and restrictions contained in the agreements governing the Indebtedness being refunded, replaced or refinanced;

(vii) in the case of clause (3) of the first paragraph of this covenant, any encumbrance or restriction:

(a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease (including leases governing leasehold interests or farm-in agreements or farm-out agreements relating to leasehold interests in Oil and Gas Properties), license or similar contract, or the assignment or transfer of any such lease (including leases governing leasehold interests or farm-in agreements or farm-out agreements relating to leasehold interests in Oil and Gas Properties), license (including, without limitation, licenses of intellectual property) or other contract;

(b) contained in mortgages, pledges or other security agreements permitted under the Indenture securing Indebtedness of the Parent Guarantor or a Restricted Subsidiary to the extent such encumbrances or restrictions restrict the transfer of the property subject to such mortgages, pledges or other security agreements;

(c) contained in any agreement creating Hedging Obligations permitted from time to time under the Indenture;

(d) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Parent Guarantor or any Restricted Subsidiary;

(e) restrictions on cash or other deposits imposed by customers under contracts entered into in the ordinary course of business; or

(f) provisions with respect to the disposition or distribution of assets or property in operating agreements, joint venture agreements, development agreements, area of mutual interest agreements and other agreements that are customary in the Oil and Gas Business and entered into in the ordinary course of business;

(viii) any encumbrance or restriction contained in (a) purchase money obligations for property acquired in the ordinary course of business and (b) Capitalized Lease Obligations permitted under the Indenture, in each case, that impose encumbrances or restrictions of the nature described in clause (3) of the first paragraph of this covenant on the property so acquired;

(ix) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition of all or a portion of the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

(x) any customary encumbrances or restrictions imposed pursuant to any agreement of the type described in the definition of "Permitted Business Investment";

(xi) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order;

(xii) encumbrances or restrictions contained in agreements governing Indebtedness of the Parent Guarantor or any of its Restricted Subsidiaries permitted to be Incurred pursuant to an agreement entered into subsequent to the Issue Date in accordance with the covenant described under the caption "—Limitation on Indebtedness and Preferred Stock"; *provided* that the provisions relating to such encumbrance or restriction contained in such Indebtedness are not materially less favorable to the Parent Guarantor taken as a whole, as determined by the Board of Directors of the Parent Guarantor in good faith, than the provisions contained in the Senior Secured Credit Agreement and in the Indenture as in effect on the Issue Date;

(xiii) the issuance of Preferred Stock by a Restricted Subsidiary or the payment of dividends thereon in accordance with the terms thereof; *provided* that issuance of such Preferred Stock is permitted pursuant to the covenant described under the caption "—Limitation on Indebtedness and Preferred Stock" and the terms of such Preferred Stock do not expressly restrict the ability of a Restricted Subsidiary to pay dividends or make any other distributions on its Capital Stock (other than requirements to pay dividends or liquidation preferences on such Preferred Stock prior to paying any dividends or making any other distributions on such other Capital Stock);

(xiv) supermajority voting requirements existing under corporate charters, bylaws, stockholders agreements and similar documents and agreements;

(xv) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business; and

(xvi) any encumbrance or restriction contained in the Senior Secured Credit Agreement as in effect as of the Issue Date, and in any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings thereof; *provided* that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are no more restrictive with respect to such dividend and other payment restrictions than those contained in the Senior Secured Credit Agreement as in effect on the Issue Date.

Limitation on Sales of Assets and Subsidiary Stock

The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Disposition unless:

(1) the Parent Guarantor or such Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Disposition at least equal to the Fair Market Value (such Fair Market Value to be determined on the date of contractually agreeing to such Asset Disposition) of the shares or other assets subject to such Asset Disposition;

(2) at least 75% of the aggregate consideration received by the Parent Guarantor or such Restricted Subsidiary, as the case may be, from such Asset Disposition and all other Asset Dispositions since the Issue Date, on a cumulative basis, is in the form of cash or Cash Equivalents or Additional Assets, or any combination thereof; and

(3) except as provided in the next paragraph, an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied, within 365 days from the later of the date of such Asset Disposition or the receipt of such Net Available Cash, by the Parent Guarantor or such Restricted Subsidiary, as the case may be:

(a) to prepay, repay, redeem or purchase Pari Passu Indebtedness of the Parent Guarantor, the Issuer (including the Notes) or a Subsidiary Guarantor or any Indebtedness (other than Disqualified Stock) of a Restricted Subsidiary that is not a Subsidiary Guarantor (in each case, excluding Indebtedness owed to the Parent Guarantor or an Affiliate of the Parent Guarantor); *provided*, *however,* that, in connection with any prepayment, repayment, redemption or purchase of Indebtedness pursuant to this clause (a), the Parent Guarantor or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid, redeemed or purchased; or

(b) to invest in Additional Assets;

provided that pending the final application of any such Net Available Cash in accordance with clause (a) or clause (b) above, the Parent Guarantor and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by the Indenture.

Any Net Available Cash from Asset Dispositions that is not applied or invested as provided in the preceding paragraph will be deemed to constitute "Excess Proceeds." Not later than the 366th day from the later of the date of such Asset Disposition or the receipt of such Net Available Cash, if the aggregate amount of Excess Proceeds exceeds $20.0 million, the Issuer will be required to make an offer ("*Asset Disposition Offer*") to all holders of Notes and, to the extent required by the terms of other Pari Passu Indebtedness, to all holders of other Pari Passu Indebtedness outstanding with similar provisions requiring the Issuer to make an offer to purchase such Pari Passu Indebtedness with the proceeds from any Asset Disposition ("*Pari Passu Notes*") to purchase the maximum principal amount of Notes and any such Pari Passu Notes to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in cash in an amount equal to 100% of the

principal amount (or, in the event such Pari Passu Indebtedness was issued with significant original issue discount, 100% of the accreted value thereof) of the Notes and Pari Passu Notes plus accrued and unpaid interest, if any (or in respect of such Pari Passu Indebtedness, such lesser price, if any, as may be provided for by the terms of such Indebtedness), to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), in accordance with the procedures set forth in the Indenture or the agreements governing the Pari Passu Notes, as applicable, in each case in minimum principal amount of $2,000 and integral multiples of $1,000 in excess of $2,000. If the aggregate principal amount of Notes surrendered by holders thereof and other Pari Passu Notes surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Trustee shall select the Notes to be purchased on a pro rata basis on the basis of the aggregate principal amount of tendered Notes and Pari Passu Notes. To the extent that the aggregate amount of Notes and Pari Passu Notes so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Parent Guarantor and its Restricted Subsidiaries may use any remaining Excess Proceeds for general corporate purposes, subject to the other covenants contained in the Indenture. Upon completion of such Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

The Asset Disposition Offer will remain open for a period of 20 Business Days following its commencement, except to the extent that a longer period is required by applicable law (the "*Asset Disposition Offer Period*"). No later than five Business Days after the termination of the Asset Disposition Offer Period (the "*Asset Disposition Purchase Date*"), the Issuer will purchase the principal amount of Notes and Pari Passu Notes required to be purchased pursuant to this covenant (the "*Asset Disposition Offer Amount*") or, if less than the Asset Disposition Offer Amount has been so validly tendered and not properly withdrawn, all Notes and Pari Passu Notes validly tendered and not properly withdrawn in response to the Asset Disposition Offer.

If the Asset Disposition Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest, if any, will be paid to the Person in whose name a Note is registered at the close of business on such record date, and no further interest will be payable to holders who tender Notes pursuant to the Asset Disposition Offer.

On or before the Asset Disposition Purchase Date, the Issuer will, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary, the Asset Disposition Offer Amount of Notes and Pari Passu Notes or portions of Notes and Pari Passu Notes so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and Pari Passu Notes so validly tendered and not properly withdrawn, in each case in minimum principal amount of $2,000 and integral multiples of $1,000 in excess of $2,000. The Issuer will deliver to the Trustee an Officers' Certificate stating that such Notes or portions thereof were accepted for payment by the Issuer in accordance with the terms of this covenant and, in addition, the Issuer will deliver all certificates and notes required, if any, by the agreements governing the Pari Passu Notes. The Issuer or the paying agent, as the case may be, will promptly (but in any case not later than five Business Days after the termination of the Asset Disposition Offer Period) mail or deliver to each tendering holder of Notes or holder or lender of Pari Passu Notes, as the case may be, an amount equal to the purchase price of the Notes or Pari Passu Notes so validly tendered and not properly withdrawn by such holder or lender, as the case may be, and accepted by the Issuer for purchase, and the Issuer will promptly issue a new Note, and the Trustee, upon delivery of an Officers' Certificate from the Issuer, will authenticate and mail or deliver such new Note to such holder, in a principal amount equal to any unpurchased portion of the Note surrendered; *provided* that each such new Note will be in a minimum principal amount of $2,000 or an integral multiple of $1,000 in excess of $2,000. In addition, the Issuer will take any and all other actions required by the agreements governing the Pari Passu Notes. Any Note not so accepted will be promptly

mailed or delivered by the Issuer to the holder thereof. The Issuer will publicly announce the results of the Asset Disposition Offer on the Asset Disposition Purchase Date.

The Issuer will comply, to the extent applicable, with the requirements of Rule 14e-1 of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to an Asset Disposition Offer. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of its compliance with such securities laws or regulations.

For the purposes of clause (2) of the first paragraph of this covenant, the following will be deemed to be cash:

(1) the assumption by the transferee of Indebtedness (other than Guarantor Subordinated Obligations or Disqualified Stock) of the Parent Guarantor or Indebtedness of a Restricted Subsidiary (other than Subordinated Obligations or Disqualified Stock of the Issuer and Guarantor Subordinated Obligations or Disqualified Stock of any Restricted Subsidiary that is a Subsidiary Guarantor) and the release of the Parent Guarantor or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition (in which case the Parent Guarantor will, without further action, be deemed to have applied such deemed cash to Indebtedness in accordance with clause (3)(a) of the first paragraph of this covenant; and

(2) securities, notes or other obligations received by the Parent Guarantor or any Restricted Subsidiary from the transferee that are converted by the Parent Guarantor or such Restricted Subsidiary into cash within 180 days after receipt thereof.

Notwithstanding the foregoing, the 75% limitation referred to in clause (2) of the first paragraph of this covenant shall be deemed satisfied with respect to any Asset Disposition in which the cash or Cash Equivalents portion of the consideration received therefrom, determined in accordance with the foregoing provision on an after-tax basis, is equal to or greater than what the after-tax proceeds would have been had such Asset Disposition complied with the aforementioned 75% limitation.

The requirement of clause (3)(b) of the first paragraph of this covenant above shall be deemed to be satisfied if an agreement (including a lease, whether a capital lease or an operating lease) committing to make the acquisitions or expenditures referred to therein is entered into by the Parent Guarantor or its Restricted Subsidiary within the specified time period and such Net Available Cash is subsequently applied in accordance with such agreement within six months following such agreement.

The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, engage in any Asset Swaps, unless:

(1) at the time of entering into such Asset Swap and immediately after giving effect to such Asset Swap, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof; and

(2) in the event such Asset Swap involves the transfer by the Parent Guarantor or any Restricted Subsidiary of assets having an aggregate Fair Market Value in excess of $20.0 million, the terms of such Asset Swap have been approved by a majority of the members of the Board of Directors of the Parent Guarantor.

Limitation on Affiliate Transactions

The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into, make, amend or conduct any transaction (including making a payment to, the purchase, sale, lease or exchange of any property or the rendering of any service), contract, agreement

or understanding with or for the benefit of any Affiliate of the Parent Guarantor (an "*Affiliate Transaction*") unless:

(1) the terms of such Affiliate Transaction are not materially less favorable to the Parent Guarantor or such Restricted Subsidiary, as the case may be, than those that could reasonably be expected to be obtained in a comparable transaction at the time of such transaction in arm's-length dealings with a Person who is not such an Affiliate;

(2) if such Affiliate Transaction involves an aggregate consideration in excess of $20.0 million, the terms of such transaction have been approved by a majority of the members of the Board of Directors of the Parent Guarantor having no personal stake in such transaction, if any (and such majority determines that such Affiliate Transaction satisfies the criteria in clause (1) above); and

(3) if such Affiliate Transaction involves an aggregate consideration in excess of $50.0 million, the Board of Directors of the Parent Guarantor has received a written opinion from an independent investment banking, accounting, engineering or appraisal firm of nationally recognized standing that such Affiliate Transaction is fair, from a financial standpoint, to the Parent Guarantor or such Restricted Subsidiary or is not materially less favorable than those that could reasonably be expected to be obtained in a comparable transaction at such time on an arm's-length basis from a Person that is not an Affiliate.

The preceding paragraph will not apply to:

(1) any Restricted Payment permitted to be made pursuant to the covenant described under "—Limitation on Restricted Payments" or any Permitted Investment;

(2) any issuance of Capital Stock (other than Disqualified Stock), or other payments, awards or grants in cash, Capital Stock (other than Disqualified Stock) or otherwise pursuant to, or the funding of, employment or severance agreements and other compensation arrangements, options to purchase Capital Stock (other than Disqualified Stock) of the Parent Guarantor, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits plans and/or insurance and indemnification arrangements provided to or for the benefit of directors and employees approved by the Board of Directors of the Parent Guarantor;

(3) loans or advances to employees, officers or directors in the ordinary course of business of the Parent Guarantor or any of its Restricted Subsidiaries;

(4) advances to or reimbursements of employees for moving, entertainment and travel expenses, drawing accounts and similar expenditures in the ordinary course of business of the Parent Guarantor or any of its Restricted Subsidiaries;

(5) any transaction between the Parent Guarantor and a Restricted Subsidiary or between Restricted Subsidiaries, and guarantees issued by the Parent Guarantor or a Restricted Subsidiary for the benefit of the Parent Guarantor or a Restricted Subsidiary, as the case may be, in accordance with "—Limitation on Indebtedness and Preferred Stock";

(6) any transaction with a joint venture or similar entity which would constitute an Affiliate Transaction solely because the Parent Guarantor or a Restricted Subsidiary owns, directly or indirectly, an equity interest in or otherwise controls such joint venture or similar entity;

(7) the issuance or sale of any Capital Stock (other than Disqualified Stock) of the Parent Guarantor to, or the receipt by the Parent Guarantor of any capital contribution from its shareholders;

(8) indemnities of officers, directors and employees of the Parent Guarantor or any of its Restricted Subsidiaries permitted by bylaw or statutory provisions and any employment agreement or other employee compensation plan or arrangement entered into in the ordinary course of business by the Parent Guarantor or any of its Restricted Subsidiaries;

(9) the payment of reasonable compensation and fees paid to, and indemnity provided on behalf of, officers or directors of the Parent Guarantor or any Restricted Subsidiary;

(10) the performance of obligations of the Parent Guarantor or any of its Restricted Subsidiaries under the terms of any agreement to which the Parent Guarantor or any of its Restricted Subsidiaries is a party as of or on the Issue Date, as these agreements may be amended, modified, supplemented, extended or renewed from time to time; *provided*, *however*, that any future amendment, modification, supplement, extension or renewal entered into after the Issue Date will be permitted only to the extent that its terms are not materially more disadvantageous, taken as a whole, to the holders of the Notes than the terms of the agreements in effect on the Issue Date;

(11) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture, *provided* that in the reasonable determination of the Board of Directors of the Parent Guarantor or the senior management of the Parent Guarantor, such transactions are on terms not materially less favorable to the Parent Guarantor or the relevant Restricted Subsidiary than those that could reasonably be expected to be obtained in a comparable transaction at such time on an arm's-length basis from a Person that is not an Affiliate of the Parent Guarantor;

(12) transactions with a Person (other than an Unrestricted Subsidiary) that is an Affiliate of the Parent Guarantor solely because the Parent Guarantor owns, directly or through a Restricted Subsidiary, an equity interest in such Person; and

(13) transactions between the Parent Guarantor or any Restricted Subsidiary and any Person, a director of which is also a director of the Parent Guarantor or any direct or indirect Parent Guarantor of the Parent Guarantor, and such director is the sole cause for such Person to be deemed an Affiliate of the Parent Guarantor or any Restricted Subsidiary; *provided*, *however*, that such director shall abstain from voting as a director of the Parent Guarantor or such direct or indirect Parent Guarantor, as the case may be, on any matter involving such other Person.

Provision of Financial Information

The Indenture provides that, whether or not the Parent Guarantor is subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act, to the extent not prohibited by the Exchange Act, the Parent Guarantor will file with the SEC, and make available to the Trustee and the holders of the Notes without cost to any holder, the annual reports and the information, documents and other reports (or copies of such portions of any of the foregoing as the SEC may by rules and regulations prescribe) that are specified in Sections 13 and 15(d) of the Exchange Act and applicable to a U.S. corporation within the time periods specified therein with respect to a non-accelerated filer; *provided, however,* that no Annual Report on Form 10-K shall be due with respect to any fiscal year ending prior to December 31, 2010, no Quarterly Report on Form 10-Q shall be due with respect to any quarter ending prior to June 30, 2010 and no Current Report on Form 8-K shall be due with respect to any event occurring prior to the date of filing the Parent Guarantor's Quarterly Report on Form 10-Q for the quarter ending June 30, 2010. In the event that the Parent Guarantor is not permitted to file such reports, documents and information with the SEC pursuant to the Exchange Act, the Parent Guarantor will nevertheless make available such Exchange Act information to the Trustee

and the holders of the Notes without cost to any holder as if the Parent Guarantor were subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act within the time periods specified therein with respect to a non-accelerated filer.

In addition, the Parent Guarantor will make available to the Trustee and the holders of the Notes without cost to any holder (i) on or prior to December 18, 2009, unaudited combined financial statements of the Subsidiary Guarantors with respect to the nine months ended September 30, 2009, (ii) within 90 days after the end of the fiscal year ending December 31, 2009, audited consolidated financial statements of the Parent Guarantor and its Subsidiaries and (iii) within 45 days after the end of the fiscal quarter ending March 31, 2010, quarterly unaudited consolidated financial statements of the Parent Guarantor and its Subsidiaries. Such unaudited combined financial statements of the Subsidiary Guarantors will consist of a combined balance sheet of the Subsidiary Guarantors as of September 30, 2009 and combined statements of income and cash flows of the Subsidiary Guarantors for the nine months ended September 30, 2009, all in reasonable detail and duly certified (subject to normal year-end audit adjustments) by a principal financial or accounting officer of the Parent Guarantor as having been prepared in accordance with GAAP. Such audited consolidated financial statements of the Parent Guarantor and its Subsidiaries will consist of a consolidated balance sheet of the Parent Guarantor and its Subsidiaries as of December 31, 2009 and consolidated statements of income and cash flows of the Parent Guarantor and its Subsidiaries for the fiscal year then ended, accompanied by an opinion of KPMG LLP (or other independent public accountants of nationally recognized standing). Such quarterly unaudited consolidated financial statements of the Parent Guarantor and its Subsidiaries will consist of a consolidated balance sheet of the Parent Guarantor and its Subsidiaries as of March 31, 2010, and consolidated statements of income and cash flows of the Parent Guarantor and its Subsidiaries for the three months ending March 31, 2010, all in reasonable detail and duly certified (subject to normal year-end audit adjustments) by a principal financial or accounting officer of the Parent Guarantor as having been prepared in accordance with GAAP.

This covenant will not impose any duty on the Parent Guarantor under the Sarbanes-Oxley Act of 2002 and the related SEC rules that would not otherwise be applicable.

If the Parent Guarantor has designated any of its Subsidiaries as Unrestricted Subsidiaries, then the financial information required will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, and in any accompanying Management's Discussion and Analysis of Financial Condition and Results of Operations, of the financial condition and results of operations of the Parent Guarantor and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Parent Guarantor.

The availability of the foregoing materials on the SEC's website or on the Parent Guarantor's website shall be deemed to satisfy the foregoing delivery obligations.

For so long as any Notes remain outstanding and constitute "restricted securities" under Rule 144, the Guarantors will furnish to the holders of the Notes, and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Merger and Consolidation

Neither the Parent Guarantor nor the Issuer will consolidate with or merge with or into or wind up into (whether or not it is the surviving Person), or convey, transfer or lease all or substantially all its assets in one or more related transactions to, any Person, unless:

(1) the resulting, surviving or transferee Person (the "Successor Company") will be a corporation, partnership, trust or limited liability company organized and existing under the laws of the United States of America, any State of the United States or the District of Columbia and the

Successor Company (if not the Parent Guarantor or the Issuer, as the case may be) will expressly assume, by supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Parent Guarantor or the Issuer, as the case may be, under the Indenture, the Notes or the Parent Guarantee as applicable;

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(3) either (A) immediately after giving effect to such transaction, the Successor Company would be able to Incur at least an additional $1.00 of Indebtedness pursuant to the first paragraph of the covenant described under "—Limitation on Indebtedness and Preferred Stock" or (B) immediately after giving effect to such transaction on a pro forma basis and any related financing transactions as if the same had occurred at the beginning of the applicable four quarter period, the Consolidated Coverage Ratio of the Parent Guarantor is equal to or greater than the Consolidated Coverage Ratio of the Parent Guarantor immediately before such transaction;

(4) if the Issuer is not the Successor Company in any of the transactions referred to above that involve the Issuer, each Guarantor (unless it is the other party to the transactions, in which case clause (1) shall apply) shall have by supplemental indenture confirmed that its Guarantee shall apply to the Successor Company's obligations in respect of the Indenture and the Notes and that its Guarantee shall continue to be in effect; and

(5) the Parent Guarantor or the Issuer, as the case may be, shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease and such supplemental indenture (if any) comply with the Indenture.

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Parent Guarantor, which properties and assets, if held by the Parent Guarantor instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Parent Guarantor on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the assets of the Parent Guarantor.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Parent Guarantor or the Issuer, as the case may be, under the Indenture; and its predecessor, except in the case of a lease of all or substantially all its assets, will be released from all obligations under the Indenture, the Notes or the Parent Guarantee as applicable.

Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the assets of a Person.

Notwithstanding the preceding clause (3), (x) any Restricted Subsidiary may consolidate with, merge into or transfer all or part of its assets to the Parent Guarantor and the Parent Guarantor may consolidate with, merge into or transfer all or part of its assets to a Subsidiary Guarantor and (y) the Parent Guarantor may merge with an Affiliate incorporated solely for the purpose of reorganizing the Parent Guarantor in another jurisdiction; and *provided further* that, in the case of a Restricted

Subsidiary that consolidates with, merges into or transfers all or part of its properties and assets to the Parent Guarantor, the Issuer will not be required to comply with the preceding clause (5).

In addition, the Parent Guarantor will not permit any Subsidiary Guarantor to consolidate with or merge with or into, and will not permit the conveyance, transfer or lease of all or substantially all of the assets of any Subsidiary Guarantor to, any Person (other than the Parent Guarantor or another Subsidiary Guarantor) unless:

(1) (a) the resulting, surviving or transferee Person will be a corporation, partnership, trust or limited liability company organized and existing under the laws of the United States of America, any State of the United States or the District of Columbia and such Person (if not such Subsidiary Guarantor) will expressly assume, by supplemental indenture, executed and delivered to the Trustee, all the obligations of such Subsidiary Guarantor under its Subsidiary Guarantee; and (b) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the resulting, surviving or transferee Person or any Restricted Subsidiary as a result of such transaction as having been Incurred by such Person or such Restricted Subsidiary at the time of such transaction), no Default shall have occurred and be continuing; or

(2) the transaction is made in compliance with this covenant and the conditions described in the penultimate paragraph of "— Guarantees;" and

(3) the Parent Guarantor will have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease and such supplemental indenture (if any) comply with the Indenture.

Future Subsidiary Guarantors

The Parent Guarantor will cause (a) each Wholly-Owned Subsidiary of the Parent Guarantor (other than a Foreign Subsidiary) formed or acquired after the Issue Date and (b) any other Domestic Subsidiary (except the Issuer) that is not already a Subsidiary Guarantor that guarantees any Indebtedness of the Parent Guarantor, the Issuer or a Subsidiary Guarantor, in each case to execute and deliver to the Trustee within 30 days a supplemental indenture (in the form specified in the Indenture) pursuant to which such Subsidiary will unconditionally guarantee, on a joint and several basis, the full and prompt payment of the principal of, premium, if any, and interest on the Notes on a senior basis; *provided* that any Restricted Subsidiary that constitutes an Immaterial Subsidiary need not become a Subsidiary Guarantor until such time as it ceases to be an Immaterial Subsidiary.

Payments for Consent

Neither the Parent Guarantor nor any of its Restricted Subsidiaries will, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fees or otherwise, to any holder of any Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to be paid or is paid to all holders of the Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or amendment.

Business Activities

The Issuer may not engage in any business not related directly or indirectly to obtaining money or arranging financing for the Parent Guarantor or its Restricted Subsidiaries, the Issuer may not have any Subsidiary, and no Person other than the Parent Guarantor or any of its other Restricted Subsidiaries may own any Capital Stock of the Issuer.

Covenant Termination

From and after the occurrence of an Investment Grade Rating Event, the Parent Guarantor and its Restricted Subsidiaries will no longer be subject to the provisions of the Indenture described above under the following headings:

- "—Limitation on Indebtedness and Preferred Stock,"
- "—Limitation on Restricted Payments,"
- "—Limitation on Restrictions on Distributions from Restricted Subsidiaries,"
- "—Limitation on Sales of Assets and Subsidiary Stock,"
- "—Limitation on Affiliate Transactions" and
- Clause (3) of "—Merger and Consolidation"

(collectively, the "Eliminated Covenants"). As a result, after the date on which the Parent Guarantor and its Restricted Subsidiaries are no longer subject to the Eliminated Covenants, the Notes will be entitled to substantially reduced covenant protection. After the foregoing covenants have been terminated, the Parent Guarantor may not designate any of its Subsidiaries as Unrestricted Subsidiaries pursuant to the second sentence of the definition of "Unrestricted Subsidiary."

Events of Default

Each of the following is an Event of Default with respect to the Notes:

(1) default in any payment of interest on any Note when due, continued for 30 days;

(2) default in the payment of principal of or premium, if any, on any Note when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration of acceleration or otherwise;

(3) failure by the Issuer or any Guarantor to comply with its obligations under "—Certain Covenants—Merger and Consolidation";

(4) failure by the Parent Guarantor or the Issuer to comply for 30 days (or 180 days in the case of a Reporting Failure) after notice as provided below with any of its obligations under the covenant described under "—Change of Control" above or under the covenants described under "—Certain Covenants" above (in each case, other than a failure to purchase Notes which will constitute an Event of Default under clause (2) above and other than a failure to comply with "—Certain Covenants—Merger and Consolidation" which is covered by clause (3));

(5) failure by the Parent Guarantor or the Issuer to comply for 60 days after notice as provided below with its other agreements contained in the Indenture;

(6) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Parent Guarantor or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Parent Guarantor or any of its Restricted Subsidiaries), other than Indebtedness owed to the Parent Guarantor or a Restricted Subsidiary, whether such Indebtedness or guarantee now exists, or is created after the date of the Indenture, which default:

(a) is caused by a failure to pay principal of, or interest or premium, if any, on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness (and any extensions of any grace period) ("payment default"); or

(b) results in the acceleration of such Indebtedness prior to its Stated Maturity (the "cross acceleration provision");

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates $10.0 million or more;

(7) certain events of bankruptcy, insolvency or reorganization of the Parent Guarantor, the Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Parent Guarantor and its Restricted Subsidiaries), would constitute a Significant Subsidiary (the "bankruptcy provisions");

(8) failure by the Parent Guarantor, the Issuer or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Parent Guarantor and its Restricted Subsidiaries), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of $10.0 million (to the extent not covered by insurance by a reputable and creditworthy insurer as to which the insurer has not disclaimed coverage), which judgments are not paid or discharged, and there shall be any period of 60 consecutive days following entry of such final judgment or decree during which a stay of enforcement of such final judgment or decree, by reason of pending appeal or otherwise, shall not be in effect (the "judgment default provision"); or

(9) the Parent Guarantee or any Subsidiary Guarantee of a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Parent Guarantor and its Restricted Subsidiaries) would constitute a Significant Subsidiary, ceases to be in full force and effect (except as contemplated by the terms of the Indenture) or is declared null and void in a judicial proceeding or the Parent Guarantor or any Subsidiary Guarantor that is a Significant Subsidiary or group of Subsidiary Guarantors that, taken together (as of the latest audited consolidated financial statements of the Parent Guarantor and its Restricted Subsidiaries) would constitute a Significant Subsidiary, denies or disaffirms its obligations under the Indenture or its Guarantee.

However, a default under clauses (4) and (5) of this paragraph will not constitute an Event of Default until the Trustee or the holders of at least 25% in principal amount of the outstanding Notes notify the Parent Guarantor and the Issuer in writing and, in the case of a notice given by the holders, the Trustee of the default and the Parent Guarantor or the Issuer does not cure such default within the time specified in clauses (4) and (5) of this paragraph after receipt of such notice.

If an Event of Default (other than an Event of Default described in clause (7) above) occurs and is continuing, the Trustee by notice to the Parent Guarantor and the Issuer, or the holders of at least 25% in principal amount of the outstanding Notes by notice to the Parent Guarantor and the Issuer and the Trustee, may, and the Trustee at the request of such holders shall, declare the principal of, premium, if any, accrued and unpaid interest, if any, on all the Notes to be due and payable. If an Event of Default described in clause (7) above occurs and is continuing, the principal of, premium, if any, accrued and unpaid interest, if any, on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holders. The holders of a majority in principal amount of the outstanding Notes may waive all past defaults (except with respect to nonpayment of principal, premium or interest) and rescind any such acceleration with respect to the Notes and its consequences if (1) rescission would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, other than the nonpayment of the principal of, premium, if any, and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived.

Notwithstanding the foregoing, if an Event of Default specified in clause (6) above shall have occurred and be continuing, such Event of Default and any consequential acceleration (to the extent not in violation of any applicable law or in conflict with any judgment or decree of a court of competent jurisdiction) shall be automatically rescinded if (i) the Indebtedness that is the subject of such Event of Default has been repaid or (ii) if the default relating to such Indebtedness is waived by the holders of such Indebtedness or cured and if such Indebtedness has been accelerated, then the holders thereof have rescinded their declaration of acceleration in respect of such Indebtedness, in each case within 20 days after the declaration of acceleration with respect thereto, and (iii) any other existing Events of Default, except nonpayment of principal, premium or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

Subject to the provisions of the Indenture relating to the duties of the Trustee, if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the holders unless such holders have offered to the Trustee reasonable indemnity or security against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium, if any, or interest when due, no holder may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such holder has previously given the Trustee notice that an Event of Default is continuing;

(2) holders of at least 25% in principal amount of the outstanding Notes have requested the Trustee to pursue the remedy;

(3) such holders have offered the Trustee reasonable security or indemnity against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity; and

(5) the holders of a majority in principal amount of the outstanding Notes have not waived such Event of Default or otherwise given the Trustee a direction that, in the opinion of the Trustee, is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the holders of a majority in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Indenture provides that in the event an Event of Default has occurred and is continuing, the Trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use in the conduct of his own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

If a Default occurs and is continuing and is known to the Trustee, the Trustee must mail to each holder notice of the Default within 90 days after it occurs. Except in the case of a Default in the payment of principal of, premium, if any, or interest on any Note, the Trustee may withhold such notice if and so long as a committee of trust officers of the Trustee in good faith determines that withholding notice is in the interests of the holders. In addition, the Issuer is required to deliver to the Trustee, within 120 days after the end of each fiscal year, a certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Issuer also is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any Defaults, their status and what action the Issuer is taking or proposing to take in respect thereof.

Amendments and Waivers

Subject to certain exceptions, the Indenture and the Notes may be amended with the consent of the holders of a majority in principal amount of the Notes then outstanding (including without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes) and, subject to certain exceptions, any past default or compliance with any provisions may be waived with the consent of the holders of a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes). However, without the consent of each holder of an outstanding Note affected, no amendment may, among other things:

(1) reduce the principal amount of Notes whose holders must consent to an amendment or waiver;

(2) reduce the stated rate of or extend the stated time for payment of interest on any Note;

(3) reduce the principal of or extend the Stated Maturity of any Note;

(4) reduce the premium payable upon the redemption of any Note as described above under "—Optional Redemption," change the time at which any Note may be redeemed as described above under "—Optional Redemption" or make any change relative to our obligation to make an offer to repurchase the Notes as a result of a Change of Control as described above under "—Change of Control" after (but not before) the occurrence of such Change of Control;

(5) make any Note payable in money other than that stated in the Note;

(6) impair the right of any holder to receive payment of the principal of, premium, if any, and interest on such holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such holder's Notes;

(7) make any change in the amendment provisions which require each holder's consent or in the waiver provisions;

(8) modify the Guarantees in any manner adverse to the holders of the Notes; or

(9) make any change to or modify the ranking of the Notes that would adversely affect the holders.

Notwithstanding the foregoing, without the consent of any holder, the Issuer, the Guarantors and the Trustee may amend the Indenture and the Notes to:

(1) cure any ambiguity, omission, defect, mistake or inconsistency;

(2) provide for the assumption by a successor of the obligations of the Parent Guarantor, the Issuer or any Subsidiary Guarantor under the Indenture;

(3) provide for uncertificated Notes in addition to or in place of certificated Notes (*provided* that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code);

(4) add Guarantors with respect to the Notes, including Subsidiary Guarantors, or release a Subsidiary Guarantor from its Subsidiary Guarantee and terminate such Subsidiary Guarantee; *provided* that the release and termination is in accordance with the applicable provisions of the Indenture;

(5) secure the Notes or Guarantees;

(6) add to the covenants of the Parent Guarantor, the Issuer or a Subsidiary Guarantor for the benefit of the holders or surrender any right or power conferred upon the Parent Guarantor, the Issuer or a Subsidiary Guarantor;

(7) make any change that does not adversely affect the rights of any holder; *provided, however,* that any change to conform the Indenture to this "Description of notes" will not be deemed to adversely affect such legal rights;

(8) comply with any requirement of the SEC in connection with the qualification of the Indenture under the Trust Indenture Act; or

(9) provide for the succession of a successor Trustee, *provided* that the successor Trustee is otherwise qualified and eligible to act as such under the Indenture.

The consent of the holders is not necessary under the Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the Indenture by any holder of Notes given in connection with a tender of such holder's Notes will not be rendered invalid by such tender. After an amendment under the Indenture requiring the consent of the holders becomes effective, the Issuer is required to mail to the holders a notice briefly describing such amendment. However, the failure to give such notice to all the holders, or any defect in the notice will not impair or affect the validity of the amendment.

Defeasance

The Issuer at any time may terminate all its obligations under the Notes and the Indenture ("legal defeasance"), except for certain obligations, including those respecting the defeasance trust and obligations to register the transfer or exchange of the Notes, to replace mutilated, destroyed, lost or stolen Notes and to maintain a registrar and paying agent in respect of the Notes.

The Issuer at any time may terminate its obligations described under "—Change of Control" and the obligations of itself and the Parent Guarantor under the covenants described under "—Certain Covenants" (other than clauses (1), (2), (4) and (5) of "—Merger and Consolidation"), the operation of the cross default upon a payment default, cross acceleration provisions, the bankruptcy provisions with respect to Significant Subsidiaries, the judgment default provision, the Subsidiary Guarantee provision described under "—Events of Default" above and the limitations contained in clause (3) under "—Certain Covenants—Merger and Consolidation" above ("covenant defeasance").

If the Issuer exercises its legal defeasance or its covenant defeasance option, the Subsidiary Guarantees in effect at such time will terminate and, in the case of covenant defeasance, the Parent Guarantee will terminate.

The Issuer may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect to the Notes. If the Issuer exercises its covenant defeasance option, payment of the Notes may not be accelerated because of an Event of Default specified in clause (4), (5), (6), (7) (with respect only to Significant Subsidiaries), (8) or (9) under "—Events of Default" above or because of the failure of the Parent Guarantor or the Issuer to comply with clause (3) under "—Certain Covenants—Merger and Consolidation" above.

In order to exercise either defeasance option, the Issuer or a Guarantor must, among other things, irrevocably deposit in trust (the "defeasance trust") with the Trustee money or U.S. Government Obligations for the payment of principal, premium, if any, and interest on the Notes to redemption or Stated Maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of an Opinion of Counsel (subject to customary exceptions and exclusions) to the effect

that holders of the Notes will not recognize income, gain or loss for federal income tax purposes as a result of such deposit and defeasance and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred. In the case of legal defeasance only, such Opinion of Counsel must be based on a ruling of the Internal Revenue Service or other change in applicable federal income tax law.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when either:

(1) all Notes that have been authenticated (except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust) have been delivered to the Trustee for cancellation, or

(2) all Notes that have not been delivered to the Trustee for cancellation have become due and payable or will become due and payable within one year by reason of the giving of a notice of redemption or otherwise and the Issuer, the Parent Guarantor or any Subsidiary Guarantor has irrevocably deposited or caused to be irrevocably deposited with the Trustee as trust funds in trust solely for such purpose, cash in U.S. dollars, U.S. Government Obligations, or a combination thereof, in such amounts as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire indebtedness on the Notes not delivered to the Trustee for cancellation for principal and accrued interest to the date of Stated Maturity or redemption, and in each case certain other requirements set forth in the Indenture are satisfied.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator, stockholder, member, partner or trustee of the Parent Guarantor, the Issuer or any Subsidiary Guarantor, as such, shall have any liability for any obligations of the Parent Guarantor, the Issuer or any Subsidiary Guarantor under the Notes, the Indenture or the Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

Concerning the Trustee

Wells Fargo Bank, National Association is the Trustee under the Indenture and has been appointed by the Issuer as registrar and paying agent with regard to the Notes. Such bank is a lender under the Senior Secured Credit Agreement.

The Indenture contains certain limitations on the rights of the Trustee, should it become a creditor of the Issuer or any Guarantor, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; *provided, however*, that if it acquires any conflicting interest (as defined in the Trust Indenture Act) while any Default exists it must eliminate such conflict within 90 days, apply to the SEC for permission to continue as Trustee with such conflict or resign as Trustee.

Governing Law

The Indenture provides that it and the Notes will be governed by, and construed in accordance with, the laws of the State of New York.

Book-Entry; Delivery and Form

Global Notes

The new Notes, like the old Notes, will be issued in the form of one or more fully registered notes in global form, without interest coupons. Each Global Note will be deposited with the Trustee, as custodian for The Depository Trust Company ("DTC"), and registered in the name of Cede & Co., as nominee of DTC.

Ownership of beneficial interests in each global note will be limited to persons who have accounts with DTC ("DTC participants") or persons who hold interests through DTC participants. We expect that under procedures established by DTC:

- upon deposit of each global note with DTC's custodian, DTC will credit portions of the principal amount of the global notes to the accounts of the DTC participants designated by the exchange agent; and
- ownership of beneficial interests in each global note will be shown on, and transfer of ownership of those interests will be effected only through, records maintained by DTC (with respect to interests of DTC participants) and the records of DTC participants (with respect to other owners of beneficial interests in the global notes).

Beneficial interests in the global notes may not be exchanged for notes in physical, certificated form except in the limited circumstances described below.

Book-Entry Procedures for the Global Notes

All interests in the global notes will be subject to the operations and procedures of DTC, including its participants, Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear"), and Clearstream Banking S.A. ("Clearstream"). We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time.

- Neither we nor the Trustee is responsible for those operations or procedures.
- DTC has advised us that it is:
    - a limited purpose trust company organized under the laws of the State of New York;
    - a "banking organization" within the meaning of the New York State Banking Law;
    - a member of the Federal Reserve System;
    - a "clearing corporation" within the meaning of the Uniform Commercial Code; and
    - a "clearing agency" registered under Section 17A of the Exchange Act.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between its participants through electronic book-entry changes to the accounts of its participants. DTC's participants include securities brokers and dealers, including the initial purchasers, banks and trust companies, clearing corporations, and other organizations. Indirect access to DTC's system is also available to others such as banks, brokers, dealers, and trust companies. These indirect participants clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Investors who are not DTC participants may beneficially own securities held by or on behalf of DTC only through DTC participants or indirect participants in DTC.

So long as DTC's nominee is the registered owner of a global note, that nominee will be considered the sole owner or holder of the notes represented by that global note for all purposes under the indenture. Except as provided below, owners of beneficial interests in a global note:

- will not be entitled to have notes represented by the global note registered in their names;
- will not receive or be entitled to receive physical, certificated notes; and
- will not be considered the owners or holders of the notes under the indenture for any purpose, including with respect to the giving of any direction, instruction, or approval to the Trustee.

As a result, each investor who owns a beneficial interest in a global note must rely on the procedures of DTC to exercise any rights of a holder of notes under the Indenture (and, if the investor is not a participant or an indirect participant in DTC, on the procedures of the DTC participant through which the investor owns its interest).

Payments of principal, premium (if any), and interest with respect to the new notes represented by a global note will be made by the Trustee to DTC's nominee, as the registered holder of the global note. Neither we nor the Trustee will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a global note, for any aspect of the records relating to or payments made on account of those interests by DTC, or for maintaining, supervising, or reviewing any records of DTC relating to those interests.

Payments by participants and indirect participants in DTC to the owners of beneficial interests in a global note will be governed by standing instructions and customary industry practice and will be the responsibility of those participants or indirect participants and DTC.

Transfers between participants in DTC will be effected under DTC's procedures and will be settled in same-day funds. Transfers between participants in Euroclear or Clearstream will be effected in the ordinary way under the rules and operating procedures of those systems.

Cross market transfers between DTC participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected within DTC through the DTC participants that are acting as depositaries for Euroclear and Clearstream. To deliver or receive an interest in a global note held in a Euroclear or Clearstream account, an investor must send transfer instructions to Euroclear or Clearstream, as the case may be, under the rules and procedures of that system and within the established deadlines of that system. If the transaction meets its settlement requirements, Euroclear or Clearstream, as the case may be, will send instructions to its DTC depositary to take action to effect final settlement by delivering or receiving interests in the relevant global notes in DTC, and making or receiving payment under normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream participants may not deliver instructions directly to the DTC depositaries that are acting for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant that purchases an interest in a global note from a DTC participant will be credited on the business day for Euroclear or Clearstream immediately following the DTC settlement date. Cash received in Euroclear or Clearstream from the sale of an interest in a global note to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account as of the business day for Euroclear or Clearstream following the DTC settlement date.

DTC, Euroclear, and Clearstream have agreed to the above procedures to facilitate transfers of interests in the global notes among participants in those settlement systems. However, the settlement systems are not obligated to perform these procedures and may discontinue or change these procedures at any time. Neither we nor the Trustee will have any responsibility for the performance by DTC, Euroclear, or Clearstream, or their participants or indirect participants, of their obligations under the rules and procedures governing their operations.

Certificated Notes

New Notes in physical, certificated form will be issued and delivered to each person that DTC identifies as a beneficial owner of the related notes only if:

- DTC notifies us at any time that it is unwilling or unable to continue as depositary for the global notes and a successor depositary is not appointed within 90 days;
- DTC ceases to be registered as a clearing agency under the Exchange Act and a successor depositary is not appointed within 90 days; or
- we, at our option, notify the Trustee that we elect to cause the issuance of certificated Notes.

Certain Definitions

"*Acquired Indebtedness*" means Indebtedness (i) of a Person or any of its Subsidiaries existing at the time such Person becomes or is merged with and into a Restricted Subsidiary or (ii) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with, or in anticipation or contemplation of, such Person becoming a Restricted Subsidiary or such acquisition. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (i) of the preceding sentence, on the date such Person becomes or is merged with and into a Restricted Subsidiary and, with respect to clause (ii) of the preceding sentence, on the date of consummation of such acquisition of assets.

"*Additional Assets*" means:

(1) any properties or assets to be used by the Parent Guarantor or a Restricted Subsidiary in the Oil and Gas Business;

(2) capital expenditures by the Parent Guarantor or a Restricted Subsidiary in the Oil and Gas Business;

(3) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Parent Guarantor or a Restricted Subsidiary; or

(4) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary;

provided, *however*, that, in the case of clauses (3) and (4), such Restricted Subsidiary is primarily engaged in the Oil and Gas Business.

"*Adjusted Consolidated Net Tangible Assets*" of the Parent Guarantor means (without duplication), as of the date of determination, the remainder of:

(a) the sum of:

(i) discounted future net revenues from proved oil and gas reserves of the Parent Guarantor and its Restricted Subsidiaries calculated in accordance with SEC guidelines before any state or federal income taxes, as estimated by the Parent Guarantor in a reserve report prepared as of the end of the Parent Guarantor's most recently completed fiscal year for which audited financial statements are available, as increased by, as of the date of determination, the estimated discounted future net revenues from

(A) estimated proved oil and gas reserves acquired since such year end, which reserves were not reflected in such year end reserve report, and

(B) estimated oil and gas reserves attributable to extensions, discoveries and other additions and upward revisions of estimates of proved oil and gas reserves since such year end due to exploration, development or exploitation, production or other

activities, which would, in accordance with standard industry practice, cause such revisions (including the impact to proved reserves and future net revenues from estimated development costs incurred and the accretion of discount since such year end),

and decreased by, as of the date of determination, the estimated discounted future net revenues from

(C) estimated proved oil and gas reserves produced or disposed of since such year end, and

(D) estimated oil and gas reserves attributable to downward revisions of estimates of proved oil and gas reserves since such year end due to changes in geological conditions or other factors which would, in accordance with standard industry practice, cause such revisions, in each case calculated on a pre-tax basis and substantially in accordance with SEC guidelines,

in the case of clauses (A) through (D) utilizing prices and costs calculated in accordance with SEC guidelines as if the end of the most recent fiscal quarter preceding the date of determination for which such information is available to the Parent Guarantor were year end; *provided*, *however*, that in the case of each of the determinations made pursuant to clauses (A) through (D), such increases and decreases shall be as estimated by the Parent Guarantor's petroleum engineers;

(ii) the capitalized costs that are attributable to Oil and Gas Properties of the Parent Guarantor and its Restricted Subsidiaries to which no proved oil and gas reserves are attributable, based on the Parent Guarantor's books and records as of a date no earlier than the date of the Parent Guarantor's latest available annual or quarterly financial statements;

(iii) the Net Working Capital of the Parent Guarantor and its Restricted Subsidiaries on a date no earlier than the date of the Parent Guarantor's latest annual or quarterly financial statements; and

(iv) the greater of

(A) the net book value of other tangible assets of the Parent Guarantor and its Restricted Subsidiaries, as of a date no earlier than the date of the Parent Guarantor's latest annual or quarterly financial statements, and

(B) the appraised value, as estimated by independent appraisers, of other tangible assets of the Parent Guarantor and its Restricted Subsidiaries, as of a date no earlier than the date of the Parent Guarantor's latest audited financial statements; *provided*, that, if no such appraisal has been performed the Parent Guarantor shall not be required to obtain such an appraisal and only clause (iv)(A) of this definition shall apply;

minus

(b) the sum of:

(i) Minority Interests;

(ii) any net gas balancing liabilities of the Parent Guarantor and its Restricted Subsidiaries reflected in the Parent Guarantor's latest annual or quarterly balance sheet (to the extent not deducted in calculating Net Working Capital of the Parent Guarantor in accordance with clause (a)(iii) above of this definition);

(iii) to the extent included in (a)(i) above, the discounted future net revenues, calculated in accordance with SEC guidelines (but utilizing prices and costs calculated in accordance with SEC guidelines as if the end of the most recent fiscal quarter preceding the date of determination for which such information is available to the Parent Guarantor were year end), attributable to reserves which are required to be delivered to third parties to fully satisfy the obligations of the Parent Guarantor and its Restricted Subsidiaries with respect to Volumetric Production Payments (determined, if applicable, using the schedules specified with respect thereto); and

(iv) the discounted future net revenues, calculated in accordance with SEC guidelines, attributable to reserves subject to Dollar-Denominated Production Payments which, based on the estimates of production and price assumptions included in determining the discounted future net revenues specified in (a)(i) above, would be necessary to fully satisfy the payment obligations of the Parent Guarantor and its Subsidiaries with respect to Dollar-Denominated Production Payments (determined, if applicable, using the schedules specified with respect thereto).

If the Parent Guarantor changes its method of accounting from the successful efforts method of accounting to the full cost or a similar method, "Adjusted Consolidated Net Tangible Assets" will continue to be calculated as if the Parent Guarantor were still using the successful efforts method of accounting.

"*Affiliate*" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"*Asset Disposition*" means any direct or indirect sale, lease (including by means of Production Payments and Reserve Sales and a Sale/Leaseback Transaction but excluding an operating lease entered into in the ordinary course of the Oil and Gas Business), transfer, issuance or other disposition, or a series of related sales, leases, transfers, issuances or dispositions that are part of a common plan, of (A) shares of Capital Stock of a Restricted Subsidiary (other than Preferred Stock of Restricted Subsidiaries issued in compliance with the covenant described under the heading "—Certain Covenants—Limitation on Indebtedness and Preferred Stock," and directors' qualifying shares or shares required by applicable law to be held by a Person other than the Parent Guarantor or a Restricted Subsidiary), (B) all or substantially all the assets of any division or line of business of the Parent Guarantor or any Restricted Subsidiary (excluding any division or line of business the assets of which are owned by an Unrestricted Subsidiary) or (C) any other assets of the Parent Guarantor or any Restricted Subsidiary outside of the ordinary course of business of the Parent Guarantor or such Restricted Subsidiary (each referred to for the purposes of this definition as a "disposition"), in each case by the Parent Guarantor or any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction.

Notwithstanding the preceding, the following items shall not be deemed to be Asset Dispositions:

(1) a disposition by a Restricted Subsidiary to the Parent Guarantor or by the Parent Guarantor or a Restricted Subsidiary to a Restricted Subsidiary;

(2) a disposition of cash, Cash Equivalents or other financial assets in the ordinary course of business;

(3) a disposition of Hydrocarbons or mineral products inventory in the ordinary course of business;

(4) a disposition of damaged, unserviceable, obsolete or worn out equipment or equipment that is no longer necessary for the proper conduct of the business of the Parent Guarantor and its Restricted Subsidiaries and that is disposed of in each case in the ordinary course of business;

(5) transactions in accordance with the covenant described under "—Certain Covenants—Merger and Consolidation";

(6) an issuance of Capital Stock by a Restricted Subsidiary to the Parent Guarantor or to a Restricted Subsidiary;

(7) the making of a Permitted Investment or a Restricted Payment (or a disposition that would constitute a Restricted Payment but for the exclusions from the definition thereof) permitted by the covenant described under "—Certain Covenants—Limitation on Restricted Payments";

(8) an Asset Swap;

(9) dispositions of assets with a Fair Market Value of less than $10.0 million;

(10) Permitted Liens;

(11) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(12) the licensing or sublicensing of intellectual property (including, without limitation, the licensing of seismic data) or other general intangibles and licenses, leases or subleases of other property in the ordinary course of business which do not materially interfere with the business of the Parent Guarantor and its Restricted Subsidiaries;

(13) foreclosure on assets;

(14) any Production Payments and Reserve Sales; *provided* that any such Production Payments and Reserve Sales, other than incentive compensation programs on terms that are reasonably customary in the Oil and Gas Business for geologists, geophysicists and other providers of technical services to the Parent Guarantor or a Restricted Subsidiary, shall have been created, Incurred, issued, assumed or Guaranteed in connection with the financing of, and within 60 days after the acquisition of, the property that is subject thereto;

(15) a disposition of oil and natural gas properties in connection with tax credit transactions complying with Section 29 or any successor or analogous provisions of the Code;

(16) surrender or waiver of contract rights, oil and gas leases, or the settlement, release or surrender of contract, tort or other claims of any kind;

(17) the abandonment, farm out, lease or sublease of developed or undeveloped Oil and Gas Properties in the ordinary course of business; and

(18) a disposition (whether or not in the ordinary course of business) of any Oil and Gas Property or interest therein to which no proved reserves are attributable at the time of such disposition.

"*Asset Swap*" means any substantially contemporaneous (and in any event occurring within 180 days of each other) purchase and sale or exchange of any oil or natural gas properties or assets or interests therein between the Parent Guarantor or any of its Restricted Subsidiaries and another Person; *provided*, that any cash received must be applied in accordance with "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock" as if the Asset Swap were an Asset Disposition.

"*Average Life*" means, as of the date of determination, with respect to any Indebtedness or Preferred Stock, the quotient obtained by dividing (1) the sum of the products of the numbers of years from the date of determination to the dates of each successive scheduled principal payment of such

Indebtedness or redemption or similar payment with respect to such Preferred Stock multiplied by the amount of such payment by (2) the sum of all such payments.

"*Beneficial Owner*" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms "Beneficially Owns" and "Beneficially Owned" have a corresponding meaning.

"*Board of Directors*" means, as to any Person that is a corporation, the board of directors of such Person or any duly authorized committee thereof or as to any Person that is not a corporation, the board of managers or such other individual or group serving a similar function.

"*Business Day*" means each day that is not a Saturday, Sunday or other day on which commercial banking institutions in New York, New York are authorized or required by law to close.

"*Capital Stock*" of any Person means any and all shares, units, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into, or exchangeable for, such equity.

"*Capitalized Lease Obligations*" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with GAAP, and the amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined in accordance with GAAP, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"*Cash Equivalents*" means:

(1) securities issued or directly and fully guaranteed or insured by the United States Government or any agency or instrumentality of the United States (*provided* that the full faith and credit of the United States is pledged in support thereof), having maturities of not more than one year from the date of acquisition;

(2) marketable general obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition and, at the time of acquisition, having a credit rating of "A" (or the equivalent thereof) or better from either S&P or Moody's;

(3) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances having maturities of not more than one year from the date of acquisition thereof issued by any commercial bank the short-term deposit of which is rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by S&P, or "P-2" or the equivalent thereof by Moody's, and having combined capital and surplus in excess of $100.0 million;

(4) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (1), (2) and (3) entered into with any bank meeting the qualifications specified in clause (3) above;

(5) commercial paper rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by S&P or "P-2" or the equivalent thereof by Moody's, or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named Rating Agencies cease publishing ratings of investments, and in any case maturing within one year after the date of acquisition thereof; and

(6) interests in any investment company or money market fund which invests 95% or more of its assets in instruments of the type specified in clauses (1) through (5) above.

"*Cash Management Obligations*" means, with respect to the Issuer or any Guarantor, any obligations of such Person to U.S. Bank National Association or any other lender in respect of treasury management arrangements, depositary or other cash management services, including any treasury management line of credit.

"*Change of Control*" means:

(1) any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than a Permitted Holder, is or becomes the Beneficial Owner, directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Parent Guarantor (or its successor by merger, consolidation or purchase of all or substantially all of its assets) (for the purposes of this clause (1), such person or group shall be deemed to Beneficially Own any Voting Stock of the Parent Guarantor held by a parent entity, if such person or group Beneficially Owns, directly or indirectly, more than 50% of the total voting power of the Voting Stock of such parent entity);

(2) the first day on which a majority of the members of the Board of Directors of the Parent Guarantor are not Continuing Directors;

(3) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Parent Guarantor and its Restricted Subsidiaries taken as a whole to any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act); or

(4) the adoption by the members of the Parent Guarantor of a plan or proposal for the liquidation or dissolution of the Parent Guarantor.

Notwithstanding the preceding, a conversion of the Parent Guarantor or any of its Restricted Subsidiaries from a limited liability company, corporation, limited partnership or other form of entity to a limited liability company, corporation, limited partnership or other form of entity or an exchange of all of the outstanding Capital Stock in one form of entity for Capital Stock for another form of entity shall not constitute a Change of Control, so long as following such conversion or exchange the "persons" (as that term is used in Section 13(d)(3) of the Exchange Act) who Beneficially Owned the Capital Stock of the Parent Guarantor immediately prior to such transactions continue to Beneficially Own in the aggregate more than 50% of the Voting Stock of such entity, or continue to Beneficially Own sufficient Equity Interests in such entity to elect a majority of its directors, managers, trustees or other persons serving in a similar capacity for such entity, and, in either case no "person" Beneficially Owns more than 50% of the Voting Stock of such entity.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Commodity Agreements*" means, in respect of any Person, any forward contract, commodity swap agreement, commodity option agreement or other similar agreement or arrangement in respect of Hydrocarbons used, produced, processed or sold by such Person that are customary in the Oil and Gas Business and designed to protect such Person against fluctuation in Hydrocarbon prices.

"*Common Stock*" means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or nonvoting) of such Person's common stock whether or not outstanding on the Issue Date, and includes, without limitation, all series and classes of such common stock.

"*Consolidated Coverage Ratio*" means as of any date of determination, the ratio of (x) the aggregate amount of Consolidated EBITDAX of such Person for the period of the most recent four

consecutive fiscal quarters ending prior to the date of such determination for which financial statements are in existence to (y) Consolidated Interest Expense for such four fiscal quarters, *provided*, *however*, that:

(1) if the Parent Guarantor or any Restricted Subsidiary:

(a) has Incurred any Indebtedness since the beginning of such period that remains outstanding on such date of determination or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is an Incurrence of Indebtedness, Consolidated EBITDAX and Consolidated Interest Expense for such period will be calculated after giving effect on a pro forma basis to such Indebtedness and the use of proceeds thereof as if such Indebtedness had been Incurred on the first day of such period and such proceeds had been applied as of such date (except that in making such computation, the amount of Indebtedness under any revolving Credit Facility outstanding on the date of such calculation will be deemed to be (i) the average daily balance of such Indebtedness during such four fiscal quarters or such shorter period for which such facility was outstanding or (ii) if such revolving Credit Facility was created after the end of such four fiscal quarters, the average daily balance of such Indebtedness during the period from the date of creation of such revolving Credit Facility to the date of such calculation, in each case, *provided* that such average daily balance shall take into account any repayment of Indebtedness under such revolving Credit Facility as provided in clause (b)); or

(b) has repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of the period, including with the proceeds of such new Indebtedness, that is no longer outstanding on such date of determination or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio involves a discharge of Indebtedness (in each case other than Indebtedness Incurred under any revolving Credit Facility unless such Indebtedness has been permanently repaid and the related commitment terminated), Consolidated EBITDAX and Consolidated Interest Expense for such period will be calculated after giving effect on a pro forma basis to such discharge of such Indebtedness as if such discharge had occurred on the first day of such period;

(2) if, since the beginning of such period, the Parent Guarantor or any Restricted Subsidiary has made any Asset Disposition or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is such an Asset Disposition, the Consolidated EBITDAX for such period will be reduced by an amount equal to the Consolidated EBITDAX (if positive) directly attributable to the assets which are the subject of such Asset Disposition for such period or increased by an amount equal to the Consolidated EBITDAX (if negative) directly attributable thereto for such period and Consolidated Interest Expense for such period shall be reduced by an amount equal to the Consolidated Interest Expense directly attributable to any Indebtedness of the Parent Guarantor or any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to the Parent Guarantor and its continuing Restricted Subsidiaries in connection with or with the proceeds from such Asset Disposition for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Interest Expense for such period directly attributable to the Indebtedness of such Restricted Subsidiary to the extent the Parent Guarantor and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such sale);

(3) if, since the beginning of such period, the Parent Guarantor or any Restricted Subsidiary (by merger or otherwise) has made an Investment in any Restricted Subsidiary (or any Person which becomes a Restricted Subsidiary or is merged with or into the Parent Guarantor or a Restricted Subsidiary) or an acquisition (or will have received a contribution) of assets,

including any acquisition or contribution of assets occurring in connection with a transaction causing a calculation to be made under the Indenture, which constitutes all or substantially all of a Parent Guarantor, division, operating unit, segment, business, group of related assets or line of business, Consolidated EBITDAX and Consolidated Interest Expense for such period will be calculated after giving pro forma effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition or contribution had occurred on the first day of such period; and

(4) if, since the beginning of such period, any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Parent Guarantor or any Restricted Subsidiary since the beginning of such period) made any Asset Disposition or any Investment or acquisition of assets that would have required an adjustment pursuant to clause (2) or (3) above if made by the Parent Guarantor or a Restricted Subsidiary during such period, Consolidated EBITDAX and Consolidated Interest Expense for such period will be calculated after giving pro forma effect thereto as if such Asset Disposition or Investment or acquisition of assets had occurred on the first day of such period.

For purposes of this definition, whenever pro forma effect is to be given to any calculation under this definition, the pro forma calculations will be determined in good faith by a responsible financial or accounting officer of the Parent Guarantor; *provided* that such officer may in his or her discretion include any reasonably identifiable and factually supportable pro forma changes to Consolidated EBITDAX, including any pro forma expenses and cost reductions, that have occurred or in the judgment of such officer are reasonably expected to occur within 12 months of the date of the applicable transaction (regardless of whether such expense or cost reduction or any other operating improvements could then be reflected properly in pro forma financial statements prepared in accordance with Regulation S-X under the Securities Act or any other regulation or policy of the SEC). If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest expense on such Indebtedness will be calculated as if the average rate in effect from the beginning of such period to the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness, but if the remaining term of such Interest Rate Agreement is less than 12 months, then such Interest Rate Agreement shall only be taken into account for that portion of the period equal to the remaining term thereof). If any Indebtedness that is being given pro forma effect bears an interest rate at the option of the Parent Guarantor, the interest rate shall be calculated by applying such optional rate chosen by the Parent Guarantor. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Parent Guarantor may designate.

"*Consolidated EBITDAX*" for any period means, without duplication, the Consolidated Net Income for such period, plus the following, without duplication and to the extent deducted (and not added back) in calculating such Consolidated Net Income:

(1) Consolidated Interest Expense;

(2) Consolidated Income Tax Expense;

(3) consolidated depletion and depreciation expense of the Parent Guarantor and its Restricted Subsidiaries;

(4) consolidated amortization expense or impairment charges of the Parent Guarantor and its Restricted Subsidiaries recorded in connection with the application of Statement of Financial Accounting Standard No. 142, "Goodwill and Other Intangibles" and Statement of Financial Accounting Standard No. 144, "Accounting for the Impairment or Disposal of Long Lived Assets";

(5) other non-cash charges of the Parent Guarantor and its Restricted Subsidiaries (excluding any such non-cash charge to the extent it represents an accrual of or reserve for cash charges in any future period or amortization of a prepaid cash expense that was paid in a prior period not included in the calculation); and

(6) consolidated exploration and abandonment expense of the Parent Guarantor and its Restricted Subsidiaries,

if applicable for such period; and less, to the extent included in calculating such Consolidated Net Income and in excess of any costs or expenses attributable thereto that were deducted (and not added back) in calculating such Consolidated Net Income, the sum of (x) the amount of deferred revenues that are amortized during such period and are attributable to reserves that are subject to Volumetric Production Payments, (y) amounts recorded in accordance with GAAP as repayments of principal and interest pursuant to Dollar-Denominated Production Payments and (z) other non-cash gains (excluding any non-cash gain to the extent it represents the reversal of an accrual or reserve for a potential cash item that reduced Consolidated EBITDAX in any prior period).

Notwithstanding the preceding sentence, clauses (2) through (6) relating to amounts of a Restricted Subsidiary of the Parent Guarantor will be added to Consolidated Net Income to compute Consolidated EBITDAX of the Parent Guarantor only to the extent (and in the same proportion) that the net income (loss) of such Restricted Subsidiary was included in calculating the Consolidated Net Income of the Parent Guarantor and, to the extent the amounts set forth in clauses (2) through (6) are in excess of those necessary to offset a net loss of such Restricted Subsidiary or if such Restricted Subsidiary has net income for such period included in Consolidated Net Income, only if a corresponding amount would be permitted at the date of determination to be dividended to the Parent Guarantor by such Restricted Subsidiary (unless it is a Guarantor) without prior approval (that has not been obtained), pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to that Restricted Subsidiary or the holders of its Capital Stock.

"*Consolidated Income Tax Expense*" means, with respect to any period, the provision for federal, state, local and foreign income taxes (including state franchise taxes) of the Parent Guarantor and its Restricted Subsidiaries for such period as determined in accordance with GAAP.

"*Consolidated Interest Expense*" means, for any period, the total consolidated interest expense (less interest income) of the Parent Guarantor and its Restricted Subsidiaries, whether paid or accrued, plus, to the extent not included in such interest expense and without duplication:

(1) interest expense attributable to Capitalized Lease Obligations and the interest component of any deferred payment obligations;

(2) amortization of debt discount and debt issuance cost (*provided* that any amortization of bond premium will be credited to reduce Consolidated Interest Expense unless, pursuant to GAAP, such amortization of bond premium has otherwise reduced Consolidated Interest Expense);

(3) non-cash interest expense;

(4) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing;

(5) the interest expense on Indebtedness of another Person that is Guaranteed by the Parent Guarantor or one of its Restricted Subsidiaries or secured by a Lien on assets of the Parent Guarantor or one of its Restricted Subsidiaries, to the extent such Guarantee becomes payable or such Lien becomes subject to foreclosure;

(6) cash costs associated with Interest Rate Agreements (including amortization of fees); *provided*, *however*, that if Interest Rate Agreements result in net cash benefits rather than costs, such benefits shall be credited to reduce Consolidated Interest Expense unless, pursuant to GAAP, such net benefits are otherwise reflected in Consolidated Net Income;

(7) the consolidated interest expense of the Parent Guarantor and its Restricted Subsidiaries that was capitalized during such period; and

(8) all dividends paid or payable in cash, Cash Equivalents or Indebtedness or accrued during such period on any series of Disqualified Stock of the Parent Guarantor or on Preferred Stock of its Restricted Subsidiaries payable to a party other than the Parent Guarantor or a Wholly-Owned Subsidiary,

minus, to the extent included above, any interest attributable to Dollar-Denominated Production Payments.

For the purpose of calculating the Consolidated Coverage Ratio in connection with the Incurrence of any Indebtedness described in the final paragraph of the definition of "Indebtedness," the calculation of Consolidated Interest Expense shall include all interest expense (including any amounts described in clauses (1) through (8) above) relating to any Indebtedness of the Parent Guarantor or any Restricted Subsidiary described in the final paragraph of the definition of "Indebtedness."

"*Consolidated Net Income*" means, for any period, the aggregate net income (loss) of the Parent Guarantor and its consolidated Subsidiaries determined in accordance with GAAP and before any reduction in respect of Preferred Stock dividends of such Person; *provided*, *however*, that there will not be included (to the extent otherwise included therein) in such Consolidated Net Income:

(1) any net income (loss) of any Person (other than the Parent Guarantor) if such Person is not a Restricted Subsidiary, except that:

(a) subject to the limitations contained in clauses (3) and (4) below, the Parent Guarantor's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Parent Guarantor or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution to a Restricted Subsidiary, to the limitations contained in clause (2) below); and

(b) the Parent Guarantor's equity in a net loss of any such Person for such period will be included in determining such Consolidated Net Income to the extent such loss has been funded with cash from the Parent Guarantor or a Restricted Subsidiary during such period;

(2) any net income (but not loss) of any Restricted Subsidiary (other than a Guarantor) if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Parent Guarantor, except that:

(a) subject to the limitations contained in clauses (3), (4) and (5) below, the Parent Guarantor's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash that could have been distributed by such Restricted Subsidiary during such period to the Parent Guarantor or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to another Restricted Subsidiary, to the limitation contained in this clause); and

(b) the Parent Guarantor's equity in a net loss of any such Restricted Subsidiary for such period will be included in determining such Consolidated Net Income;

(3) any gain (loss) realized upon the sale or other disposition of any property, plant or equipment of the Parent Guarantor or its consolidated Subsidiaries (including pursuant to any Sale/Leaseback Transaction) which is not sold or otherwise disposed of in the ordinary course of business and any gain (loss) realized upon the sale or other disposition of any Capital Stock of any Person;

(4) any extraordinary or nonrecurring gains or losses, together with any related provision for taxes on such gains or losses and all related fees and expenses;

(5) the cumulative effect of a change in accounting principles;

(6) any asset impairment writedowns on Oil and Gas Properties under GAAP or SEC guidelines;

(7) any unrealized non-cash gains or losses or charges in respect of Hedging Obligations (including those resulting from the application of Statement of Financial Accounting Standard No. 133);

(8) income or loss attributable to discontinued operations (including, without limitation, operations disposed of during such period whether or not such operations were classified as discontinued);

(9) all deferred financing costs written off, and premiums paid, in connection with any early extinguishment of Indebtedness; and

(10) any non-cash compensation charge arising from any grant of stock, stock options or other equity based awards; *provided* that the proceeds resulting from any such grant will be excluded from clause (c) (ii) of the first paragraph of the covenant described under "—Limitation on Restricted Payments."

"*Continuing Directors*" means, as of any date of determination, any member of the Board of Directors of the Parent Guarantor who: (1) was a member of such Board of Directors on the date of the Indenture; or (2) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination or election.

"*Credit Facility*" means, with respect to the Parent Guarantor or any Restricted Subsidiary, one or more debt facilities (including, without limitation, the Senior Secured Credit Agreement), indentures or commercial paper facilities providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under the original Senior Secured Credit Agreement or any other credit or other agreement or indenture).

"*Currency Agreement*" means in respect of a Person any foreign exchange contract, currency swap agreement, futures contract, option contract or other similar agreement as to which such Person is a party or a beneficiary.

"*Default*" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"*Disqualified Stock*" means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) at the option of the holder of the Capital Stock or upon the happening of any event:

(1) matures or is mandatorily redeemable (other than redeemable only for Capital Stock of such Person which is not itself Disqualified Stock) pursuant to a sinking fund obligation or otherwise;

(2) is convertible or exchangeable for Disqualified Stock or other Indebtedness (excluding Capital Stock which is convertible or exchangeable solely at the option of the Parent Guarantor or a Restricted Subsidiary); or

(3) is redeemable at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the date that is 91 days after the earlier of the date (a) of the Stated Maturity of the Notes or (b) on which there are no Notes outstanding; *provided* that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock; *provided further*, that any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Parent Guarantor to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (each defined in a substantially identical manner to the corresponding definitions in the Indenture) shall not constitute Disqualified Stock if the terms of such Capital Stock (and all such securities into which it is convertible or for which it is exchangeable) provide that (i) the Parent Guarantor may not repurchase or redeem any such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) pursuant to such provision prior to compliance by the Parent Guarantor with the provisions of the Indenture described under the captions "—Change of Control" and "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock" and (ii) such repurchase or redemption will be permitted solely to the extent also permitted in accordance with the provisions of the Indenture described under the caption "—Certain Covenants—Limitation on Restricted Payments."

"*Dollar-Denominated Production Payments*" means production payment obligations recorded as liabilities in accordance with GAAP, together with all undertakings and obligations in connection therewith.

"*Domestic Subsidiary*" means any Restricted Subsidiary that is organized under the laws of the United States of America or any state thereof or the District of Columbia.

"*Equity Offering*" means a public or private offering for cash by the Parent Guarantor of Capital Stock (other than Disqualified Stock), other than public offerings registered on Form S-8.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Exchange Notes*" means Notes issued in exchange for old Notes or Additional Notes pursuant to a Registration Rights Agreement.

"*Fair Market Value*" means, with respect to any asset or property, the sale value that would be obtained in an arm's-length free market transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy. Fair Market Value of an asset or property in excess of $10.0 million shall be determined by the Board of Directors of the Parent Guarantor acting in good faith, whose determination shall be conclusive and evidenced by a resolution of such Board of Directors, and any lesser Fair Market Value may be determined by an officer of the Parent Guarantor acting in good faith.

"*Foreign Subsidiary*" means any Restricted Subsidiary that is not organized under the laws of the United States of America or any state thereof or the District of Columbia.

"*GAAP*" means generally accepted accounting principles in the United States of America as in effect from time to time. All ratios and computations based on GAAP contained in the Indenture will be computed in conformity with GAAP.

The term "*guarantee*" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise); or

(2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, *however*, that the term "guarantee" will not include endorsements for collection or deposit in the ordinary course of business or any obligation to the extent it is payable only in Capital Stock of the guarantor that is not Disqualified Stock. The term "guarantee" used as a verb has a corresponding meaning.

"*Guarantees*" means the Parent Guarantee and the Subsidiary Guarantees collectively.

"*Guarantors*" means the Parent Guarantor and the Subsidiary Guarantors collectively.

"*Guarantor Subordinated Obligation*" means, with respect to a Guarantor, any Indebtedness of such Guarantor (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the obligations of such Guarantor under its Guarantee pursuant to a written agreement.

"*Hedging Obligations*" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Agreement.

"*holder*" means a Person in whose name a Note is registered on the registrar's books.

"*Hydrocarbons*" means oil, natural gas, casing head gas, drip gasoline, natural gasoline, condensate, distillate, liquid hydrocarbons, gaseous hydrocarbons and all constituents, elements or compounds thereof and products refined or processed therefrom.

"*Immaterial Subsidiary*" means, as of any date, any Restricted Subsidiary whose total assets, as of the end of the most recent month for which financial statements are available, are less than $1,000,000 and whose total revenues for the most recent 12-month period for which financial statements are available do not exceed $1,000,000; *provided* that a Restricted Subsidiary will not be considered to be an Immaterial Subsidiary if it, directly or indirectly, guarantees or otherwise provides direct credit support for any Indebtedness of the Parent Guarantor.

"*Incur*" means issue, create, assume, Guarantee, incur or otherwise become directly or indirectly liable for, contingently or otherwise; *provided*, *however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary; and the terms "Incurred" and "Incurrence" have meanings correlative to the foregoing.

"*Indebtedness*" means, with respect to any Person on any date of determination (without duplication, whether or not contingent):

(1) the principal of and premium (if any) in respect of indebtedness of such Person for borrowed money;

(2) the principal of and premium (if any) in respect of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) the principal component of all obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (including reimbursement obligations with respect thereto except to the extent such reimbursement obligation relates to a trade payable, to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such obligation is satisfied within 30 days of payment on the letter of credit);

(4) the principal component of all obligations of such Person (other than obligations payable solely in Capital Stock that is not Disqualified Stock) to pay the deferred and unpaid purchase price of property (except as described in clause (8) of the penultimate paragraph of this definition of "Indebtedness"), which purchase price is due more than six months after the date of placing such property in service or taking delivery and title thereto to the extent such obligations would appear as a liabilities upon the consolidated balance sheet of such Person in accordance with GAAP;

(5) Capitalized Lease Obligations of such Person to the extent such Capitalized Lease Obligations would appear as liabilities on the consolidated balance sheet of such Person in accordance with GAAP;

(6) the principal component or liquidation preference of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock or, with respect to any Subsidiary that is not a Subsidiary Guarantor, any Preferred Stock (but excluding, in each case, any accrued dividends);

(7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided*, *however*, that the amount of such Indebtedness will be the lesser of (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness of such other Persons;

(8) the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person; and

(9) to the extent not otherwise included in this definition, net obligations of such Person under Commodity Agreements, Currency Agreements and Interest Rate Agreements (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time);

provided, *however*, that any indebtedness which has been defeased in accordance with GAAP or defeased pursuant to the deposit of cash or Cash Equivalents (in an amount sufficient to satisfy all such indebtedness obligations at maturity or redemption, as applicable, and all payments of interest and premium, if any) in a trust or account created or pledged for the sole benefit of the holders of such indebtedness, and subject to no other Liens, shall not constitute "Indebtedness."

The amount of Indebtedness of any Person at any date will be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date.

Notwithstanding the preceding, "Indebtedness" shall not include:

(1) Production Payments and Reserve Sales;

(2) any obligation of a Person in respect of a farm-in agreement or similar arrangement whereby such Person agrees to pay all or a share of the drilling, completion or other expenses of an exploratory or development well (which agreement may be subject to a maximum payment obligation, after which expenses are shared in accordance with the working or participation interest therein or in accordance with the agreement of the parties) or perform the drilling, completion or other operation on such well in exchange for an ownership interest in an oil or gas property;

(3) any obligations under Currency Agreements, Commodity Agreements and Interest Rate Agreements; *provided* that such Agreements are entered into for bona fide hedging purposes of the Parent Guarantor or its Restricted Subsidiaries (as determined in good faith by the Board of Directors or senior management of the Parent Guarantor, whether or not accounted for as a hedge in accordance with GAAP) and, in the case of Currency Agreements or Commodity Agreements, such Currency Agreements or Commodity Agreements are related to business transactions of the Parent Guarantor or its Restricted Subsidiaries entered into in the ordinary course of business and, in the case of Interest Rate Agreements, such Interest Rate Agreements substantially correspond in terms of notional amount, duration and interest rates, as applicable, to Indebtedness of the Parent Guarantor or its Restricted Subsidiaries Incurred without violation of the Indenture;

(4) any obligation arising from agreements of the Parent Guarantor or a Restricted Subsidiary providing for indemnification, guarantees, adjustment of purchase price, holdbacks, contingency payment obligations or similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business, assets or Capital Stock of a Restricted Subsidiary, *provided* that such Indebtedness is not reflected on the face of the balance sheet of the Parent Guarantor or any Restricted Subsidiary;

(5) any obligation arising from the honoring by a bank or other financial institution of a check, draft or similar instrument (including daylight overdrafts) drawn against insufficient funds in the ordinary course of business, *provided* that such Indebtedness is extinguished within five business days of Incurrence;

(6) in-kind obligations relating to net oil or natural gas balancing positions arising in the ordinary course of business;

(7) all contracts and other obligations, agreements, instruments or arrangements described in clauses (19), (20), (21) or (28)(a) of the definition of "Permitted Liens;" and

(8) accrued expenses and trade payables and other accrued liabilities arising in the ordinary course of business that are not overdue by 90 days past the invoice or billing date or more or are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted.

In addition, "Indebtedness" of any Person shall include Indebtedness described in the first paragraph of this definition of "Indebtedness" that would not appear as a liability on the balance sheet of such Person if:

(1) such Indebtedness is the obligation of a partnership or joint venture that is not a Restricted Subsidiary (a "Joint Venture");

(2) such Person or a Restricted Subsidiary of such Person is a general partner of the Joint Venture or otherwise liable for all or a portion of the Joint Venture's liabilities (a "General Partner"); and

(3) there is recourse, by contract or operation of law, with respect to the payment of such Indebtedness to property or assets of such Person or a Restricted Subsidiary of such Person; and then such Indebtedness shall be included in an amount not to exceed:

(a) the lesser of (i) the net assets of the General Partner and (ii) the amount of such obligations to the extent that there is recourse, by contract or operation of law, to the property or assets of such Person or a Restricted Subsidiary of such Person; or

(b) if less than the amount determined pursuant to clause (a) immediately above, the actual amount of such Indebtedness that is with recourse to such Person or a Restricted Subsidiary of such Person, if the Indebtedness is evidenced by a writing and is for a determinable amount and the related interest expense shall be included in Consolidated Interest Expense to the extent actually paid by such Person and its Restricted Subsidiaries.

"*Interest Rate Agreement*" means with respect to any Person any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement as to which such Person is party or a beneficiary.

"*Investment*" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan or other extensions of credit (including by way of guarantee or similar arrangement, but excluding any debt or extension of credit represented by a bank deposit other than a time deposit and advances or extensions of credit to customers in the ordinary course of business) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments (excluding any interest in a crude oil or natural gas leasehold to the extent constituting a security under applicable law) issued by, such other Person and all other items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP; *provided* that none of the following will be deemed to be an Investment:

(1) Hedging Obligations entered into in the ordinary course of business and in compliance with the Indenture;

(2) endorsements of negotiable instruments and documents in the ordinary course of business; and

(3) an acquisition of assets, Capital Stock or other securities by the Parent Guarantor or a Subsidiary for consideration to the extent such consideration consists of Common Stock of the Parent Guarantor.

The amount of any Investment shall not be adjusted for increases or decreases in value, write-ups, write-downs or write-offs with respect to such Investment.

For purposes of the definition of "*Unrestricted Subsidiary*" and the covenant described under "—Certain Covenants—Limitation on Restricted Payments,"

(1) "Investment" will include the portion (proportionate to the Parent Guarantor's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the Fair Market Value of the net assets of such Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a

redesignation of such Subsidiary as a Restricted Subsidiary, the Parent Guarantor will be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to

(a) the Parent Guarantor's "Investment" in such Subsidiary at the time of such redesignation less

(b) the portion (proportionate to the Parent Guarantor's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted Subsidiary; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its Fair Market Value at the time of such transfer.

"*Investment Grade Rating*" means a rating equal to or higher than:

(1) Baa3 (or the equivalent) with a stable or better outlook by Moody's; and

(2) BBB- (or the equivalent) with a stable or better outlook by S&P,

or, if either such entity ceases to make a rating on the Notes publicly available for reasons outside of the Parent Guarantor's control, the equivalent investment grade credit rating from any other Rating Agency.

"*Investment Grade Rating Event*" means the first day on which the Notes have an Investment Grade Rating from each Rating Agency, and no Default has occurred and is then continuing under the Indenture.

"*Issue Date*" means the first date on which the Notes are issued under the Indenture, November 17, 2009.

"*Lien*" means, with respect to any asset, any mortgage, lien (statutory or otherwise), pledge, hypothecation, charge, security interest, preference, priority or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction; *provided* that in no event shall an operating lease be deemed to constitute a Lien.

"*Minority Interest*" means the percentage interest represented by any class of Capital Stock of a Restricted Subsidiary that are not owned by the Parent Guarantor or a Restricted Subsidiary.

"*Moody's*" means Moody's Investors Service, Inc., or any successor to the rating agency business thereof.

"*Net Available Cash*" from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

(1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all federal, state, provincial, foreign and local taxes required to be paid or accrued as a liability under GAAP (after taking into account any available tax credits or deductions and any tax sharing agreements), as a consequence of such Asset Disposition;

(2) all payments made on any Indebtedness or Hedging Obligation which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law be repaid out of the proceeds from such Asset Disposition;

(3) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures or to holders of royalty or similar interests as a result of such Asset Disposition;

(4) the deduction of appropriate amounts to be provided by the seller as a reserve, in accordance with GAAP, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Parent Guarantor or any Restricted Subsidiary after such Asset Disposition; and

(5) all relocation expenses incurred as a result thereof and all related severance and associated costs, expenses and charges of personnel related to assets and related operations disposed of;

provided, however, that if any consideration for an Asset Disposition (that would otherwise constitute Net Available Cash) is required to be held in escrow pending determination of whether or not a purchase price adjustment will be made, such consideration (or any portion thereof) shall become Net Available Cash only at such time as it is released to the Parent Guarantor or any of its Restricted Subsidiaries from escrow.

"*Net Cash Proceeds*," with respect to any issuance or sale of Capital Stock or any contribution to equity capital, means the cash proceeds of such issuance, sale or contribution net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance, sale or contribution and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

"*Net Working Capital*" means (a) the sum of (i) all current assets of the Parent Guarantor and its Restricted Subsidiaries, except current assets from commodity price risk management activities arising in the ordinary course of the Oil and Gas Business, plus (ii) the amount of revolving credit borrowings available to be Incurred under the Senior Secured Credit Agreement, less (b) all current liabilities of the Parent Guarantor and its Restricted Subsidiaries, except current liabilities (i) associated with asset retirement obligations relating to Oil and Gas Properties, (ii) included in Indebtedness and (iii) any current liabilities from commodity price risk management activities arising in the ordinary course of the Oil and Gas Business, in each case as set forth in the consolidated financial statements of the Parent Guarantor prepared in accordance with GAAP.

"*Non-Recourse Debt*" means Indebtedness of a Person:

(1) as to which neither the Parent Guarantor nor any Restricted Subsidiary (a) provides any Guarantee or credit support of any kind (including any undertaking, guarantee, indemnity, agreement or instrument that would constitute Indebtedness) or (b) is directly or indirectly liable (as a guarantor or otherwise);

(2) no default with respect to which (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit (upon notice, lapse of time or both) any holder of any other Indebtedness of the Parent Guarantor or any Restricted Subsidiary to declare a default under such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity; and

(3) the explicit terms of which provide there is no recourse against any of the assets of the Parent Guarantor or its Restricted Subsidiaries.

"*Officer*" means the Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer or the Secretary of the Issuer. Officer of any Guarantor has a correlative meaning.

"*Officers' Certificate*" means a certificate signed by two Officers of the Issuer.

"*Oil and Gas Business*" means:

(1) the business of acquiring, exploring, exploiting, developing, producing, operating and disposing of interests in oil, natural gas, liquefied natural gas and other Hydrocarbon and mineral properties or products produced in association with any of the foregoing;

(2) the business of gathering, marketing, distributing, treating, processing, storing, refining, selling and transporting of any production from such interests or properties and products produced in association therewith and the marketing of oil, natural gas, other Hydrocarbons and minerals obtained from unrelated Persons;

(3) any other related energy business, including power generation and electrical transmission business, directly or indirectly, from oil, natural gas and other Hydrocarbons and minerals produced substantially from properties in which the Parent Guarantor or its Restricted Subsidiaries, directly or indirectly, participate;

(4) any business relating to oil field sales and service; and

(5) any business or activity relating to, arising from, or necessary, appropriate or incidental to the activities described in the foregoing clauses (1) through (4) of this definition.

"*Oil and Gas Properties*" means all properties, including equity or other ownership interests therein, owned by a Person which contain or are believed to contain oil and gas reserves.

"*Opinion of Counsel*" means a written opinion from legal counsel who is acceptable to the Trustee. The counsel may be an employee of or counsel to the Issuer, a Guarantor or the Trustee.

"*Parent Guarantee*" means the guarantee of payment of the Notes by the Parent Guarantor pursuant to the terms of the Indenture.

"*Pari Passu Indebtedness*" means any Indebtedness of the Issuer or any Guarantor that ranks equally in right of payment to the Notes or the Guarantees, as the case may be.

"*Permitted Acquisition Indebtedness*" means Indebtedness (including Disqualified Stock) of the Parent Guarantor or any of the Restricted Subsidiaries to the extent such Indebtedness was Indebtedness:

(1) of an acquired Person prior to the date on which such Person became a Restricted Subsidiary as a result of having been acquired and not incurred in contemplation of such acquisition; or

(2) of a Person that was merged, consolidated or amalgamated with or into the Parent Guarantor or a Restricted Subsidiary that was not incurred in contemplation of such merger, consolidation or amalgamation,

provided that on the date such Person became a Restricted Subsidiary or the date such Person was merged, consolidated and amalgamated with or into the Parent Guarantor or a Restricted Subsidiary, as applicable, after giving pro forma effect thereto,

(a) the Restricted Subsidiary or the Parent Guarantor, as applicable, would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Consolidated Coverage Ratio test described under "—Certain Covenants—Limitation on Indebtedness and Preferred Stock," or

(b) the Consolidated Coverage Ratio for the Parent Guarantor would be greater than the Consolidated Coverage Ratio for the Parent Guarantor immediately prior to such transaction.

"*Permitted Business Investment*" means any Investment made in the ordinary course of, and of a nature that is or shall have become customary in, the Oil and Gas Business including investments or expenditures for actively exploiting, exploring for, acquiring, developing, producing, processing, gathering, marketing or transporting oil, natural gas or other Hydrocarbons and minerals through agreements, transactions, interests or arrangements which permit one to share risks or costs, comply with regulatory requirements regarding local ownership or satisfy other objectives customarily achieved through the conduct of the Oil and Gas Business jointly with third parties including:

(1) ownership interests in oil, natural gas, other Hydrocarbons and minerals properties, liquefied natural gas facilities, processing facilities, gathering systems, pipelines, storage facilities or related systems or ancillary real property interests;

(2) Investments in the form of or pursuant to operating agreements, working interests, royalty interests, mineral leases, processing agreements, farm-in agreements, farm-out agreements, contracts for the sale, transportation or exchange of oil, natural gas, other Hydrocarbons and minerals, production sharing agreements, participation agreements, development agreements, area of mutual interest agreements, unitization agreements, pooling agreements, joint bidding agreements, service contracts, joint venture agreements, partnership agreements (whether general or limited), subscription agreements, stock purchase agreements, stockholder agreements and other similar agreements (including for limited liability companies) with third parties; and

(3) direct or indirect ownership interests in drilling rigs and related equipment, including, without limitation, transportation equipment.

"*Permitted Holder*" means each of (i) Warburg Pincus & Co.; (ii) Paul M. Rady ("Rady"); (iii) Glen C. Warren, Jr. ("Warren"); (iv) Rady's wife or Warren's wife; (v) any lineal descendant of either Rady or Warren; (vi) the guardian or other legal representative of either Rady or Warren; (vii) the estate of either Rady or Warren; (viii) any trust of which at least one of the trustees is either Rady or Warren, or the principal beneficiaries of which are any one or more of the Persons referred to in the preceding clauses (ii) through (vii); (ix) any Person that is controlled by any one or more of the Persons in the preceding clauses (i) through (viii); and (x) any group (within the meaning of the Exchange Act) that includes one or more of the Persons described in the preceding clauses (i) through (ix), *provided* that such Persons described in the preceding clauses (i) through (ix) control more than 50% of the total voting power of such group.

"*Permitted Investment*" means an Investment by the Parent Guarantor or any Restricted Subsidiary in:

(1) the Parent Guarantor, a Restricted Subsidiary or a Person which will, upon the making of such Investment, become a Restricted Subsidiary; *provided*, *however*, that the primary business of such Restricted Subsidiary is the Oil and Gas Business;

(2) another Person whose primary business is the Oil and Gas Business if as a result of such Investment such other Person becomes a Restricted Subsidiary or is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, the Parent Guarantor or a Restricted Subsidiary and, in each case, any Investment held by such Person; *provided* that such Investment was not acquired by such Person in contemplation of such acquisition, merger, consolidation or transfer;

(3) cash and Cash Equivalents;

(4) receivables owing to the Parent Guarantor or any Restricted Subsidiary created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; *provided*, *however*, that such trade terms may include such concessionary trade terms as the Parent Guarantor or any such Restricted Subsidiary deems reasonable under the circumstances;

(5) payroll, commission, travel, relocation and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(6) loans or advances to employees (other than executive officers) made in the ordinary course of business consistent with past practices of the Parent Guarantor or such Restricted Subsidiary;

(7) Capital Stock, obligations or securities received in settlement of debts (x) created in the ordinary course of business and owing to the Parent Guarantor or any Restricted Subsidiary or in satisfaction of judgments or (y) pursuant to any plan of reorganization or similar arrangement in a bankruptcy or insolvency proceeding;

(8) any Person as a result of the receipt of non-cash consideration from an Asset Disposition that was made pursuant to and in compliance with the covenant described under "Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock";

(9) Investments in existence on the Issue Date;

(10) Commodity Agreements, Currency Agreements, Interest Rate Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with "—Certain Covenants—Limitation on Indebtedness and Preferred Stock";

(11) Guarantees issued in accordance with the covenant described under "—Certain Covenants—Limitation on Indebtedness and Preferred Stock";

(12) Permitted Business Investments;

(13) any Person where such Investment was acquired by the Parent Guarantor or any of its Restricted Subsidiaries (a) in exchange for any other Investment or accounts receivable held by the Parent Guarantor or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable or (b) as a result of a foreclosure by the Parent Guarantor or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(14) any Person to the extent such Investments consist of prepaid expenses, negotiable instruments held for collection and lease, utility and workers' compensation, performance and other similar deposits made in the ordinary course of business by the Parent Guarantor or any Restricted Subsidiary;

(15) Guarantees of performance or other obligations (other than Indebtedness) arising in the ordinary course in the Oil and Gas Business, including obligations under oil and natural gas exploration, development, joint operating, and related agreements and licenses, concessions or operating leases related to the Oil and Gas Business;

(16) Investments in the Notes; and

(17) Investments by the Parent Guarantor or any of its Restricted Subsidiaries, together with all other Investments pursuant to this clause (17), in an aggregate amount outstanding at the time of such Investment not to exceed the greater of $10.0 million and 1.0% of the Parent Guarantor's Adjusted Consolidated Net Tangible Assets (with the Fair Market Value of such

Investment being measured at the time such Investment is made and without giving effect to subsequent changes in value).

"*Permitted Liens*" means, with respect to any Person:

(1) Liens securing Indebtedness under a Credit Facility permitted to be Incurred under the Indenture;

(2) pledges or deposits by such Person under workers' compensation laws, unemployment insurance laws, social security or old age pension laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits (which may be secured by a Lien) to secure public or statutory obligations of such Person including letters of credit and bank guarantees required or requested by the United States, any State thereof or any foreign government or any subdivision, department, agency, organization or instrumentality of any of the foregoing in connection with any contract or statute (including lessee or operator obligations under statutes, governmental regulations, contracts or instruments related to the ownership, exploration and production of oil, natural gas, other hydrocarbons and minerals on State, Federal or foreign lands or waters), or deposits of cash or United States government bonds to secure indemnity performance, surety or appeal bonds or other similar bonds to which such Person is a party, or deposits as security for contested taxes or import or customs duties or for the payment of rent, in each case Incurred in the ordinary course of business;

(3) statutory and contractual Liens of landlords and Liens imposed by law, including carriers', warehousemen's, mechanics', materialmen's and repairmen's Liens, in each case for sums not yet due or being contested in good faith by appropriate proceedings if a reserve or other appropriate provisions, if any, as shall be required by GAAP shall have been made in respect thereof;

(4) Liens for taxes, assessments or other governmental charges or claims not yet subject to penalties for non-payment or which are being contested in good faith by appropriate proceedings; *provided* that appropriate reserves, if any, required pursuant to GAAP have been made in respect thereof;

(5) Liens in favor of issuers of surety or performance bonds or bankers' acceptances issued pursuant to the request of and for the account of such Person in the ordinary course of its business;

(6) survey exceptions, encumbrances, ground leases, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties which do not in the aggregate materially adversely affect the value of the assets of such Person and its Restricted Subsidiaries, taken as a whole, or materially impair their use in the operation of the business of such Person;

(7) Liens securing Hedging Obligations;

(8) leases, licenses, subleases and sublicenses of assets (including, without limitation, real property and intellectual property rights) which do not materially interfere with the ordinary conduct of the business of the Parent Guarantor or any of its Restricted Subsidiaries;

(9) prejudgment Liens and judgment Liens not giving rise to an Event of Default so long as such Lien is adequately bonded and any appropriate legal proceedings which may have been duly

initiated for the review of such judgment have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(10) Liens for the purpose of securing the payment of all or a part of the purchase price of, or Capitalized Lease Obligations, purchase money obligations or other payments Incurred to finance the acquisition, lease, improvement or construction of or repairs or additions to, assets or property acquired or constructed in the ordinary course of business; *provided* that:

(a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under the Indenture and does not exceed the cost of the assets or property so acquired or constructed; and

(b) such Liens are created within 360 days of the later of the acquisition, lease, completion of improvements, construction, repairs or additions or commencement of full operation of the assets or property subject to such Lien and do not encumber any other assets or property of the Parent Guarantor or any Restricted Subsidiary other than such assets or property and assets affixed or appurtenant thereto;

(11) Liens arising solely by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary institution; *provided* that:

(a) such deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by the Parent Guarantor in excess of those set forth by regulations promulgated by the Federal Reserve Board; and

(b) such deposit account is not intended by the Parent Guarantor or any Restricted Subsidiary to provide collateral to the depository institution;

(12) Liens arising from Uniform Commercial Code financing statement filings regarding operating leases entered into by the Parent Guarantor and its Restricted Subsidiaries in the ordinary course of business;

(13) Liens existing on the Issue Date;

(14) Liens on property or shares of Capital Stock of a Person at the time such Person becomes a Subsidiary; *provided*, *however*, that such Liens are not created or Incurred in connection with, or in contemplation of, such other Person becoming a Subsidiary; *provided further*, however, that any such Lien may not extend to any other property owned by the Parent Guarantor or any Restricted Subsidiary (other than assets or property affixed or appurtenant thereto);

(15) Liens on property at the time the Parent Guarantor or any of its Subsidiaries acquired the property, including any acquisition by means of a merger or consolidation with or into the Parent Guarantor or any of its Subsidiaries; *provided*, *however*, that such Liens are not created or Incurred in connection with, or in contemplation of, such acquisition; *provided further*, *however*, that such Liens may not extend to any other property owned by the Parent Guarantor or any Restricted Subsidiary (other than assets or property affixed or appurtenant thereto);

(16) Liens securing the Notes, Subsidiary Guarantees and other obligations under the Indenture;

(17) Liens securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property or assets that is the security for a Permitted Lien hereunder;

(18) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease;

(19) Liens in respect of Production Payments and Reserve Sales, which Liens shall be limited to the property that is the subject of such Production Payments and Reserve Sales;

(20) Liens arising under farm-out agreements, farm-in agreements, division orders, contracts for the sale, purchase, exchange, transportation, gathering or processing of Hydrocarbons, unitizations and pooling designations, declarations, orders and agreements, development agreements, joint venture agreements, partnership agreements, operating agreements, royalties, working interests, net profits interests, joint interest billing arrangements, participation agreements, production sales contracts, area of mutual interest agreements, gas balancing or deferred production agreements, injection, repressuring and recycling agreements, salt water or other disposal agreements, seismic or geophysical permits or agreements, and other agreements which are customary in the Oil and Gas Business; *provided*, *however*, in all instances that such Liens are limited to the assets that are the subject of the relevant agreement, program, order or contract;

(21) Liens on pipelines or pipeline facilities that arise by operation of law;

(22) Liens securing Indebtedness in an aggregate principal amount outstanding at any one time, added together with all other Indebtedness secured by Liens Incurred pursuant to this clause (22), not to exceed the greater of $10.0 million and 1.0% of the Parent Guarantor's Adjusted Consolidated Net Tangible Assets, as determined on the date of Incurrence of such Indebtedness after giving pro forma effect to such Incurrence and the application of the proceeds therefrom;

(23) Liens in favor of the Parent Guarantor, the Issuer or any Subsidiary Guarantor;

(24) deposits made in the ordinary course of business to secure liability to insurance carriers;

(25) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(26) Liens deemed to exist in connection with Investments in repurchase agreements permitted under "—Certain Covenants—Limitation on Indebtedness and Preferred Stock"; *provided* that such Liens do not extend to any assets other than those that are the subject of such repurchase agreement;

(27) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(28) any (a) interest or title of a lessor or sublessor under any lease, liens reserved in oil, gas or other Hydrocarbons, minerals, leases for bonus, royalty or rental payments and for compliance with the terms of such leases; (b) restriction or encumbrance that the interest or title of such lessor or sublessor may be subject to (including, without limitation, ground leases or other prior leases of the demised premises, mortgages, mechanics' liens, tax liens, and easements); or (c) subordination of the interest of the lessee or sublessee under such lease to any restrictions or encumbrance referred to in the preceding clause (b);

(29) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(30) Liens arising under the Indenture in favor of the Trustee for its own benefit and similar Liens in favor of other trustees, agents and representatives arising under instruments governing Indebtedness permitted to be incurred under the Indenture, *provided*, *however*, that such Liens are solely for the benefit of the trustees, agents or representatives in their capacities as such and not for the benefit of the holders of such Indebtedness;

(31) Liens arising from the deposit of funds or securities in trust for the purpose of decreasing or defeasing Indebtedness so long as such deposit of funds or securities and such decreasing or defeasing of Indebtedness are permitted under the covenant described under "—Certain Covenants—Limitation on Restricted Payments"; and

(32) Liens in favor of collecting or payer banks having a right of setoff, revocation, or charge back with respect to money or instruments of the Parent Guarantor or any Subsidiary of the Parent Guarantor on deposit with or in possession of such bank.

In each case set forth above, notwithstanding any stated limitation on the assets that may be subject to such Lien, a Permitted Lien on a specified asset or group or type of assets may include Liens on all improvements, additions and accessions thereto and all products and proceeds thereof (including dividends, distributions and increases in respect thereof).

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

"*Preferred Stock*," as applied to the Capital Stock of any corporation, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such corporation, over shares of Capital Stock of any other class of such corporation.

"*Production Payments and Reserve Sales*" means the grant or transfer by the Parent Guarantor or a Restricted Subsidiary to any Person of a royalty, overriding royalty, net profits interest, production payment (whether volumetric or dollar denominated), partnership or other interest in Oil and Gas Properties, reserves or the right to receive all or a portion of the production or the proceeds from the sale of production attributable to such properties where the holder of such interest has recourse solely to such production or proceeds of production, subject to the obligation of the grantor or transferor to operate and maintain, or cause the subject interests to be operated and maintained, in a reasonably prudent manner or other customary standard or subject to the obligation of the grantor or transferor to indemnify for environmental, title or other matters customary in the Oil and Gas Business, including any such grants or transfers pursuant to incentive compensation programs on terms that are reasonably customary in the Oil and Gas Business for geologists, geophysicists or other providers of technical services to the Parent Guarantor or a Restricted Subsidiary.

"*Rating Agency*" means each of S&P and Moody's, or if S&P or Moody's or both shall not make a rating on the Notes publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by the Parent Guarantor (as certified by a resolution of the Board of Directors) which shall be substituted for S&P or Moody's, or both, as the case may be.

"*Refinancing Indebtedness*" means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay, extend, prepay, redeem or retire (including pursuant to any defeasance or discharge mechanism) (collectively, "refinance" and "refinances" and "refinanced" shall have correlative meanings) any Indebtedness (including Indebtedness of the Parent Guarantor that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of another Restricted Subsidiary, but excluding Indebtedness of a Subsidiary

that is not a Restricted Subsidiary that refinances Indebtedness of the Parent Guarantor or a Restricted Subsidiary), including Indebtedness that refinances Refinancing Indebtedness, *provided*, *however*, that:

(1) (a) if the Stated Maturity of the Indebtedness being Refinanced is earlier than the Stated Maturity of the Notes, the Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being refinanced or (b) if the Stated Maturity of the Indebtedness being refinanced is later than the Stated Maturity of the Notes, the Refinancing Indebtedness has a Stated Maturity at least 91 days later than the Stated Maturity of the Notes;

(2) the Refinancing Indebtedness has an Average Life at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Average Life of the Indebtedness being refinanced;

(3) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest, premiums or defeasance costs required by the instruments governing such existing Indebtedness and fees and expenses Incurred in connection therewith); and

(4) if the Indebtedness being Refinanced is subordinated in right of payment to the Notes or the Subsidiary Guarantee, such Refinancing Indebtedness is subordinated in right of payment to the Notes or the Subsidiary Guarantee on terms at least as favorable to the holders as those contained in the documentation governing the Indebtedness being Refinanced.

"*Registration Rights Agreement*" means that certain registration rights agreement dated as of the Issue Date by and among the Issuer, the Guarantors and the initial purchasers set forth therein and, with respect to any Additional Notes, one or more substantially similar registration rights agreements among the Issuer and the other parties thereto, as any such agreement may be amended from time to time.

"*Reporting Failure*" means the failure of the Parent Guarantor to file with the SEC and make available or otherwise deliver to the Trustee and each holder of Notes, within the time periods specified in "—Certain Covenants—Provision of Financial Information" (after giving effect to any grace period specified under Rule 12b-25 under the Exchange Act), the periodic reports, information, documents or other reports which the Parent Guarantor may be required to file with the SEC pursuant to such provision.

"*Restricted Investment*" means any Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means any Subsidiary of the Parent Guarantor other than an Unrestricted Subsidiary.

"*S&P*" means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., or any successor to the rating agency business thereof.

"*Sale/Leaseback Transaction*" means an arrangement relating to property now owned or hereafter acquired whereby the Parent Guarantor or a Restricted Subsidiary transfers such property to a Person and the Parent Guarantor or a Restricted Subsidiary leases it from such Person.

"*SEC*" means the United States Securities and Exchange Commission.

"*Senior Secured Credit Agreement*" means the Third Amended and Restated Credit Agreement dated as of January 14, 2009 among Antero Resources Corporation, Antero Resources Midstream Corporation, Antero Resources Piceance Corporation, Antero Resources Pipeline Corporation and Antero Resources Appalachian Corporation, as borrowers and guarantors, Antero Resources Finance Corporation, as guarantor, JPMorgan Chase Bank, N.A., as administrative agent, BNP Paribas and Bank of Scotland plc, as co-syndication agents, Union Bank, N.A., as documentation agent, and the lenders parties thereto from time to time, including any guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements, refundings or refinancings thereof and any indentures or credit facilities or commercial paper facilities with banks or other institutional lenders or investors that replace, refund or refinance any part of the loans, notes, other credit facilities or commitments thereunder, including any such replacement, refunding or refinancing facility or indenture that increases the amount borrowable thereunder or alters the maturity thereof (*provided* that such increase in borrowings is permitted under "—Certain Covenants—Limitation on Indebtedness and Preferred Stock" above).

"*Significant Subsidiary*" means any Restricted Subsidiary that would be a "Significant Subsidiary" of the Parent Guarantor within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC, as in effect on the Issue Date.

"*Stated Maturity*" means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"*Subordinated Obligation*" means any Indebtedness of the Issuer (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the Notes pursuant to a written agreement.

"*Subsidiary*" of any Person means (a) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total ordinary voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof (or Persons performing similar functions) or (b) any partnership, joint venture, limited liability company or similar entity of which more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, is, in the case of clauses (a) and (b), at the time owned or controlled, directly or indirectly, by (1) such Person, (2) such Person and one or more Subsidiaries of such Person or (3) one or more Subsidiaries of such Person. Unless otherwise specified herein, each reference to a Subsidiary (other than in this definition) will refer to a Subsidiary of the Parent Guarantor.

"*Subsidiary Guarantee*" means, individually, any guarantee of payment of the Notes by a Subsidiary Guarantor pursuant to the terms of the Indenture and any supplemental indenture thereto, and, collectively, all such guarantees.

"*Subsidiary Guarantors*" means any Subsidiary of the Parent Guarantor that is a guarantor of the Notes, including any Person that is required after the Issue Date to guarantee the Notes pursuant to the "Future subsidiary guarantors" covenant, in each case until a successor replaces such Person pursuant to the applicable provisions of the Indenture and, thereafter, means such successor; *provided, however*, that the Issuer shall not be a Subsidiary Guarantor.

"*Unrestricted Subsidiary*" means:

(1) any Subsidiary of the Parent Guarantor (other than the Issuer) that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors of the Parent Guarantor in the manner provided below; and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Parent Guarantor may designate any Subsidiary of the Parent Guarantor (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger or consolidation or Investment therein) to be an Unrestricted Subsidiary only if:

(1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of or have any Investment in, or own or hold any Lien on any property of, any other Subsidiary of the Parent Guarantor which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary;

(2) all the Indebtedness of such Subsidiary and its Subsidiaries shall, at the date of designation, and will at all times thereafter, consist of Non-Recourse Debt;

(3) on the date of such designation, such designation and the Investment of the Parent Guarantor or a Restricted Subsidiary in such Subsidiary complies with "—Certain Covenants—Limitation on Restricted Payments";

(4) such Subsidiary is a Person with respect to which neither the Parent Guarantor nor any of its Restricted Subsidiaries has any direct or indirect obligation to subscribe for additional Capital Stock of such Person;

(5) such Subsidiary, either alone or in the aggregate with all other Unrestricted Subsidiaries, does not operate, directly or indirectly, all or substantially all of the business of the Parent Guarantor and its Subsidiaries; and

(6) on the date such Subsidiary is designated an Unrestricted Subsidiary, such Subsidiary is not a party to any agreement, contract, arrangement or understanding with the Parent Guarantor or any Restricted Subsidiary with terms substantially less favorable to the Parent Guarantor or such Restricted Subsidiary than those that might have been obtained from Persons who are not Affiliates of the Parent Guarantor.

Any such designation by the Board of Directors of the Parent Guarantor shall be evidenced to the Trustee by filing with the Trustee a resolution of the Board of Directors of the Parent Guarantor giving effect to such designation and an Officers' Certificate certifying that such designation complies with the foregoing conditions. If, at any time, any Unrestricted Subsidiary would fail to meet the foregoing requirements as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Subsidiary shall be deemed to be Incurred as of such date.

The Board of Directors of the Parent Guarantor may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that immediately after giving effect to such designation, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof and the Parent Guarantor could Incur at least $1.00 of additional Indebtedness under the first paragraph of the covenant described under "—Certain Covenants—Limitation on Indebtedness and Preferred Stock" on a pro forma basis taking into account such designation.

"*U.S. Government Obligations*" means securities that are (a) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged or (b) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of

America the timely payment of which is unconditionally guaranteed as a full faith and credit obligation of the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such U.S. Government Obligations or a specific payment of principal of or interest on any such U.S. Government Obligations held by such custodian for the account of the holder of such depositary receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the U.S. Government Obligations or the specific payment of principal of or interest on the U.S. Government Obligations evidenced by such depositary receipt.

"*Volumetric Production Payments*" means production payment obligations recorded as deferred revenue in accordance with GAAP, together with all undertakings and obligations in connection therewith.

"*Voting Stock*" of an entity means all classes of Capital Stock of such entity then outstanding and normally entitled to vote in the election of members of such entity's Board of Directors.

"*Wholly-Owned Subsidiary*" means a Restricted Subsidiary, all of the Capital Stock of which (other than directors' qualifying shares) is owned by the Parent Guarantor or another Wholly-Owned Subsidiary.

PLAN OF DISTRIBUTION

You may transfer new notes issued under the exchange offer in exchange for the old notes if:

- you acquire the new notes in the ordinary course of your business;
- you have no arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act) of such new notes in violation of the provisions of the Securities Act; and
- you are not our "affiliate" (within the meaning of Rule 405 under the Securities Act).

Each broker-dealer that receives new notes for its own account pursuant to the exchange offer in exchange for old notes that were acquired by such broker-dealer as a result of market-making or other trading activities must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for old notes where such old notes were acquired as a result of market-making activities or other trading activities.

If you wish to exchange new notes for your old notes in the exchange offer, you will be required to make representations to us as described in "Exchange Offer—Purpose and Effect of the Exchange Offer" and "—Procedures for Tendering—Your Representations to Us" in this prospectus and in the letter of transmittal. In addition, if you are a broker-dealer who receives new notes for your own account in exchange for old notes that were acquired by you as a result of market- making activities or other trading activities, you will be required to acknowledge that you will deliver a prospectus in connection with any resale by you of such new notes.

We will not receive any proceeds from any sale of new notes by broker-dealers. New notes received by broker-dealers for their own account pursuant to the exchange offer may be sold from time to time on one or more transactions in any of the following ways:

- in the over-the-counter market;
- in negotiated transactions;
- through the writing of options on the new notes or a combination of such methods of resale;
- at market prices prevailing at the time of resale;
- at prices related to such prevailing market prices; or
- at negotiated prices.

Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such new notes.

Any broker-dealer that resells new notes that were received by it for its own account pursuant to the exchange offer in exchange for old notes that were acquired by such broker-dealer as a result of market-making or other trading activities may be deemed to be an "underwriter" within the meaning of the Securities Act. The letter of transmittal states that by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. We agreed to permit the use of this prospectus for a period of up to 180 days after the completion of the exchange offer by such broker-dealers to satisfy this prospectus delivery requirement. Furthermore, we agreed to amend or supplement this prospectus during such period if so requested in order to expedite or facilitate the disposition of any new notes by broker-dealers.

We have agreed to pay all expenses incident to the exchange offer other than fees and expenses of counsel to the holders and brokerage commissions and transfer taxes, if any, and will indemnify the holders of the old notes (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

MATERIAL UNITED STATES FEDERAL TAX CONSEQUENCES

The following discussion is a summary of the material federal income tax considerations relevant to the exchange of old notes for new notes, but does not purport to be a complete analysis of all potential tax effects. The discussion is based upon the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations, Internal Revenue Service rulings and pronouncements and judicial decisions now in effect, all of which may be subject to change at any time by legislative, judicial or administrative action. These changes may be applied retroactively in a manner that could adversely affect a holder of new notes. Some holders, including financial institutions, insurance companies, regulated investment companies, tax-exempt organizations, dealers in securities or currencies, persons whose functional currency is not the U.S. dollar, or persons who hold the notes as part of a hedge, conversion transaction, straddle or other risk reduction transaction may be subject to special rules not discussed below. We recommend that each holder consult his own tax advisor as to the particular tax consequences of exchanging such holder's old notes for new notes, including the applicability and effect of any foreign, state, local or other tax laws or estate or gift tax considerations.

We believe that the exchange of old notes for new notes will not be an exchange or otherwise a taxable event to a holder for United States federal income tax purposes. Accordingly, a holder will not recognize gain or loss upon receipt of a new note in exchange for an old note in the exchange, and the holder's basis and holding period in the new note will be the same as its basis and holding period in the corresponding old note immediately before the exchange.

LEGAL MATTERS

The validity of the new notes offered in this exchange offer will be passed upon for us by Vinson & Elkins L.L.P., Houston, Texas.

EXPERTS

The combined financial statements of the Antero Resources Entities (as defined therein) as of December 31, 2007 and 2008 and for each of the years in the three-year period ended December 31, 2008 have been included herein in reliance upon the report of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein and upon the authority of such firm as experts in accounting and auditing.

Estimates of our natural gas and oil reserves, related future net cash flows and the present values thereof as of December 31, 2006, 2007 and 2008 included elsewhere in this prospectus were based in part upon reserve reports prepared by independent petroleum engineers, DeGolyer and MacNaughton and Ryder Scott Company, L.P. We have included these estimates in reliance on the authority of such firms as experts in such matters.

ANNEX A:

LETTER OF TRANSMITTAL

TO TENDER
OLD 9.375% SENIOR NOTES DUE 2017
OF
ANTERO RESOURCES FINANCE CORPORATION
PURSUANT TO THE EXCHANGE OFFER AND PROSPECTUS
DATED , 2010

THE EXCHANGE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON , 2010 (THE "EXPIRATION DATE"), UNLESS THE EXCHANGE OFFER IS EXTENDED BY THE ISSUER.

The Exchange Agent for the Exchange Offer is Wells Fargo Bank, N.A., and its contact information is as follows:

By Registered & Certified Mail:	*By Regular Mail or Overnight Courier:*	*In Person by Hand Only:*
Wells Fargo Bank, N.A. Corporate Trust Operations MAC N9303—121 PO Box 1517 Minneapolis, Minnesota 55480	Wells Fargo Bank, N.A. Corporate Trust Operations MAC N9303—121 Sixth & Marquette Avenue Minneapolis, Minnesota 55479	Wells Fargo Bank, N.A. 12th Floor—Northstar East Building Corporate Trust Operations 608 Second Avenue South Minneapolis, MN 55402

By Facsimile (for Eligible Institutions only):
(612) 667-6282

For Information or Confirmation by Telephone:
(800) 344-5128

If you wish to exchange old 9.375% Senior Notes due 2017 for an equal aggregate principal amount of new 9.375% Senior Notes due 2017 pursuant to the exchange offer, you must validly tender (and not withdraw) old notes to the Exchange Agent prior to the Expiration Date.

We refer you to the Prospectus, dated , 2010 (the "Prospectus"), of Antero Resources Finance Corporation (the "Issuer"), and this Letter of Transmittal (the "Letter of Transmittal"), which together describe the Issuer's offer (the "Exchange Offer") to exchange its 9.375% Senior Notes due 2017 (the "new notes") that have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for a like principal amount of its issued and outstanding 9.375% Senior Notes due 2017 (the "old notes"). Capitalized terms used but not defined herein have the respective meaning given to them in the Prospectus.

The Issuer reserves the right, at any time or from time to time, to extend the Exchange Offer at its discretion, in which event the term "Expiration Date" shall mean the latest date to which the Exchange Offer is extended. The Issuer shall notify the Exchange Agent and each registered holder of the old notes of any extension by oral or written notice prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date.

This Letter of Transmittal is to be used by holders of the old notes. Tender of old notes is to be made according to the Automated Tender Offer Program ("ATOP") of The Depository Trust Company ("DTC") pursuant to the procedures set forth in the Prospectus under the caption "Exchange Offer—Procedures for Tendering." DTC participants that are accepting the Exchange Offer must transmit their

acceptance to DTC, which will verify the acceptance and execute a book-entry delivery to the Exchange Agent's DTC account. DTC will then send a computer generated message known as an "agent's message" to the Exchange Agent for its acceptance. For you to validly tender your old notes in the Exchange Offer the Exchange Agent must receive, prior to the Expiration Date, an agent's message under the ATOP procedures that confirms that:

- DTC has received your instructions to tender your old notes; and
- you agree to be bound by the terms of this Letter of Transmittal.

BY USING THE ATOP PROCEDURES TO TENDER OLD NOTES, YOU WILL NOT BE REQUIRED TO DELIVER THIS LETTER OF TRANSMITTAL TO THE EXCHANGE AGENT. HOWEVER, YOU WILL BE BOUND BY ITS TERMS, AND YOU WILL BE DEEMED TO HAVE MADE THE ACKNOWLEDGMENTS AND THE REPRESENTATIONS AND WARRANTIES IT CONTAINS, JUST AS IF YOU HAD SIGNED IT.

PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY.

Ladies and Gentlemen:

1. By tendering old notes in the Exchange Offer, you acknowledge receipt of the Prospectus and this Letter of Transmittal.

2. By tendering old notes in the Exchange Offer, you represent and warrant that you have full authority to tender the old notes described above and will, upon request, execute and deliver any additional documents deemed by the Issuer to be necessary or desirable to complete the tender of old notes.

3. You understand that the tender of the old notes pursuant to all of the procedures set forth in the Prospectus will constitute an agreement between you and the Issuer as to the terms and conditions set forth in the Prospectus.

4. By tendering old notes in the Exchange Offer, you acknowledge that the Exchange Offer is being made in reliance upon interpretations contained in no-action letters issued to third parties by the staff of the Securities and Exchange Commission (the "SEC"), including Exxon Capital Holdings Corp., SEC No-Action Letter (available April 13, 1989), Morgan Stanley & Co., Inc., SEC No-Action Letter (available June 5, 1991) and Shearman & Sterling, SEC No-Action Letter (available July 2, 1993), that the new notes issued in exchange for the old notes pursuant to the Exchange Offer may be offered for resale, resold and otherwise transferred by holders thereof without compliance with the registration and prospectus delivery provisions of the Securities Act (other than a broker-dealer who purchased old notes exchanged for such new notes directly from the Issuer to resell pursuant to Rule 144A or any other available exemption under the Securities Act and any such holder that is an "affiliate" of the Issuer within the meaning of Rule 405 under the Securities Act), provided that such new notes are acquired in the ordinary course of such holders' business and such holders are not participating in, and have no arrangement with any other person to participate in, the distribution of such new notes.

5. By tendering old notes in the Exchange Offer, you hereby represent and warrant that:

(a) the new notes acquired pursuant to the Exchange Offer are being obtained in the ordinary course of business of you, whether or not you are the holder;

(b) you have no arrangement or understanding with any person to participate in the distribution of old notes or new notes within the meaning of the Securities Act;

(c) you are not an "affiliate," as such term is defined under Rule 405 promulgated under the Securities Act, of the Company; and

(d) if you are a broker-dealer, that you will receive the new notes for your own account in exchange for old notes that were acquired as a result of market-making activities or other trading activities and that you acknowledge that you will deliver a prospectus (or, to the extent permitted by law, make available a prospectus) in connection with any resale of such new notes.

You may, if you are unable to make all of the representations and warranties contained in Item 5 above and as otherwise permitted in the Registration Rights Agreements (as defined below), elect to have your old notes registered in the shelf registration statement described in the Registration Rights Agreement, dated as of November 17, 2009 or described by the Registration Rights Agreement, dated as of January 19, 2009 (the "Registration Rights Agreements"), by and among the Issuer, the several guarantors named therein, and the Initial Purchasers (as defined therein). Such election may be made by notifying the Issuer in writing at 1625 17th Street, Denver, Colorado 80202, Attention: Corporate Secretary. By making such election, you agree, as a holder of old notes participating in a shelf registration, to indemnify and hold harmless the Issuer, each of the directors of the Issuer, each of the officers of the Issuer who signs such shelf registration statement, each person who controls the Issuer

within the meaning of either the Securities Act or the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and each other holder of old notes, from and against any and all losses, claims, damages or liabilities caused by any untrue statement or alleged untrue statement of a material fact contained in any shelf registration statement or prospectus, or in any supplement thereto or amendment thereof, or caused by the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; but only with respect to information relating to you furnished in writing by or on behalf of you expressly for use in a shelf registration statement, a prospectus or any amendments or supplements thereto. Any such indemnification shall be governed by the terms and subject to the conditions set forth in the Registration Rights Agreements, including, without limitation, the provisions regarding notice, retention of counsel, contribution and payment of expenses set forth therein. The above summary of the indemnification provision of the Registration Rights Agreements is not intended to be exhaustive and is qualified in its entirety by the Registration Rights Agreements.

6. If you are a broker-dealer that will receive new notes for your own account in exchange for old notes that were acquired as a result of market-making activities or other trading activities, you acknowledge by tendering old notes in the Exchange Offer, that you will deliver a prospectus in connection with any resale of such new notes; however, by so acknowledging and by delivering a prospectus, you will not be deemed to admit that you are an "underwriter" within the meaning of the Securities Act.

7. If you are a broker-dealer and old notes held for your own account were not acquired as a result of market-making or other trading activities, such old notes cannot be exchanged pursuant to the Exchange Offer.

8. Any of your obligations hereunder shall be binding upon your successors, assigns, executors, administrators, trustees in bankruptcy and legal and personal representatives.

INSTRUCTIONS

FORMING PART OF THE TERMS AND CONDITIONS OF THE EXCHANGE OFFER

1. Book-Entry Confirmations.

Any confirmation of a book-entry transfer to the Exchange Agent's account at DTC of old notes tendered by book-entry transfer (a "Book-Entry Confirmation"), as well as Agent's Message and any other documents required by this Letter of Transmittal, must be received by the Exchange Agent at one of its addresses set forth herein prior to 5:00 p.m., New York City time, on the Expiration Date.

2. Partial Tenders.

Tenders of old notes will be accepted only in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof. The entire principal amount of old notes delivered to the Exchange Agent will be deemed to have been tendered unless otherwise communicated to the Exchange Agent. If the entire principal amount of all old notes is not tendered, then old notes for the principal amount of old notes not tendered and new notes issued in exchange for any old notes accepted will be delivered to the holder via the facilities of DTC promptly after the old notes are accepted for exchange.

3. Validity of Tenders.

All questions as to the validity, form, eligibility (including time of receipt), acceptance, and withdrawal of tendered old notes will be determined by the Issuer, in its sole discretion, which determination will be final and binding. The Issuer reserves the absolute right to reject any or all tenders not in proper form or the acceptance for exchange of which may, in the opinion of counsel for the Issuer, be unlawful. The Issuer also reserves the absolute right to waive any of the conditions of the Exchange Offer or any defect or irregularity in the tender of any old notes. The Issuer's interpretation of the terms and conditions of the Exchange Offer (including the instructions on the Letter of Transmittal) will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of old notes must be cured within such time as the Issuers shall determine. Although the Issuer intends to notify holders of defects or irregularities with respect to tenders of old notes, neither the Issuer, the Exchange Agent, nor any other person shall be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give such notification. Tenders of old notes will not be deemed to have been made until such defects or irregularities have been cured or waived. Any old notes received by the Exchange Agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned by the Exchange Agent to the tendering holders, unless otherwise provided in the Letter of Transmittal, promptly following the Expiration Date.

4. Waiver of Conditions.

The Issuer reserves the absolute right to waive, in whole or part, up to the expiration of the Exchange Offer, any of the conditions to the Exchange Offer set forth in the Prospectus or in this Letter of Transmittal.

5. No Conditional Tender.

No alternative, conditional, irregular or contingent tender of old notes will be accepted.

6. Request for Assistance or Additional Copies.

Requests for assistance or for additional copies of the Prospectus or this Letter of Transmittal may be directed to the Exchange Agent using the contact information set forth on the cover page of

this Letter of Transmittal. Holders may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Exchange Offer.

7. Withdrawal.

Tenders may be withdrawn only pursuant to the limited withdrawal rights set forth in the Prospectus under the caption "Exchange Offer—Withdrawal of Tenders."

8. No Guarantee of Late Delivery.

There is no procedure for guarantee of late delivery in the Exchange Offer.

IMPORTANT: BY USING THE ATOP PROCEDURES TO TENDER OLD NOTES, YOU WILL NOT BE REQUIRED TO DELIVER THIS LETTER OF TRANSMITTAL TO THE EXCHANGE AGENT. HOWEVER, YOU WILL BE BOUND BY ITS TERMS, AND YOU WILL BE DEEMED TO HAVE MADE THE ACKNOWLEDGMENTS AND THE REPRESENTATIONS AND WARRANTIES IT CONTAINS, JUST AS IF YOU HAD SIGNED IT.

ANNEX B: GLOSSARY OF NATURAL GAS AND OIL TERMS

The terms defined in this section are used throughout this prospectus:

"3D." Method for collecting, processing, and interpreting seismic data in three dimensions.

"AMI." Area of mutual interest.

"Bbl." One stock tank barrel, of 42 U.S. gallons liquid volume, used herein in reference to crude oil, condensate or natural gas liquids.

"Bcf." One billion cubic feet of natural gas.

"Bcfe." One billion cubic feet of natural gas equivalent with one barrel of oil converted to six thousand cubic feet of natural gas.

"Basin." A large natural depression on the earth's surface in which sediments generally brought by water accumulate.

"Completion." The process of treating a drilled well followed by the installation of permanent equipment for the production of natural gas or oil, or in the case of a dry hole, the reporting of abandonment to the appropriate agency.

"DD&A." Depreciation, depletion, amortization and accretion.

"Delineation." The process of placing a number of wells in various parts of a reservoir to determine its boundaries and production characteristics.

"Developed acreage." The number of acres that are allocated or assignable to productive wells or wells capable of production.

"Development well." A well drilled within the proved area of an oil or natural gas reservoir to the depth of a stratigraphic horizon known to be productive.

"Drill-to-earn." The process of earning an interest in leasehold acreage by drilling a well pursuant to a farm-in, exploration, or other agreement.

"Dry hole." A well found to be incapable of producing hydrocarbons in sufficient quantities such that proceeds from the sale of such production exceed production expenses and taxes.

"Enhanced recovery." The recovery of natural gas and oil through the injection of liquids or gases into the reservoir, supplementing its natural energy. Enhanced recovery methods are often applied when production slows due to depletion of the natural pressure.

"Exploratory well." A well drilled to find and produce natural gas or oil reserves not classified as proved, to find a new reservoir in a field previously found to be productive of natural gas or oil in another reservoir or to extend a known reservoir.

"Farm-in or farm-out." An agreement under which the owner of a working interest in a natural gas and oil lease assigns the working interest or a portion of the working interest to another party who desires to drill on the leased acreage. Generally, the assignee is required to drill one or more wells in order to earn its interest in the acreage. The assignor usually retains a royalty or reversionary interest in the lease. The interest received by an assignee is a "farm-in" while the interest transferred by the assignor is a "farm-out."

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

"Formation." A layer of rock which has distinct characteristics that differs from nearby rock.

"Gross acres or gross wells." The total acres or wells, as the case may be, in which a working interest is owned.

"Horizontal drilling." A drilling technique used in certain formations where a well is drilled vertically to a certain depth and then drilled at a right angle within a specified interval.

"Infill wells." Wells drilled into the same pool as known producing wells so that oil or natural gas does not have to travel as far through the formation.

"MBbl." One thousand barrels of crude oil, condensate or natural gas liquids.

"Mcf." One thousand cubic feet of natural gas.

"MMBtu." One million British thermal units.

"MMcf." One million cubic feet of natural gas.

"MMcfe." Million cubic feet equivalent, determined using the ratio of six Mcf of natural gas to one Bbl of crude oil, condensate or natural gas liquids.

"MMcfe/d." MMcfe per day.

"NGLs." Natural gas liquids. Hydrocarbons found in natural gas which may be extracted as liquefied petroleum gas and natural gasoline.

"NYMEX." The New York Mercantile Exchange.

"Net acres." The percentage of total acres an owner has out of a particular number of acres, or a specified tract. An owner who has 50% interest in 100 acres owns 50 net acres.

"Potential drilling locations." Total gross resource play locations that we may be able to drill on our existing acreage. Our actual drilling activities may change depending on the availability of capital, regulatory approvals, seasonal restrictions, natural gas and oil prices, costs, drilling results and other factors.

"Productive well." A well that is found to be capable of producing hydrocarbons in sufficient quantities such that proceeds from the sale of the production exceed production expenses and taxes.

"Prospect." A specific geographic area which, based on supporting geological, geophysical or other data and also preliminary economic analysis using reasonably anticipated prices and costs, is deemed to have potential for the discovery of commercial hydrocarbons.

"Proved developed reserves." Reserves that can be expected to be recovered through existing wells with existing equipment and operating methods.

"Proved reserves." The estimated quantities of oil, natural gas and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be commercially recoverable in future years from known reservoirs under existing economic and operating conditions.

"Proved undeveloped reserves ("PUD")." Proved reserves that are expected to be recovered from new wells on undrilled acreage or from existing wells where a relatively major expenditure is required for recompletion.

"PV-10." When used with respect to natural gas and oil reserves, PV-10 means the estimated future gross revenue to be generated from the production of proved reserves, net of estimated production and future development and abandonment costs, using prices and costs in effect at the determination date, before income taxes, and without giving effect to non-property-related expenses, discounted to a present value using an annual discount rate of 10% in accordance with the guidelines of the SEC. PV-10 is not a financial measure calculated in accordance with generally accepted accounting principles ("GAAP") and generally differs from Standardized Measure, the most directly comparable GAAP financial measure, because it does not include the effects of income taxes on future net revenues. Neither PV-10 nor Standardized Measure represents an estimate of the fair market value of our natural gas and oil properties. We and others in the industry use PV-10 as a measure to compare the relative size and value of proved reserves held by companies without regard to the specific tax characteristics of such entities.

"Recompletion." The process of re-entering an existing wellbore that is either producing or not producing and completing new reservoirs in an attempt to establish or increase existing production.

"Reservoir." A porous and permeable underground formation containing a natural accumulation of producible oil and/or natural gas that is confined by impermeable rock or water barriers and is separate from other reservoirs.

"Simul-frac." Simultaneously fracture treating two or more wells within the same fracture plane in order to create pressure interference between the wells and thereby increasing the stimulated reservoir volume.

"Spacing." The distance between wells producing from the same reservoir. Spacing is often expressed in terms of acres, e.g., 40-acre spacing, and is often established by regulatory agencies.

"Standardized measure." Discounted future net cash flows estimated by applying year-end prices to the estimated future production of year-end proved reserves. Future cash inflows are reduced by estimated future production and development costs based on period-end costs to determine pre-tax cash inflows. Future income taxes, if applicable, are computed by applying the statutory tax rate to the excess of pre-tax cash inflows over our tax basis in the natural gas and oil properties. Future net cash inflows after income taxes are discounted using a 10% annual discount rate.

"Undeveloped acreage." Lease acreage on which wells have not been drilled or completed to a point that would permit the production of commercial quantities of natural gas and oil regardless of whether such acreage contains proved reserves.

"Unit." The joining of all or substantially all interests in a reservoir or field, rather than a single tract, to provide for development and operation without regard to separate property interests. Also, the area covered by a unitization agreement.

"Waterflood." The injection of water into an oil reservoir to "push" additional oil out of the reservoir rock and into the wellbores of producing wells. Typically an enhanced recovery process.

"Wellbore." The hole drilled by the bit that is equipped for natural gas production on a completed well. Also called well or borehole.

"Working interest." The right granted to the lessee of a property to explore for and to produce and own natural gas or other minerals. The working interest owners bear the exploration, development, and operating costs on either a cash, penalty, or carried basis.

INDEX TO FINANCIAL STATEMENTS

ANTERO RESOURCES ENTITIES

Combined Balance Sheets

December 31, 2008 and September 30, 2009

(In thousands)

(Unaudited)

	December 31, 2008	September 30, 2009
Assets		
Current assets:		
Cash and cash equivalents	$ 38,969	16,190
Accounts receivable—trade	53,323	31,061
Accrued revenue	18,805	11,217
Prepaid expenses	7,615	7,427
Derivative instruments	83,608	32,585
Inventories	1,848	1,103
Total current assets	204,168	99,583
Property and equipment:		
Natural gas properties, at cost (successful efforts method):		
Unproved properties	649,605	634,481
Producing properties	1,148,306	1,278,885
Gathering systems and facilities	179,836	183,531
Other property and equipment	3,113	3,259
	1,980,860	2,100,156
Less accumulated depletion, depreciation, and amortization	(183,145)	(292,157)
Property and equipment, net	1,797,715	1,807,999
Derivative instruments	18,672	—
Other assets, net	8,412	12,304
Total assets	$ 2,028,967	1,919,886

ANTERO RESOURCES ENTITIES

Combined Balance Sheets

December 31, 2008 and September 30, 2009

(In thousands)

(Unaudited)

	December 31, 2008	September 30, 2009
Liabilities and Equity		
Current liabilities:		
Accounts payable	$ 143,544	39,190
Accrued expenses	18,098	17,419
Revenue distributions payable	31,463	30,705
Advances from joint interest owners	7,893	1,459
Derivative instruments	7,086	9,741
Capital leases—current	125	130
Total current liabilities	208,209	98,644
Long-term liabilities:		
Bank credit facility	396,580	386,580
Second lien term notes payable	225,000	225,000
Derivative instruments	10,164	4,745
Asset retirement obligations	3,034	3,368
Deferred tax payable	3,029	—
Capital leases—noncurrent	1,154	1,056
Other long term liabilities	4,242	4,242
Total liabilities	851,412	723,635
Equity:		
Preferred stock, issuable in series, par value $0.001 per share:		
Series A convertible preferred stock	268,000	268,000
Series B convertible preferred stock	895,000	1,000,000
Series C convertible preferred stock	6	6
Common stock—Class A, par value $0.001 per share	22	22
Common stock—Class B, par value $0.001 per share	11	11
Common stock—Class C, par value $0.001 per share	83	83
Common stock—Class D, par value $0.001 per share	31	31
Common stock—Class E, par value $0.001 per share	27	27
Capital in excess of par value	332	639
Accumulated deficit	(15,275)	(102,113)
Total Antero stockholders' equity	1,148,237	1,166,706
Noncontrolling interest in consolidated subsidiary	29,318	29,545
Total equity	1,177,555	1,196,251
Total liabilities and equity	$ 2,028,967	1,919,886

See accompanying notes to combined financial statements.

ANTERO RESOURCES ENTITIES

Combined Statements of Operations

Nine months ended September 30, 2008 and 2009

(In thousands)

(Unaudited)

	2008	2009
Revenue:		
Natural gas sales	$ 176,958	91,603
Net realized and unrealized gains (losses) on commodity derivative instruments including unrealized gains (losses) of $63,582 and $(70,742), respectively	64,309	19,669
Oil sales	7,953	4,251
Gathering and processing revenue	14,974	15,902
Total revenue	264,194	131,425
Operating expenses:		
Lease operating expenses	8,569	14,389
Gathering, compression and transportation	20,442	19,183
Production taxes	8,378	4,393
Exploration expenses	15,824	8,440
Impairment of unproved properties	5,122	24,583
Depletion, depreciation and amortization	85,791	108,987
Accretion of asset retirement obligations	120	194
General and administrative	11,443	14,396
Total operating expenses	155,689	194,565
Operating income (loss)	108,505	(63,140)
Other income (expense):		
Interest expense	(28,586)	(23,439)
Interest income	2,218	29
Net realized and unrealized gains (losses) on interest rate derivative instruments including unrealized gains of $2,129 and $3,811, respectively	417	(3,856)
Total other income (expense)	(25,951)	(27,266)
Income (loss) before income taxes	82,554	(90,406)
Income tax benefit (expense)	(3,029)	3,029
Net income (loss)	79,525	(87,377)
Noncontrolling interest in net loss (income) of consolidated subsidiary	(87)	539
Net income (loss) attributable to Antero stockholders	$ 79,438	(86,838)

See accompanying notes to combined financial statements.

ANTERO RESOURCES ENTITIES

Combined Statement of Equity and Comprehensive Loss

Nine months ended September 30, 2008 and 2009

(In thousands)

(Unaudited)

	Preferred stock			Common stock					Capital in excess of par value	Accumulated deficit	Total Antero stockholder equity	Noncontrolling interest	Total equity
	Series A	Series B	Series C	Class A	Class B	Class C	Class D	Class E					
Balances, December 31, 2007	$ 268,000	225,000	5	22	11	66	25	21	383	(99,231)	394,302	—	394,302
Issuance of Series B preferred stock	—	620,000	—	—	—	—	—	—	—	—	620,000	—	620,000
Other	—	—	—	—	—	—	—	—	(260)	—	(260)	—	(260)
Stock compensation	—	—	—	—	—	—	—	—	195	—	195	—	195
Contribution received from noncontrolling interest	—	—	—	—	—	—	—	—	—	—	—	30,018	30,018
Net loss and total comprehensive loss	—	—	—	—	—	—	—	—	—	79,438	79,438	(87)	79,351
Balances, September 30, 2008	$ 268,000	845,000	5	22	11	66	25	21	318	(19,793)	1,093,675	29,931	1,123,606

	Preferred stock			Common stock					Capital in excess of par value	Accumulated deficit	Total Antero stockholder equity	Noncontrolling interest	Total equity
	Series A	Series B	Series C	Class A	Class B	Class C	Class D	Class E					
Balances, December 31, 2008	$ 268,000	895,000	6	22	11	83	31	27	332	(15,275)	1,148,237	29,318	1,177,555
Issuance of Series B preferred stock	—	105,000	—	—	—	—	—	—	—	—	105,000	—	105,000
Other	—	—	—	—	—	—	—	—	(220)	—	(220)	—	(220)
Stock compensation	—	—	—	—	—	—	—	—	527	—	527	—	527
Contribution received from noncontrolling interest	—	—	—	—	—	—	—	—	—	—	—	766	766
Net loss and total comprehensive loss	—	—	—	—	—	—	—	—	—	(86,838)	(86,838)	(539)	(87,377)
Balances, September 30, 2009	$ 268,000	1,000,000	6	22	11	83	31	27	639	(102,113)	1,166,706	29,545	1,196,251

See accompanying notes to combined financial statements.

ANTERO RESOURCES ENTITIES

Combined Statements of Cash Flows

Nine months ended September 30, 2008 and 2009

(In thousands)

(Unaudited)

	2008	2009
Cash flows from operating activities:		
Net income (loss) attributable to Antero stockholders	$ 79,438	(86,838)
Adjustment to reconcile net loss to net cash provided by operating activities:		
Depletion, depreciation, and amortization	85,791	108,987
Dry hole costs	6,582	760
Impairment of unproved properties	5,122	24,583
Accretion of asset retirement obligations	120	194
Amortization of deferred financing costs	962	2,410
Stock compensation	195	527
Unrealized losses (gains) on derivative instruments, net	(65,711)	66,931
Deferred taxes	3,029	(3,029)
Noncontrolling interest in net income (loss) of subsidiary	87	(539)
Changes in current assets and liabilities:		
Accounts receivable	(32,728)	22,262
Accrued revenue	(13,447)	7,588
Prepaid expenses	(4,174)	187
Inventories	(1,291)	745
Accounts payable	19,381	(18,666)
Accrued expenses	5,992	(679)
Revenue distributions payable	38,206	(758)
Advance from joint interest owners	1,534	(6,434)
Net cash provided by operating activities	129,088	118,231
Cash flows from investing activities:		
Additions to unproved properties	(452,663)	(9,459)
Drilling costs	(442,056)	(216,862)
Gathering systems and facilities	(39,878)	(3,696)
Additions to other property and equipment	(825)	(144)
Decrease (increase) in other assets	(1,567)	159
Distribution from Centrahoma	24,564	—
Net cash used in investing activities	(912,425)	(230,002)

ANTERO RESOURCES ENTITIES

Combined Statements of Cash Flows (Continued)

Nine months ended September 30, 2008 and 2009

(In thousands)

(Unaudited)

	2008	2009
Cash flows from financing activities:		
Payments on treasury management note payable, net	$ (6,307)	—
Borrowings on bank credit facility	202,200	15,000
Payments on bank credit facility	—	(25,000)
Payments on capital lease obligations	(88)	(93)
Deferred financing costs	(546)	(6,461)
Issuance of Series B preferred stock	620,000	105,000
Other	(259)	(220)
Net cash received from noncontrolling interest	3,825	766
Net cash provided by financing activities	818,825	88,992
Net decrease in cash and cash equivalents	35,488	(22,779)
Cash and cash equivalents, beginning of period	11,114	38,969
Cash and cash equivalents, end of period	$ 46,602	16,190
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	$ 28,218	27,654
Supplemental disclosure of noncash investing activities:		
Net changes in accounts payable for additions to properties, systems and facilities	$ 16,583	(85,688)

See accompanying notes to combined financial statements.

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements

September 30, 2009 and December 31, 2008

(Unaudited)

(1) Organization

The combined Antero Resources Entities (Antero Entities, Antero or the Company) are entities under common control and include Antero Resources Corporation, Antero Resources Piceance Corporation, Antero Resources Midstream Corporation, Antero Resources Pipeline Corporation, and Antero Resources Appalachian Corporation, all of which are considered affiliated entities. Each is headquartered in Denver, Colorado. Ownership in each of the Antero Entities is held by the same individuals or entities in the same percentage and each shareholder's respective ownership is consistent across all equity instruments in the group. The Antero Entities are engaged in the acquisition and development of oil and gas properties and in the gathering, treatment, and processing, of natural gas and natural gas liquids. The Antero Entities operate in the Arkoma, Piceance and Marcellus Basins.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying combined financial statements include the combined accounts of the Antero Entities. The Antero Midstream financial statements include the results of Centrahoma Processing LLC, a majority owned subsidiary. The noncontrolling interest in the combined financial statements represents the 40% Centrahoma Processing LLC interest owned by MarkWest Energy Partners, L.P. All significant intercompany accounts and transactions have been eliminated in combination.

The accompanying unaudited combined financial statements of the Company 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 financial statements. In the opinion of management, the accompanying unaudited combined financial statements include all adjustments (consisting of normal and recurring accruals) considered necessary to present fairly the Company's financial position as of September 30, 2009, results of their operations and their cash flows for the nine months ended September 30, 2008 and 2009. Operating results for the nine months ended September 30, 2008 and 2009 are not necessarily indicative of the results that may be expected for the full year because of the impact of fluctuations in prices received for natural gas and oil, natural production declines, the uncertainty of exploration and development drilling results and other factors. For a more complete understanding of the Company's operations, financial position and accounting policies, the unaudited combined financial statements and the notes thereto should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2008. As of February 11, 2010 which is the date these financial statements were issued, Antero completed its evaluation of potential subsequent events for disclosure and no items requiring disclosure were identified.

In the course of preparing the unaudited combined financial statements, management makes various assumptions, judgments and estimates to determine the reported amount of assets, liabilities, revenue and expenses and in the disclosures of commitments and contingencies. Changes in these assumptions, judgments and estimates will occur as a result of the passage of time and the occurrence of future events and, accordingly, actual results could differ from amounts initially established.

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

September 30, 2009 and December 31, 2008

(Unaudited)

(2) Summary of Significant Accounting Policies (Continued)

The most significant areas requiring the use of assumptions, judgments and estimates relate to volumes of natural gas and oil reserves used in calculating depletion, the amount of expected future cash flows used in determining possible impairments of oil and gas properties and the amount of future capital costs used in these calculations. Assumptions, judgments and estimates also are required in determining future abandonment obligations, impairments of undeveloped properties, valuing deferred tax assets and estimating fair values of derivative instruments.

(b) Oil and Gas Properties

The Company accounts for its natural gas and crude oil exploration and development activities under the successful efforts method of accounting. Under such method, costs of productive wells, development dry holes, and undeveloped leases are capitalized. Oil and gas lease acquisition costs are also capitalized. Exploration costs, including personnel costs, geological and geophysical expenses, and delay rentals for gas and oil leases, are charged to expense as incurred. Exploratory drilling costs are initially capitalized, but charged to expense if and when the well is determined not to have found reserves in commercial quantities. The sale of a partial interest in a proved property is accounted for as a cost recovery and no gain or loss is recognized as long as this treatment does not significantly affect the units-of-production amortization rate. A gain or loss is recognized for all other sales of producing properties.

Unproved properties with significant acquisition costs are assessed on a property-by-property basis and any impairment in value is charged to expense. Other unproved properties are assessed for impairment on an aggregate basis. If the unproved properties are determined to have reserves, the related costs are transferred to proved properties. Proceeds from sales of partial interests in unproved properties are accounted for as a recovery of cost without recognizing any gain or loss. Management believes that all unproved properties at September 30, 2009 will be evaluated within the next five years. Impairments of unproved properties for expired leases was $5.1 million and $24.6 million for the nine months ended September 30, 2008 and 2009, respectively.

The Company reviews its oil and gas properties for impairment whenever events and circumstances indicate that the carrying value of the properties may not be recoverable. When determining whether impairment has occurred, the Company estimates the expected future cash flows of its oil and gas properties and compares such future cash flows to the carrying amount of the oil and gas properties to determine if the carrying amount is recoverable. If the carrying amount exceeds the estimated undiscounted future cash flows, the Company reduces the carrying amount of the oil and gas properties to their estimated fair value. The factors used to determine fair value include estimates of proved reserves, future commodity prices, future production estimates, anticipated capital expenditures, and a discount rate commensurate with the risk associated with realizing the expected cash flows projected. There were no impairments of producing oil and gas properties during the nine months ended September 30, 2008 and 2009.

The provision for depreciation, depletion, and amortization of oil and gas properties is calculated on a geological reservoir basis using the units-of-production method. Depreciation, depletion, and

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

September 30, 2009 and December 31, 2008

(Unaudited)

(2) Summary of Significant Accounting Policies (Continued)

amortization expense for natural gas properties was $80.4 million and $101.1 million for the nine months ended September 30, 2008 and 2009, respectively.

(c) Derivative Financial Instruments

In order to manage its exposure to oil and gas price volatility, the Company enters into derivative transactions from time to time, including commodity swap agreements, collar agreements, and other similar agreements relating to natural gas expected to be produced. From time to time, the Company also enters into derivative contracts to mitigate the effects of interest rate fluctuations.

The Company records derivative instruments on the balance sheet as either an asset or liability measured at fair value and records changes in the fair value of derivatives in current earnings, unless special hedge accounting applies. To qualify for special hedge accounting, a derivative transaction must be formally designated for hedge accounting and its effectiveness and designation as a hedge contemporaneously documented. Under special hedge accounting for cash flow hedges, the effective portion of the gain or loss on a qualifying derivative instrument is reported as a component of comprehensive income and reclassified into earnings as the hedged forecasted transaction affects earnings. The Company has no derivative instruments for which special hedge accounting has been elected; therefore, all changes in the fair value of derivative instruments are recorded in the results of operations as they occur. Changes in the fair value of commodity derivatives are classified as revenues and changes in the fair value of interest rate derivatives are classified as other income (expense).

(d) Revenue Recognition

The Company utilizes the accrual method of accounting for oil and natural gas revenues, whereby revenues are recognized as the Company's entitlement share of oil and natural gas is produced based on its working interests in the properties. The Company records a receivable (payable) to the extent it receives less (more) than its proportionate share of oil and natural gas revenues.

The Company utilizes the accrual method of accounting for natural gas gathering, treating and processing fees and sales of natural gas liquids (NGLs) revenue earned under various contracts. The Company obtains access to unprocessed natural gas and provides services to producers under various processing agreements, which contain fee-based and fixed recovery provisions. The amount of revenue is determinable when the sale of the applicable product has been completed upon delivery and transfer of title at the tailgate of the plants. Service revenue fees are recognized as revenue when services are performed.

(e) Income Taxes

Deferred tax assets and liabilities are recognized for temporary differences resulting from net operating loss carryforwards for income tax purposes and the differences between the financial statement and tax basis of assets and liabilities. The effect of changes in the tax laws or tax rates is recognized in income in the period such changes are enacted. Deferred tax assets are reduced by a valuation allowance, when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company accounts for uncertainty in its

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

September 30, 2009 and December 31, 2008

(Unaudited)

(2) Summary of Significant Accounting Policies (Continued)

income tax provisions in accordance with rules promulgated by the FASB. At September 30, 2009, the Company has no unrecognized tax benefits that would impact the Company's effective rate and has made no provisions for interest or penalties related to uncertain tax positions. The tax years 2005 through 2008 remain open to examination by the U.S. Internal Revenue Service. The Company files tax returns with various state taxing authorities which remain open to examination for tax years 2004 through 2008.

Income tax expense for the nine months ended September 30, 2008 and 2009 differs from the amount that would be provided by applying the U.S. federal income tax rate to income before income taxes principally due to changes in the valuation allowance.

(f) Asset Retirement Obligations

Liabilities to perform an asset retirement activity required legally are recognized at their fair value, if the fair value can be reasonably estimated, and without regard to the timing or method of settlement of the liability. The cost of the asset retirement is allocated to expense over the useful life of the related asset. The Company's asset retirement obligations relate primarily to its obligation to plug and abandon oil and gas wells at the end of their life. The Company has not recorded any asset retirement obligations related to its midstream and pipeline assets because it cannot reasonably estimate such obligations and the Company has no current intention of discontinuing use of these assets.

(g) Stock Compensation

The estimated fair value of restricted stock at the date of the award is charged to expense over the vesting period of the award. The estimated fair value of stock option awards is charged to expense over the service period of the award. Fair value of stock option awards is estimated using the Black Scholes option pricing model.

(h) Fair Value Measurements

The Company measures financial assets, such as commodity and interest rate derivatives, that are measured on a recurring basis at their fair value. The fair value is the price that the Company estimates would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy is used to prioritize input to valuation techniques used to estimate fair value. 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 inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. Instruments which are valued using Level 2 inputs include nonexchange traded derivatives such as over-the-counter commodity price swaps, basis swaps, and interest rate swaps. Valuation models used to measure fair value of these instruments consider various Level 2 inputs including (i) quoted forward prices for commodities, (ii) time value, (iii) quoted forward interest rates, (iv) current market prices and contractual prices for the underlying instruments, (v) risk of nonperformance by the Company and the counterparty, and other relevant economic measures. The Company utilizes its counterparties to assess the reasonableness

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

September 30, 2009 and December 31, 2008

(Unaudited)

(2) Summary of Significant Accounting Policies (Continued)

of its prices and valuation techniques. To the extent a legal right of offset with a counterparty exists, the derivative assets and liabilities are reported on a net basis.

(i) Newly Adopted Accounting Pronouncements

In December 2007, the FASB issued new rules, which establish accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net loss attributable to the parent and to the noncontrolling interest, changes in a parent's ownership interest and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. The rules also established reporting requirements that provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. The rules were effective for the Company on January 1, 2009. The Company has retroactively applied the presentation and disclosure provisions of this standard, as required, to all financial statements prior to that date.

(j) Recent Accounting Pronouncements

In June 2009, the FASB approved the FASB Accounting Standards Codification (ASC), which after its launch on July 1, 2009 became the single source of authoritative, nongovernmental U.S. Generally Accepted Accounting Principles (GAAP). The Codification reorganizes all previous U.S. GAAP pronouncements into roughly 90 accounting topics and displays all topics using a consistent structure. All existing standards that were used to create the Codification are now superseded, replacing the previous references to specific Statements of Financial Accounting Standards with numbers used in the Codification's structural organization.

On December 31, 2008, the SEC published final rules and interpretations, the Modernization of Oil and Gas Reporting Requirements, updating its oil and gas reporting requirements. Many of the revisions are updates to definitions in the existing oil and gas rules to make them consistent with the Petroleum Resource Management System, which is a widely accepted standard for the management of petroleum resources that was developed by several industry organizations. Key revisions include the ability to include nontraditional resources in reserves, the use of new technology for determining reserves, permitting disclosure of probable and possible reserves, and changes to the pricing used to determine reserves based on a 12-month average price rather than a period end spot price. The average is to be calculated using the first-day-of-the-month price for each of the 12 months that make up the reporting period. The new rules are effective for annual reports for fiscal years ending on or after December 31, 2009. Early adoption is not permitted.

In September 2009, the FASB issued an exposure draft of proposed Accounting Standards Update (ASU) entitled *Oil and Gas Reserve Estimation and Disclosures*. This proposed ASU would amend the FASB accounting standards to align the reserve calculation and disclosure requirements with the requirements in the new SEC Rule, Modernization of Oil and Gas Reporting Requirements. The ASU was issued in January 2010 and, the ASU is effective for reporting periods ending on or after December 31, 2009.

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

September 30, 2009 and December 31, 2008

(Unaudited)

(3) Credit Facilities

(a) Bank Credit Facility

The Antero Entities have entered into a Credit Agreement (Credit Agreement), which provides for loans up to $400 million. The borrowings under the Credit Facility are subject to borrowing base limitations based on the collateral value of our proved reserves and are subject to regular semi-annual redeterminations. The next semi-annual redetermination of our borrowing base is scheduled to occur in April 2010. The borrowing base at September 30, 2009 is $400 million.

The Credit Agreement is secured by mortgages on substantially all of the Company's properties. Each of the Antero Entities has guaranteed the obligations of the other Antero Entities under the Credit Agreement. All advances are due and payable on March 15, 2012. The Credit Agreement contains certain covenants, including restrictions on indebtedness and dividends, and requirements with respect to working capital and leverage ratios. Interest is payable at a variable rate based on LIBOR or the prime rate based on the Company's election at the time of borrowing. The Antero Entities are in compliance with their financial debt covenants as of September 30, 2009.

As of September 30, 2009, the Company had an outstanding balance under the Credit Agreement of $387 million with a weighted average interest rate of 3.26%. The Company pays commitment fees of up to 0.50% of the unused borrowing base. In addition, the Company had approximately $3.0 million in outstanding letters of credit under the facility at September 30, 2009.

The following schedule discloses the outstanding balances under the Credit Agreement for each Antero entity at September 30, 2009 (in thousands):

	Antero Arkoma	Antero Piceance	Antero Midstream	Antero Pipeline	Antero Appalachian	Combined total
Bank credit facility:						
September 30, 2009	$ 224,860	104,600	50,300	6,820	—	386,580

On October 29, 2009, the Company amended its credit facility to allow for the Company's corporate reorganization, the Company's debt offering and to reaffirm the borrowing base.

(b) Second Lien Term Loan Agreement

On April 12, 2007, Antero Arkoma, Antero Midstream, Antero Piceance, and Antero Pipeline (Second Lien Antero Entities) all participated in a term loan facility for $225 million (the Term Loan). The outstanding balance of $225 million at September 30, 2009 was repaid in full from the proceeds of a senior note financing which was completed in November 2009. Interest on the term loan was payable at a rate of LIBOR plus 4.50%. The Term Loan was secured by second mortgages on substantially all of the Second Lien Antero Entities properties. The Term Loan contained certain covenants, including restrictions on indebtedness and dividends, and requirements with respect to interest coverage, leverage ratios, and present value of reserves ratios on a combined basis. The Second Lien Antero Entities were in compliance with these debt covenants as of September 30, 2009.

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

September 30, 2009 and December 31, 2008

(Unaudited)

(3) Credit Facilities (Continued)

On September 30, 2009, the Company had an outstanding balance under the Term Loan facility of $225 million at a weighted average interest rate of 4.76%. The following schedule discloses the outstanding balances for each Antero entity at September 30, 2009 (in thousands):

	Antero Arkoma	Antero Piceance	Antero Midstream	Antero Pipeline	Combined total
Second lien term notes:					
September 30, 2009	$ 100,000	90,000	27,000	8,000	225,000

(4) Asset Retirement Obligations

The following is a reconciliation of the Company's asset retirement obligations for the nine months ended September 30, 2009 (in thousands).

	2009
Asset retirement obligations—beginning of period	$ 3,034
Obligations incurred	140
Accretion expense	194
Asset retirement obligations—end of period	$ 3,368

(5) Stockholders' Equity

The Company's combined capital structure consists of the following at September 30, 2009:

	Authorized	Issued and outstanding
Series A convertible preferred stock	26,800,000	26,800,000
Series B convertible preferred stock	66,666,667	66,666,667
Series C convertible preferred stock	1,333,333	1,333,333
Class A common stock	5,460,500	5,460,500
Class B common stock	2,775,000	2,775,000
Class C common stock	16,666,667	16,666,667
Class D common stock	6,349,207	6,162,699
Class E common stock	8,547,009	5,323,205

Accumulated unpaid dividends as of September 30, 2009 were as follows (in thousands):

	Combined totals
Series A convertible preferred	$ 98,383
Series B convertible preferred	106,764
Series C convertible preferred	2,135

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

September 30, 2009 and December 31, 2008

(Unaudited)

(5) Stockholders' Equity (Continued)

Subsequent to September 30, 2009, the Company reorganized its capital structure as described in this note and raised additional equity. See note 11 for a description of the reorganization and new equity offering.

(a) Series A Preferred Stock

The Series A Preferred Stock (Series A) has been issued by each Antero Entity at a price of $10 per share, and holders are entitled to a cumulative dividend at the rate of 8%, compounded quarterly, if and when declared by the board of directors of the respective Antero Entity. Each share of Series A is convertible into one share of common stock plus an amount payable in cash, or in the event of an initial public offering, additional shares of common stock, equal to the purchase price plus any accumulated unpaid dividends. Each share of Series A is entitled to vote with the holders of the common stock on all matters submitted to a vote of stockholders of Company as if Series A was converted to common stock. Upon a liquidation event (as defined), holders of Series A are entitled to receive, prior to any amounts to be received by the common stockholders, an amount equal to the purchase price plus any accumulated unpaid dividends. The Series A stockholders participate with the common stockholders in any excess funds available in liquidation as if Series A was converted into common stock.

(b) Series B Preferred Stock

The Series B Preferred Stock (Series B) has been issued by each Company at a price of $15 per share, and holders are entitled to a cumulative dividend at the rate of 8%, compounded quarterly, if and when declared by the board of directors. Each share of Series B is convertible into one share of common stock plus an amount payable in cash, or in the event of an initial public offering, additional shares of common stock, equal to the purchase price plus any accumulated unpaid dividends. Each share of Series B is entitled to vote with the holders of the common stock on all matters submitted to a vote of stockholders of each Company as if Series B was converted to common stock. Upon a liquidation event (as defined), holders of Series B are entitled to receive, prior to any amounts to be received by the common stock holders, an amount equal to the purchase price plus any accumulated unpaid dividends. The Series B holders participate with the common stockholders in any excess funds available in liquidation, as if Series B was converted into common stock.

The Antero Entities issued and received capital cash calls for Series B preferred stock as follows (in thousands):

	Antero Arkoma	Antero Piceance	Antero Midstream	Antero Pipeline	Antero Appalachian	Combined total
2009	50,000	30,000	5,000	—	20,000	105,000

(c) Series C Preferred Stock

The Series C Preferred Stock (Series C) was issued for no consideration to management team members who were investors in Series B. To the extent that the Series C shares are vested, the management team members who purchased Series B are entitled to cumulative dividends on the

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

September 30, 2009 and December 31, 2008

(Unaudited)

(5) Stockholders' Equity (Continued)

Series C shares equal to 8% of the amount of Series B shares purchased, compounded quarterly, if and when declared by the board of directors of each respective Antero Entity. The Series C shares vest in equal increments over a four year period from the date of grant or the date of hire, whichever is earlier. In addition, the Series C also vest based on the portion of financing provided by the Series B Investors to the Antero Entities compared to the Series B total funding commitment. Each share of Series C is convertible into 1.25 shares of common stock. In the event of an initial public offering, the holder receives an additional share of common stock for each $15 of accumulated unpaid dividends. Upon a liquidation event (as defined), holders of Series C are entitled to receive, prior to any amounts to be received by the common stockholders, an amount equal to any accumulated unpaid dividends.

(d) Shareholder Agreements

The preferred stockholders of the Antero Entities have entered into various agreements which govern certain relationships among, and contains certain rights and obligations of, such preferred stockholders including (1) limitations on the ability of the stockholders to transfer their stock in an Antero Entity except in certain permitted transfers as defined therein; (2) provides for certain tag-along obligations and certain drag-along rights; (3) provides for certain registration rights; and (4) provides for certain preemptive rights. The Antero Entities have no obligation to repurchase these shares at the election of the preferred stockholders and they cannot be fully redeemed in other than a liquidation event (as defined).

(e) Common Stock

The Class A, B, C, D, and E common stock were purchased or granted to the founders and other management and have certain restrictions and vesting requirements. The Class B, Class D and Class E common stock will only participate in distributions upon liquidation events meeting certain requisite financial return thresholds. The common stock grants are accounted for as an equity based award and each Antero Entity is recognizing compensation expense as these awards vest based on their fair value on the date of grant.

(6) Stock Compensation

The preferred stock, common stock, and stock option grants are accounted for as equity based awards at their fair value and the Company is recognizing compensation expense as these awards vest based on the date of grant.

As described in note 11, subsequent to September 30, 2009 the Company canceled all outstanding stock incentive plans and, to the extent that the fair market value of the common stock exceeds the

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

September 30, 2009 and December 31, 2008

(Unaudited)

(6) Stock Compensation (Continued)

underlying exercise price, the option holders will be paid in cash. Compensation expense and unamortized stock compensation is as follows:

Stock-based compensation expense:	
Nine months ended September 30, 2008:	
Preferred stock awards	$ 22
Common stock awards	(33)
Stock options	206
Total stock-based compensation expense	$ 195
Nine months ended September 30, 2009:	
Preferred stock awards	$ 69
Common stock awards	221
Stock options	237
Total stock-based compensation expense	$ 527
Unamortized stock compensation expense at September 30, 2009:	
Preferred stock awards	$ 121
Common stock awards	402
Stock options	547
Total unamortized stock compensation expense	$ 1,070

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

September 30, 2009 and December 31, 2008

(Unaudited)

(6) Stock Compensation (Continued)

Following is a schedule of the combined total activity of outstanding and nonvested shares for the nine months ended September 30, 2009 for stock awards and stock options:

	Preferred stock awards	Common stock awards	Class A stock options	Class C stock options
Outstanding:				
Balance December 31, 2008	1,333,333	28,074,572	1,103,950	5,340,333
Granted	—	—	—	8,000
Exercised	—	—	—	—
Forfeited	—	—	—	(32,000)
Balance September 30, 2009	1,333,333	28,074,572	1,103,950	5,316,333
Nonvested:				
Balance December 31, 2008	892,178	18,775,426	277,950	3,184,575
Granted	—	—	—	8,000
Vested	(374,977)	(7,896,643)	(95,115)	(990,699)
Forfeited	—	—	—	(32,000)
Balance September 30, 2009	517,201	10,878,783	182,835	2,169,876

(7) Financial Instruments

The carrying values of trade receivables and trade payables at September 30, 2009 approximated market value. The carrying value of the bank credit facility and term loan at September 30, 2009 approximated their fair values because the variable interest rates are reflective of current market conditions.

(8) Derivative Instruments and Risk Management Activities

The Company periodically enters into natural gas derivative contracts with counterparties to manage the price risk associated with a portion of its production. These derivatives are not held for trading purposes. To the extent that changes occur in the market prices of natural gas, the Company is exposed to market risk on these open contracts. This market risk exposure is generally offset by the change in market prices of natural gas or loss recognized upon the ultimate sale of the natural gas produced.

For the nine months ended September 30, 2008 and 2009, the Company was party to natural gas fixed price swaps. When actual commodity prices exceed the fixed price provided by the swap contracts, the Company pays the excess to the counterparty, and when actual commodity prices are below the contractually provided fixed price the Company receives the difference from the counterparty. The Company's natural gas swaps in place at September 30, 2008 and 2009 have not been designated as hedges for accounting purposes and accordingly, all gains and losses were recognized in the results of operations currently.

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

September 30, 2009 and December 31, 2008

(Unaudited)

(8) Derivative Instruments and Risk Management Activities (Continued)

Hedge agreements referenced to the Centerpoint, NYMEX and Transco Zone 4 indexes are for Arkoma production; those referenced to the CIG index are for Piceance production; and those referenced to the CGTAP index are for Marcellus production. As of February 10, 2010, the Company has entered into the following fixed price natural gas swaps from October 1, 2009 forward as follows:

	MMBtu/day	Weighted average index price
Three months ended December 31, 2009:		
Centerpoint	40,000	$ 7.86
CIG	30,000	7.58
NYMEX	10,000	4.82
Year ending December 31, 2010:		
Centerpoint	30,000	$ 7.33
CIG	30,000	5.54
NYMEX	10,000	6.14
CGTAP	20,000	5.92
Year ending December 31, 2011:		
CIG	35,000	$ 5.78
Transco Zone 4	35,000	6.91
CGTAP	20,000	6.75
Year ending December 31, 2012:		
CIG	35,000	$ 6.06
Transco Zone 4	35,000	7.05
CGTAP	20,000	6.94
Year ending December 31, 2013:		
CIG	20,000	$ 6.04
Transco Zone 4	20,000	6.67
CGTAP	20,000	6.83

In May 2007, the Company entered into an interest rate derivative contract to manage exposure to changes in interest rates. The contract is a floating-to-fixed interest rate swap for a notional amount of $225 million. Under the swap, the Company makes payments to, or receive payments from, the contract counterparty when the LIBOR variable rate for the three month contracts falls below, or exceeds, the fixed rate of 5.01%. The payment dates of the derivative contracts match the interest payment dates of the corresponding portion of the Company's second lien term loan agreement. The swap was for a term ending on June 30, 2009. In February 2008, the swap was extended for an additional 24 months, terminating on July 1, 2011, and the fixed rate was decreased to 4.11%. The swap continues to cover a notional amount of $225 million.

As discussed in subsequent event note 10, the Company issued $375 million of fixed rate debt during November and paid off the floating rate second lien term loan. The Company did not terminate

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

September 30, 2009 and December 31, 2008

(Unaudited)

(8) Derivative Instruments and Risk Management Activities (Continued)

any of the related second lien term loan interest rate swaps at that time and accordingly, these interest rate swaps do not have debt associated with them.

In order to manage exposure to changes in interest rates on its Credit Agreement, the Company and the other Antero Entities entered into a floating-to-fixed interest rate swap with a notional amount of $150 million and a fixed rate of 2.8025%. The swap covers the period from April 1, 2008 to April 1, 2010. In February 2008, the Company entered into an additional floating-to-fixed interest rate swap for the borrowings under the bank credit facility with a notional amount of $51 million and a fixed rate of 2.79%. The swap covers the period December 10, 2008 to December 10, 2009. As of September 30, 2009, the Company had $386 million of floating rate debts outstanding under the credit facility.

The following is a summary of the fair values of derivative instruments not designated as hedges for accounting purposes and where such values are recorded in the combined balance sheets as of September 30, 2009. None of the Company's derivative instruments are designated as hedges for accounting purposes (in thousands).

	2009	
	Balance sheet location	Fair value
Asset derivatives not designated as hedges for accounting purposes:		
Commodity contracts	Current assets	$ 32,585
Liability derivatives not designated as hedges for accounting purposes:		
Interest rate contracts	Current liabilities	$ 9,741
Interest rate contracts	Long-term liabilities	3,698
Commodity contracts	Long-term liabilities	1,047
Total liability derivatives		$ 14,486

The following is a summary of realized and unrealized gains (losses) on derivative instruments and where such values are recorded in the combined statement of operations for the nine months ended September 30, 2008 and 2009 (in thousands):

	Statement of operations location	September 30	
		2008	2009
Realized gains on commodity contracts	Revenue	$ 727	90,411
Unrealized gains (losses) on commodity contracts	Revenue	63,582	(70,742)
Total gains on commodity contracts		64,309	19,669
Realized (losses) on interest rate contracts	Other income (expenses)	(1,712)	(7,667)
Unrealized gains of interest rate contracts	Other income (expenses)	2,129	3,811
Total gains (losses) on interest rate contracts		417	(3,856)
Net gains on derivative contracts		$ 64,726	15,813

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

September 30, 2009 and December 31, 2008

(Unaudited)

(8) Derivative Instruments and Risk Management Activities (Continued)

The following table summarizes the valuation of investments and financial instruments by the fair value hierarchy at September 30, 2009 (in thousands):

	Fair value measurements using			
Description	Level 1	Level 2	Level 3	Total
Derivatives asset (liability):				
Fixed price commodity swaps	$ —	31,538	—	31,538
Interest rate swaps	—	(13,439)	—	(13,439)

(9) Commitments and Contingencies

(a) Firm Transportation Commitments

The Company has entered into a firm commitment to transport 20,000 MMBtu per day of the Company's net production from the Arkoma Basin for the period January 1, 2009 through August 31, 2012. In addition, the Company has entered into a firm commitment to transport 40,000 MMBtu per day of the Company's net production from the Arkoma Basin through July 31, 2016. The agreement has staggered start and termination dates. Commitments for 20,000 MMBtu started August 1, 2009 and terminate July 31, 2014. Commitments for 10,000 MMBtu start August 1, 2010 and terminate July 31, 2015. The remaining 10,000 MMBtu commitments start August 1, 2011 and terminate July 31, 2016.

The Company has entered into a firm commitment to transport 40,000 MMBtu per day of the Company's production from the Piceance Basin. In addition, the Company has also entered a firm commitment to transport 25,000 MMBtu per day of its production from the Piceance Basin to the west coast for the period from April 1, 2011 (estimated in-service date) through March 31, 2021.

(b) Drilling Rig Service Commitments

The Company has entered into contracts for the services of three drilling rigs, two of which expire in October and December 2009. The third drilling rig contract expires in October 2010. The commitments were entered into to ensure that drilling rig services would be available to the Company. Payments remaining under these agreements are approximately $11.3 million at September 30, 2009.

(c) Processing Commitment

The Company has entered into a firm processing commitment to process its natural gas from the Piceance Basin. The agreement guarantees the Company the ability to process 60,000 MMBtu/day through December 31, 2017. The Company is obligated to pay $0.05 per MMBtu whether or not it processes natural gas.

(10) Subsequent Events

On November 3, 2009, the Company reorganized its capital structure through the formation of a new entity, Antero Resources LLC (Antero LLC), a limited liability company, and the issuance of a new class of units. The stockholders of each of the Antero Entities contributed their shares in each of

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

September 30, 2009 and December 31, 2008

(Unaudited)

(10) Subsequent Events (Continued)

the entities to Antero LLC, which in turn issued the stockholders an equivalent number of units from eight classes of units in Antero LLC. The Antero LLC units are substantially similar to the contributed stock of each of the Antero Entities, including the relative priority of any distributions made by Antero LLC as well as the vesting schedule applicable to shares held by management members (see note 5). Antero LLC also issued profits interests to Antero Resources Employee Trust, LLC, a newly formed limited liability company, owned solely by certain of our officers and employees. The Antero Entities also canceled all of their outstanding stock incentive plans and, to the extent that the fair market value of the common stock underlying the options exceeded the exercise price, the option holders will be paid the difference in cash in 2010.

In connection with the reorganization on November 3, 2009, Antero LLC issued for cash of $110 million a new class of units. Antero LLC used the net proceeds from this offering of approximately $109 million to repay borrowings under the Credit Agreement. On November 30, 2009, Antero LLC issued additional units in the new class for $15 million.

On November 17, 2009, a newly formed wholly owned subsidiary of Antero LLC, Antero Resources Finance Corporation (ARFC), issued $375 million of 9.375% senior notes due December 1, 2017. On January 19, 2010, ARFC issued an additional $150 million of 9.375% senior notes with substantially the same terms as the notes issued on November 17, 2009. The notes are unsecured and subordinate to the Company's bank credit facility to the extent of the value of the collateral securing the bank credit facility. The notes are guaranteed on a senior unsecured basis by Antero Resources LLC, all of its wholly owned subsidiaries (other than ARFC) and certain of its future restricted subsidiaries. The Company used the proceeds to retire its second lien term loan of $225 million, paydown a portion of the advances on its bank credit facility and pay expenses of the offering. Interest on the notes is payable on June 1 and December 1 of each year, commencing on June 1, 2010. ARFC may redeem all or part of the notes at any time on or after December 1, 2013 at redemption prices from 104.688% on or after December 1, 2013 to 100.00% on or after December 1, 2015. In addition, on or before December 1, 2012, ARFC may redeem up to 35% of the aggregate principal amount of the notes with the net cash proceeds of certain equity offerings, if certain conditions are met, at a redemption price of 109.375%. At any time prior to December 1, 2013, ARFC may also redeem the notes, in whole or in part, at a price equal to 100% of the principal amount of the notes plus a "make-whole" premium. If Antero Resources LLC undergoes a change of control, ARFC may be required to offer to purchase notes from the holders.

As a result of the January 2010 notes offering, the borrowing base under the Company's senior secured revolving credit facility was automatically reduced by 25 cents per dollar of those notes issued in excess of $25 million.

Guarantor Subsidiaries

The Senior Notes offering included a registration rights agreement, and, accordingly, upon the filing of an exchange offering the Company will be subject to the disclosure requirements of FASB ASC Topic 470-10-S99. Such disclosures require the Company to provide condensed financial statements of Guarantor subsidiaries whose securities collateralize an issue registered or being registered.

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

September 30, 2009 and December 31, 2008

(Unaudited)

All of the Antero Entities, except Centrahoma LLC are guarantors of the Company's new Senior Notes. Each guarantee is full and unconditional and joint and several. The combining condensed financial statements below present the financial position, results of operations and cash flows of the Company and the nonguarantor company as of December 31, 2008 and September 30, 2009 and for the nine months ended September 30, 2008 and 2009 (in thousands).

Combining Condensed Balance Sheet

December 31, 2008

(In thousands)	Guarantor companies	Nonguarantor companies	Eliminations	Combined
Assets				
Cash and cash equivalents	$ 34,182	4,787	—	38,969
Accounts receivable	49,571	3,752	—	53,323
Derivative instruments	83,608	—	—	83,608
Other current assets	34,090	652	(6,474)	28,268
Total current assets	201,451	9,191	(6,474)	204,168
Property and equipment—net	1,727,452	70,263	—	1,797,715
Derivative instruments	18,672	—	—	18,672
Other assets, net	6,872	1,540	—	8,412
Total assets	1,954,447	80,994	(6,474)	2,028,967
Liabilities and Equity				
Accounts payable and accrued expenses	159,588	2,054	—	161,642
Revenue distribution payable and advances from joint interest owners	32,682	6,674	—	39,356
Derivative instruments	7,086	—	—	7,086
Other current liabilities	6,599	—	(6,474)	125
Total current liabilities	205,955	8,728	(6,474)	208,209
Long-term liabilities:				
Bank credit facility and term notes	621,580	—	—	621,580
Derivative instruments	10,164	—	—	10,164
Other long term liabilities	11,459	—	—	11,459
Total liabilities	849,158	8,728	(6,474)	851,412
Equity	1,105,289	72,266	—	1,177,555
Total liabilities and equity	1,954,447	80,994	(6,474)	2,028,967

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

September 30, 2009 and December 31, 2008

(Unaudited)

Combining Condensed Balance Sheet

September 30, 2009

	Guarantor companies	Nonguarantor company	Eliminations	Combined
Assets				
Cash and cash equivalents	$ 7,672	8,518	—	16,190
Accounts receivable—trade	22,524	8,537	—	31,061
Derivative instruments	32,585	—	—	32,585
Other current assets	24,745	314	(5,312)	19,747
Total current assets	87,526	17,369	(5,312)	99,583
Property and equipment—net	1,738,356	69,643	—	1,807,999
Other assets, net	10,764	1,540	—	12,304
Total assets	$ 1,836,646	88,552	(5,312)	1,919,886
Liabilities and Equity				
Accounts payable and accrued expenses	$ 55,124	1,485	—	56,609
Revenue distribution payable and advances from joint interest owners	17,935	14,229	—	32,164
Derivative instruments	9,741	—	—	9,741
Other current liabilities	5,442	—	(5,312)	130
Total current liabilities	88,242	15,714	(5,312)	98,644
Long-term liabilities:				
Bank credit facility and term notes	611,580	—	—	611,580
Derivative instruments	4,745	—	—	4,745
Other long term liabilities	8,666	—	—	8,666
Total liabilities	713,233	15,714	(5,312)	723,635
Total equity	1,123,413	72,838	—	1,196,251
Total liabilities and equity	$ 1,836,646	88,552	(5,312)	1,919,886

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

September 30, 2009 and December 31, 2008

(Unaudited)

Combining Condensed Income Statement

Nine Months Ended September 30, 2008

(In thousands)	Guarantor companies	Nonguarantor companies	Eliminations	Combined
Revenue:				
Total revenue	$ 263,607	4,631	(4,044)	264,194
Operating expenses:				
Operating expenses	60,492	2,007	(4,044)	58,455
Depletion, depreciation and amortization and accretion	83,509	2,282	—	85,791
General and administrative	11,201	242	—	11,443
Total operating expenses	155,202	4,531	(4,044)	155,689
Operating income (loss)	108,405	100	—	108,505
Total other income (expense)	(26,266)	315	—	(25,951)
Income (loss) before taxes	82,139	415	—	82,554
Current tax (expense) benefit	(3,029)	—	—	(3,029)
Net income	79,110	415	—	79,525
Noncontrolling interest in net income of consolidated subsidiary	(87)	—	—	(87)
Net income attributable to Antero stockholders	$ 79,023	415	—	79,438

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

September 30, 2009 and December 31, 2008

(Unaudited)

Combining Condensed Statement of Income

Nine months ended September 30, 2009

	Guarantor companies	Nonguarantor company	Eliminations	Combined
Revenue:				
Total revenue	$ 130,687	6,524	(5,786)	131,425
Operating expenses:				
Operating expenses	72,692	4,276	(5,786)	71,182
Depletion, depreciation and amortization and accretion	105,750	3,237	—	108,987
General and administrative	14,038	358	—	14,396
Total operating expenses	192,480	7,871	(5,786)	194,565
Operating loss	(61,793)	(1,347)	—	(63,140)
Total other expense	(27,266)	—	—	(27,266)
Loss before taxes	(89,059)	(1,347)	—	(90,406)
Current tax (expense) benefit	3,029	—	—	3,029
Net loss	(86,030)	(1,347)	—	(87,377)
Noncontrolling interest in net loss of consolidated subsidiary	539	—	—	539
Net loss attributable to Antero stockholders	$ (85,491)	(1,347)	—	(86,838)

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

September 30, 2009 and December 31, 2008

(Unaudited)

Combining Condensed Statement of Cash Flows

Nine months ended September 30, 2008

(In thousands)	Guarantor companes	Nonguarantor companies	Eliminations	Combined
Net cash provided (used) by operating activities	$ 133,562	(4,474)	—	129,088
Net cash used in investing activities	(887,971)	(8,983)	(15,471)	(912,425)
Net cash provided by financing activities	789,897	13,457	15,471	818,825
Net increase (decrease) in cash and cash equivalents	35,488	—	—	35,488
Cash and cash equivalents, beginning of period	11,114	—	—	11,114
Cash and cash equivalents, end of period	$ 46,602	—	—	46,602

Combining Condensed Statement of Cash Flows

Nine months ended September 30, 2009

	Guarantor companies	Nonguarantor company	Eliminations	Combined
Net cash provided (used) by operating activities	$ 113,534	4,697	—	118,231
Net cash used in investing activities	(228,269)	(2,883)	1,150	(230,002)
Net cash provided by financing activities	88,226	1,916	(1,150)	88,992
Net increase (decrease) in cash and cash equivalents	(26,509)	3,730	—	(22,779)
Cash and cash equivalents, beginning of period	34,182	4,787	—	38,969
Cash and cash equivalents, end of period	$ 7,673	8,517	—	16,190

(This page has been left blank intentionally.)

Report of Independent Registered Public Accounting Firm

The Stockholders' and Board of Directors
Antero Resources Entities:

We have audited the accompanying combined balance sheets of Antero Resources Entities as of December 31, 2007 and 2008, and the related combined statements of operations and statements of equity and comprehensive income (loss), and cash flows for each of the years in the three year period ended December 31, 2008. These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Antero Resources Entities as of December 31, 2007 and 2008, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2008, in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Denver, Colorado
February 11, 2010

ANTERO RESOURCES ENTITIES

Combined Balance Sheets

December 31, 2007 and 2008

(In thousands)

	2007	2008
Assets		
Current assets:		
Cash and cash equivalents	$ 11,114	38,969
Accounts receivable—trade	35,275	53,323
Accrued revenue	15,006	18,805
Prepaid expenses	1,641	7,615
Derivative instruments	11,380	83,608
Inventories	843	1,848
Total current assets	75,259	204,168
Property and equipment:		
Natural gas properties, at cost (successful efforts method):		
Unproved properties	201,210	649,605
Producing properties	617,697	1,148,306
Gathering systems and facilities	133,917	179,836
Other property and equipment	1,440	3,113
	954,264	1,980,860
Less accumulated depletion, depreciation, and amortization	(58,299)	(183,145)
Property and equipment, net	895,965	1,797,715
Derivative instruments	599	18,672
Other assets, net	7,459	8,412
Total assets	$ 979,282	2,028,967

ANTERO RESOURCES ENTITIES

Combined Balance Sheets (Continued)

December 31, 2007 and 2008

(In thousands)

	2007	2008
Liabilities and Equity		
Current liabilities:		
Treasury management revolving note payable	$ 6,307	—
Accounts payable	125,178	143,544
Accrued expenses	15,114	18,098
Revenue distributions payable	14,157	31,463
Advances from joint interest owners	2,432	7,893
Derivative instruments	1,785	7,086
Capital leases—current	118	125
Total current liabilities	165,091	208,209
Long-term liabilities:		
Bank credit facility	189,380	396,580
Second lien term notes payable	225,000	225,000
Derivative instruments	1,648	10,164
Asset retirement obligations	1,340	3,034
Deferred tax payable	—	3,029
Capital leases—noncurrent	1,279	1,154
Other long-term liabilities	1,242	4,242
Total liabilities	584,980	851,412
Equity:		
Preferred stock, issuable in series, par value $0.001 per share:		
Series A convertible preferred stock	268,000	268,000
Series B convertible preferred stock	225,000	895,000
Series C convertible preferred stock	5	6
Common Stock—Class A, par value $0.001 per share	22	22
Common Stock—Class B, par value $0.001 per share	11	11
Common Stock—Class C, par value $0.001 per share	66	83
Common Stock—Class D, par value $0.001 per share	25	31
Common Stock—Class E, par value $0.001 per share	21	27
Capital in excess of par value	383	332
Accumulated deficit	(99,231)	(15,275)
Total Antero stockholders' equity	394,302	1,148,237
Noncontrolling interest in consolidated subsidiary	—	29,318
Total equity	394,302	1,177,555
Total liabilities and equity	$ 979,282	2,028,967

See accompanying notes to combined financial statements.

ANTERO RESOURCES ENTITIES

Combined Statements of Operations

Years ended December 31, 2006, 2007 and 2008

(In thousands)

	2006	2007	2008
Revenue:			
Natural gas sales	$ 14,271	63,975	220,219
Realized/and unrealized gain on commodity derivative instrument (including unrealized gains of $18,656, $4,619 and $90,301 in 2006, 2007 and 2008, respectively)	14,331	18,992	116,354
Oil sales	523	3,749	9,496
Gas gathering and processing revenue	717	4,778	20,421
Total revenue	29,842	91,494	366,490
Operating expenses:			
Lease operating expenses	1,189	4,435	13,350
Gathering, compression and transportation	2,482	10,016	29,033
Production taxes	1,012	2,233	10,281
Exploration expenses	8,832	17,970	22,998
Impairment of unproved properties	8,117	4,995	10,112
Depletion, depreciation and amortization	7,940	50,091	124,821
Accretion of asset retirement obligations	9	68	176
General and administrative	7,478	11,682	16,171
Total operating expenses	37,059	101,490	226,942
Operating income (loss)	(7,217)	(9,996)	139,548
Other income (expense):			
Interest expense	(1,479)	(25,507)	(38,185)
Interest income	113	383	591
Realized and unrealized gains (losses) on interest derivative instruments, net (including unrealized losses of $0, $3,433 and $13,817 in 2006, 2007 and 2008, respectively)	—	(3,033)	(15,245)
Total other income (expense)	(1,366)	(28,157)	(52,839)
Income (loss) before income taxes	(8,583)	(38,153)	86,709
Income tax (expense) benefit	(400)	400	(3,029)
Net income (loss)	(8,983)	(37,753)	83,680
Noncontrolling interest in net loss of consolidated subsidiary	—	—	276
Net income (loss) attributable to Antero stockholders	$ (8,983)	(37,753)	83,956

See accompanying notes to combined financial statements.

ANTERO RESOURCES ENTITIES
Combined Statements of Equity and Comprehensive Income (Loss)
Years ended December 31, 2006, 2007 and 2008
(In thousands)

	Preferred stock			Common stock					Capital in excess of par value	Accumulated deficit	Total Antero stockholder equity	Noncontrolling interest	Total equity
	Series A	Series B	Series C	Class A	Class B	Class C	Class D	Class E					
Balance, December 31, 2005	$ 128,385	—	—	6	3	—	—	—	144	(52,082)	76,456	—	76,456
Issuance of Series A preferred stock	110,000	—	—	—	—	—	—	—	—	—	110,000	—	110,000
Common stock issued	—	—	—	16	8	—	—	—	304	—	328	—	328
Amortization of deferred stock compensation	—	—	—	—	—	—	—	—	41	—	41	—	41
Other	—	—	—	—	—	—	—	—	—	(414)	(414)	—	(414)
Net loss and comprehensive loss	—	—	—	—	—	—	—	—	—	(8,983)	(8,983)	—	(8,983)
Balance, December 31, 2006	238,385	—	—	22	11	—	—	—	489	(61,479)	177,428	—	177,428
Issuance of Series A preferred stock	29,615	—	—	—	—	—	—	—	—	—	29,615	—	29,615
Issuance of Series B preferred stock	—	225,000	—	—	—	—	—	—	—	—	225,000	—	225,000
Issuance of Series C preferred stock	—	—	5	—	—	—	—	—	(5)	—	—	—	—
Stock compensation	—	—	—	—	—	66	25	21	756	—	868	—	868
Net loss and comprehensive loss	—	—	—	—	—	—	—	—	—	(37,753)	(37,753)	—	(37,753)
Other	—	—	—	—	—	—	—	—	(856)	—	(856)	—	(856)
Balance, December 31, 2007	268,000	225,000	5	22	11	66	25	21	384	(99,232)	394,302	—	394,302
Issuance of Series B preferred stock	—	670,000	—	—	—	—	—	—	—	—	670,000	—	670,000
Issuance of Series C preferred stock	—	—	1	—	—	—	—	—	(1)	—	—	—	—
Stock compensation	—	—	—	—	—	17	6	6	241	—	270	—	270
Sale of noncontrolling interest of Centraboma	—	—	—	—	—	—	—	—	—	—	—	29,594	29,594
Net income and comprehensive income	—	—	—	—	—	—	—	—	—	83,956	83,956	(276)	83,680
Other	—	—	—	—	—	—	—	—	(291)	—	(291)	—	(291)
Balance, December 31, 2008	$ 268,000	895,000	6	22	11	83	31	27	333	(15,276)	1,148,237	29,318	1,177,555

See accompanying notes to combined financial statements.

ANTERO RESOURCES ENTITIES

Combined Statements of Cash Flows

Years ended December 31, 2006, 2007 and 2008

(In thousands)

	2006	2007	2008
Cash flows from operating activities:			
Net income (loss)	$ (8,983)	(37,753)	83,956
Adjustment to reconcile net earnings to net cash provided by operating activities:			
Net loss attributable to noncontrolling interest	—	—	(276)
Depletion, depreciation, and amortization	7,940	50,091	124,821
Dry hole costs	—	4,405	6,582
Impairment of unproved properties	1,887	4,995	10,112
Accretion of asset retirement obligations	9	68	176
Amortization of deferred financing costs	72	757	1,283
Amortization premiums on commodity derivative instruments	534	453	—
Stock compensation	41	868	269
Unrealized (gains) losses on derivative instruments, net	(18,656)	1,239	(76,484)
Deferred taxes	400	(400)	3,029
Changes in current assets and liabilities:			
Accounts receivable	(9,350)	(23,351)	(17,641)
Accrued revenue	(5,399)	(6,488)	(3,798)
Prepaid expenses	229	(1,386)	(5,973)
Inventories	(449)	(330)	(1,005)
Accounts payable	9,066	7,070	3,713
Accrued expenses	2,160	13,503	5,984
Revenue distributions payable	1,990	8,980	17,306
Advance from joint interest owners	408	2,024	5,461
Net cash provided by operating activities	(18,101)	24,745	157,515
Cash flows from investing activities:			
Proved properly acquisitions	—	(29,074)	(3,466)
Additions to unproved properties	(18,537)	(144,897)	(457,879)
Drilling costs	(166,291)	(335,465)	(512,112)
Additions to gathering systems and facilities	(24,323)	(90,262)	(51,964)
Additions to other property and equipment	(151)	(372)	(1,674)
Proceeds from disposition of assets held for sale	51,625	—	—
Decrease in other assets	(588)	(832)	(1,479)
Sale of noncontrolling interest in subsidiary	—	—	24,564
Net cash used in investing activities	(158,265)	(600,902)	(1,004,010)
Cash flows from financing activities:			
Borrowings on treasury management revolving note payable, net	—	6,307	(6,307)
Borrowings on bank credit facility	69,000	458,460	279,200
Payments on bank credit facility	—	(351,580)	(72,000)
Borrowings on second lien term note	—	225,000	—
Payments on capital lease obligations	—	(111)	(117)
Deferred financing costs	(603)	(6,509)	(758)
Issuance of Series A preferred stock	110,000	29,615	—
Issuance of Series B preferred stock	—	225,000	670,000
Net cash received from noncontrolling interest	—	—	4,623
Other	(86)	(856)	(291)
Net cash provided by financing activities	178,311	585,326	874,350
Net increase in cash and cash equivalents	1,945	9,169	27,855
Cash and cash equivalents, beginning of year	—	1,945	11,114
Cash and cash equivalents, end of year	$ 1,945	11,114	38,969
Supplemental disclosure of cash flow information:			
Cash paid during the year for interest	$ 768	17,299	38,896
Supplemental disclosure of noncash investing activities:			
Changes in accounts payable for additions to properties, systems and facilities	$ 60,220	46,399	14,653

See accompanying notes to combined financial statements.

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements

December 31, 2006, 2007 and 2008

(1) Organization

(a) Nature of Business

The combined Antero Resources Entities (Antero Entities, Antero or the Company) are entities under common control and include Antero Resources Corporation, Antero Resources Piceance Corporation, Antero Resources Midstream Corporation, Antero Resources Pipeline Corporation, and Antero Resources Appalachian Corporation, all of which are considered affiliated entities. Each is headquartered in Denver, Colorado. Ownership in each of the Antero Entities is held by the same individuals or entities in the same percentage and each shareholder's respective ownership is consistent across all equity instruments in the group.

Antero Resources Corporation (Antero Arkoma), formerly Antero Resources II Corporation, is an independent exploration and production company engaged in the acquisition and development of oil and natural gas properties. Substantially all of the Company's oil and gas properties are located in the Arkoma Basin in Coal and Hughes counties in Oklahoma.

Antero Resources Piceance Corporation (Antero Piceance) is an independent exploration and production company engaged in the acquisition and development of oil and natural gas properties. Substantially all of Antero Piceance's producing gas properties are located in the Piceance Basin in Garfield County, Colorado. Antero Piceance was incorporated in Delaware on May 11, 2006.

Antero Resources Midstream Corporation (Antero Midstream) including its subsidiary Centrahoma Processing LLC, is an independent company engaged in the gathering, treatment, and processing, of natural gas and natural gas liquids (NGLs) in the Arkoma Basin. Antero Midstream was incorporated in Delaware on May 11, 2006.

Antero Resources Pipeline Corporation (Antero Pipeline) is an independent pipeline company engaged in the gathering of natural gas in the Piceance Basin. Antero Pipeline was incorporated in Delaware on May 11, 2006.

Antero Resources Appalachian Corporation (Antero Appalachian), formerly Antero Resources Barnett Corporation is an independent exploration and production company engaged in the acquisition and development of oil and natural gas properties. Antero Appalachian anticipates that substantially all of its properties will be located in the Marcellus Shale Play in the Pennsylvania and West Virginia area. Antero Appalachian was incorporated in Delaware on March 15, 2008.

(b) Recent Organizational Changes

On February 11, 2008, Antero Midstream and MarkWest Oklahoma Gas Company, LLC (MarkWest) (referred to herein individually as Member or collectively as Members) entered into an Ownership and Operating Agreement (the Agreement) resulting in the formation of Centrahoma Processing LLC. Pursuant to this Agreement and the formation of Centrahoma, Antero Midstream agreed to contribute processing assets with a fair value of $60.5 million, for an 80% ownership, and MarkWest agreed to contribute $12.1 million in cash for a 20% ownership. At formation the Members contributed an additional aggregate $2.0 million in cash, in proportion with each respective Member's ownership interest, for working capital and capital expenditure requirements. On May 9, 2008, MarkWest exercised its option to purchase an additional 20% interest in Centrahoma, from Antero Midstream, for a cash payment of $12.1 million. At December 31, 2008 Centrahoma is 60% owned by

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(1) Organization (Continued)

Antero Midstream and 40% owned by MarkWest. Centrahoma is accounted for as a consolidated subsidiary with MarkWest interests reflected as noncontrolling interest in the combined financial statements.

The Antero Midstream contribution of processing assets was accounted for as a transaction between entities under common control, whereby the assets contributed by Antero Midstream were recorded at their carry-over basis of $58.9 million.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying combined financial statements include the combined accounts of the Antero Entities. The Antero Midstream financial statements include the results of Centrahoma Processing LLC, a majority-owned subsidiary. The noncontrolling interest in the combined financial statements represent the 40% Centrahoma Processing LLC interest owned by MarkWest. All significant intercompany accounts and transactions have been eliminated in combination.

(b) Use of Estimates

The preparation of combined financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Changes in facts and circumstances or discovery of new information may result in revised estimates and actual results could differ from those estimates.

The Company's combined financial statements are based on a number of significant estimates including estimates of gas and oil reserve quantities, which are the basis for the calculation of depreciation, depletion, amortization, present value of future reserves, and impairment of oil and gas properties. Reserve estimates by their nature are inherently imprecise.

(c) Risks and Uncertainties

Historically, the market for natural gas has experienced significant price fluctuations. Prices for natural gas have been particularly volatile in recent years. The price fluctuations can result from variations in weather, levels of production in the region, availability of transportation capacity to other regions of the country, and various other factors. Increases or decreases in prices received could have a significant impact on the Company's future results of operations.

(d) Cash and Cash Equivalents

The Company considers all liquid investments purchased with an initial maturity of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value due to the short-term nature of these instruments.

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(2) Summary of Significant Accounting Policies (Continued)

(e) Oil and Gas Properties

The Company accounts for its natural gas and crude oil exploration and development activities under the successful efforts method of accounting. Under such method, costs of productive wells, development dry holes, and undeveloped leases are capitalized. Oil and gas lease acquisition costs are also capitalized. Exploration costs, including personnel costs, geological and geophysical expenses, and delay rentals for gas and oil leases, are charged to expense as incurred. Exploratory drilling costs are initially capitalized, but charged to expense if and when the well is determined not to have found reserves in commercial quantities. The sale of a partial interest in a proved property is accounted for as a cost recovery and no gain or loss is recognized as long as this treatment docs not significantly affect the units-of-production amortization rate. A gain or loss is recognized for all other sales of producing properties.

Unproved properties with significant acquisition costs are assessed for impairment on a property-by-property basis and any impairment in value is charged to expense. Other unproved properties are assessed for impairment on an aggregate basis. If the unproved properties are determined to have reserves, the related costs are transferred to proved properties. Proceeds from sales of partial interests in unproved properties are accounted for as a recovery of cost without recognizing any gain or loss until the cost has been recovered. Management believes that all unproved properties at December 31, 2008 will be evaluated within the next five years. Impairments of unproved properties for expired leases were $3.5 million, $5.0 million, and $10.1 million for the years ended December 31, 2006, 2007 and 2008, respectively.

The Company reviews its natural gas properties for impairment whenever events and circumstances indicate that the carrying value of the properties may not be recoverable. The Company estimates the expected future cash flows of its natural gas properties and compares such future cash flows to the carrying amount of the natural gas properties to determine if the carrying amount is recoverable. If the carrying amount exceeds the estimated undiscounted future cash flows, the Company reduces the carrying amount of the natural gas properties to their estimated fair value. The factors used to determine fair value include estimates of proved reserves, future commodity prices, future production estimates, anticipated capital expenditures, and a discount rate commensurate with the risk associated with realizing the expected cash flows projected. There were no impairments of producing natural gas properties during the years ended December 31, 2006, 2007 and 2008.

The provision for depreciation, depletion, and amortization of natural gas properties is calculated on a geological reservoir basis using the units-of-production method. Depreciation, depletion, and amortization expense for natural gas properties was $7.0 million, $44.1 million, and $116.9 million for the years ended December 31, 2006, 2007 and 2008, respectively.

(f) Inventories

Inventories consist of chemicals, pipe and flow meters and are stated at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method.

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(2) Summary of Significant Accounting Policies (Continued)

(g) Gathering Systems and Processing Facilities

Gathering systems, compressors, and processing facilities are depreciated using the straight-line method over their estimated useful life of 20 years. Expenditures for installation, major additions, and improvements are capitalized and minor replacements, maintenance, and repairs are charged to expenses as incurred. For the years ended December 31, 2006, 2007 and 2008, depreciation expense for gathering systems and processing facilities was $0.7 million, $5.7 million, and $7.5 million, respectively. A gain or loss is recognized upon the sale or disposal of property and equipment.

The Company revised the estimated useful life of its gathering systems and processing facilities effective January 1, 2008. The prospective change was immaterial to the financial statements in 2008.

(h) Impairment of Long-Lived Assets Other than Natural Gas Properties

The Company evaluates its long-lived assets other than natural gas properties for impairment when events or changes in circumstances indicate that the related carrying amount of the assets may not be recoverable. Generally, the basis for making such assessments is undiscounted future cash flow projections for the unit being assessed. If the carrying value amounts of the assets are deemed to be not recoverable, the carrying amount is reduced to the estimated fair value which is based on discounted future cash flows or other techniques, as appropriate. No impairments have been recorded to date.

(i) Other Property and Equipment

Other property and equipment, consisting of vehicles and office equipment, is depreciated using the straight-line method, over their estimated useful lives, which range from 3 to 5 years. For the years ended December 31, 2006, 2007 and 2008, depreciation expense for other property and equipment was $323 thousand, $302 thousand, and $390 thousand, respectively. A gain or loss is recognized upon the sale or disposal of property and equipment.

(j) Deferred Financing Costs

Costs incurred in connection with the execution or modification of the Company's credit facilities are capitalized and amortized over the term of the facilities which approximates the effective interest method.

(k) Derivative Financial Instruments

In order to manage its exposure to oil and gas price volatility, the Company, from time to time, enters into derivative transactions, including commodity swap agreements, collar agreements, and other similar agreements relating to natural gas expected to be produced. The Company also enters into derivative contracts to mitigate the effects of interest rate fluctuations.

The Company follows the guidance in Statement of Financial Accounting Standards (SFAS) No. 133, *Accounting for Derivative Instruments and Hedging Activities* (SFAS 133), in accounting for its derivative activities. SFAS 133 establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be

(2) Summary of Significant Accounting Policies (Continued)

recorded on the balance sheet as either an asset or liability measured at its fair value. It also requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. SFAS 133 requires that a company formally document, designate, and assess the effectiveness of transactions that receive hedge accounting treatment.

Special accounting for qualifying hedges provides that the gains and losses on a derivative be accounted for as an offset to the related results of the hedged item in the income statement. SFAS 133 provides that for cash flow hedges the effective portion of the gain or loss on a derivative instrument designated and qualifying as a cash flow hedging instrument be reported as a component of other comprehensive income and reclassified into earnings in the same period or periods during which the hedged forecasted transaction affects earnings. The Company has no qualifying hedges, and consequently, all changes in the fair market value of its derivative instruments are reflected in the statement of operations as they occur.

(l) Asset Retirement Obligations

Statement of Financial Accounting Standards No. 143, *Accounting for Asset Retirement Obligations* (SFAS 143), requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement cost is capitalized as part of the carrying amount of the long-lived asset. Subsequently, the asset retirement cost is allocated to expense using a systematic and rational method over the asset's useful life. The majority of the asset retirement obligations recorded by the Company relate to the Company's obligation to plug and abandon its natural gas wells.

In March 2005, the FASB issued Interpretation No. 47, *Accounting for Conditional Asset Retirement Obligations* (FIN 47) which became effective at December 31, 2005. FIN 47 clarifies that the term "conditional asset retirement obligation" as used in FASB Statement No. 143, *Accounting for Asset Retirement Obligations*, refers to a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. Since the obligation to perform the asset retirement activity is unconditional, FIN 47 provides that a liability for the fair value of a conditional asset retirement activity should be recognized if that fair value can be reasonably estimated, even though uncertainty exists about the timing and/or method of settlement. FIN 47 also clarifies when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation under SFAS 143. The Company did not provide any asset retirement obligations related to its midstream and pipeline assets as of December 31, 2007 or 2008 because it does not have sufficient information as set forth in FIN 47 to reasonably estimate such obligations and the Company has no current intention of discontinuing use of these assets.

(m) Environmental Liabilities

Environmental expenditures that relate to an existing condition caused by past operations and that do not contribute to current or future revenue generation are expensed as incurred. Liabilities are accrued when environmental assessments and/or clean up is probable, and the costs can be reasonably estimated. These liabilities are adjusted as additional information becomes available or circumstances change. As of December 31, 2007 and 2008, the Company has not accrued for nor been fined or cited

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(2) Summary of Significant Accounting Policies (Continued)

for any environmental violations that could have a material adverse effect on future capital expenditures or operating results of the Company.

(n) Natural Gas and Oil Revenues

The Company utilizes the accrual method of accounting for oil and natural gas revenues, whereby revenues are recognized as the Company's entitlement share of oil and natural gas is produced based on its working interests in the properties. The Company records a receivable (payable) to the extent it receives less (more) than its proportionate share of oil and natural gas revenues. At December 31, 2007 and 2008, the Company had no significant imbalance positions.

(o) Gathering and Processing Fees Revenue

The Company utilizes the accrual method of accounting for natural gas gathering, treating and processing fees and sales of natural gas liquids (NGLs) revenue earned under various contracts. The amount of revenue is determinable when the sale of the applicable product has been completed upon delivery and transfer of title at the tailgate of the plants. Service revenue fees are recognized as revenue when services are performed.

(p) Concentrations of Credit Risk

The Company's revenues are derived principally from uncollateralized sales to purchasers in the oil and gas industry. The concentration of credit risk in a single industry affects the Company's overall exposure to credit risk because purchasers may be similarly affected by changes in economic and other conditions. The Company has not experienced significant credit losses on its receivables.

The Antero Entities sales to major customers (purchase in excess of 10% of total sales), for the years ended December 31, 2006, 2007 and 2008 as follows:

	2006	2007	2008
Company A	48%	70%	49%
Company B	37	22	41
Company C	—	—	—
All others	15	8	10
	100%	100%	100%

The Company, at times, may have cash in banks in excess of federally insured amounts.

(q) Stock Compensation

The Company follows the fair value recognition provisions of Financial Accounting Standard Board Statement No. 123R, *Share-Based Payment* (SFAS 123R), in accounting for its stock based compensation plans. Under this method, the estimated fair value of restricted stock or options awarded is charged to compensation expense over the vesting or performance period net of estimated forfeitures.

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(2) Summary of Significant Accounting Policies (Continued)

(r) Income Taxes

Deferred tax assets and liabilities are recognized for temporary differences resulting from net operating loss carryforwards for income tax purposes and the differences between the financial statement and tax basis of assets and liabilities. The effect of changes in the tax laws or tax rates is recognized in income in the period such changes are enacted. Deferred tax assets are reduced by a valuation allowance, when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Each of the Antero Entities files a stand alone tax return. The Company has adopted the provisions of Financial Accounting Standards Board Interpretation No. 48 "Accounting for Uncertainty in Income Taxes" ("FIN 48") an interpretation of FASB Statement No. 109 "Accounting for Income Taxes", effective as of January 1, 2007. The interpretation clarifies the accounting for uncertainty in income taxes recognized in our financial statements and provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The adoption of FIN 48 resulted in no impact to our combined financial statements and we have no unrecognized tax benefits that would impact our effective rate.

(s) New Adopted Accounting Pronouncements

SFAS No. 161, ***Disclosures about Derivative Instruments and Hedging Activities—an amendment of FASB Statement No.*** **133 or SFAS 161**—In March 2008, the FASB issued SFAS 161, which requires disclosures of how and why an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for and how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. SFAS 161 was effective for the Company on January 1, 2009. The Company has adopted these disclosure requirements in these financial statements.

SFAS No. 160, ***Noncontrolling Interests in Consolidated Financial Statements, an amendment of Accounting Research Bulletin No. 51*** **or SFAS 160**—In December 2007, the FASB issued SFAS 160, which establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent's ownership interest and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. SFAS 160 also establishes reporting requirements that provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS 160 was effective for the Company on January 1, 2009. The Company has retroactively applied the provisions of this standard in these financial statements.

SFAS No. 157, ***Fair Value Measurements*** **or SFAS 157**—In September 2006, the FASB issued SFAS 157, which was effective for the Company on January 1, 2008, SFAS 157:

- Issues Involved in Accounting for Derivative Contracts Held for Trading Purposes and Involved in Energy Trading and Risk Management Activities, which required the deferral of profit at inception of a transaction involving a derivative financial instrument in the absence of observable data supporting the valuation technique; and

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(2) Summary of Significant Accounting Policies (Continued)

- Upon the adoption of this standard we incorporated the marketplace participant view as prescribed by SFAS 157. Such changes included, but were not limited to, changes in valuation policies to reflect an exit price methodology, the effect of considering our own nonperformance risk on the valuation of liabilities, and the effect of any change in the Company's credit rating or standing. There were no significant impacts as the result of adopting SFAS 157. All changes in the Company's valuation methodology have been incorporated into our fair value calculations subsequent to adoption.

Pursuant to FASB Staff Position 157-2, the FASB issued a partial deferral, ending on December 31, 2008, of the implementation of SFAS 157 as it relates to all nonfinancial assets and liabilities where fair value is the required measurement attribute by other accounting standards. While the Company has adopted SFAS 157 for all financial assets and liabilities effective January 1, 2008, the Company has not assessed the impact that the adoption of SFAS 157 will have on its nonfinancial assets and liabilities.

(t) Recent Accounting Pronouncements

SFAS No. 165, *Subsequent Events*—In May 2009, the FASB issued SFAS No. 165, *Subsequent Events* (SFAS No. 165). SFAS No. 165 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. Although there is new terminology, the standard is based on the same principles as those that currently exist. This statement, which includes a new required disclosure of the date through which an entity has evaluated subsequent events, is effective for interim or annual periods ending after June 15, 2009.

SFAS No. 168, *The FASB Accounting Codification and the Hierarchy of Generally Accepted Accounting Principles of SFAS 168*—In July 2009, the FASB issued SFAS 168 which establishes the Financial Accounting Standards Board Accounting Standards Codification as the source of authoritative U.S. generally accepted accounting principles recognized by the FASB to be applied to nongovernmental entities. The contents of the Codification will carry the same level of authority, eliminating the four-level GAAP hierarchy previously set forth in Statement 162, The Hierarchy of Generally Accepted Accounting Principles, which has been superseded by Statement 168. The Codification will supersede all existing non-SEC accounting and reporting standards. All other nongrandfathered, non-SEC accounting literature not included in the Codification will become nonauthoritative. The Codification is the exclusive authoritative reference for nongovernmental U.S. GAAP for use in financial statements issued for interim and annual periods ending after September 15, 2009, except for SEC rules and interpretive releases, which are also authoritative GAAP for SEC registrants. The Company's audited financial statements for the year-ended December 31, 2009 will reflect the new pronouncement.

Proposed Accounting Standards Update—Oil and Gas Reserve Estimation and Disclosures—On December 31, 2008, the SEC published final rules and interpretations updating its oil and gas reporting requirements. Many of the revisions are updates to definitions in the existing oil and gas rules to make them consistent with the Petroleum Resource Management System, which is a widely accepted standard for the management of petroleum resources that was developed by several industry organizations. Key revisions include the ability to include nontraditional resources in reserves, the use of new technology

(2) Summary of Significant Accounting Policies (Continued)

for determining reserves, permitting disclosure of probable and possible reserves, and changes to the pricing used to determine reserves based on a 12-month average price rather than a period end spot price. The average is to be calculated using the first-day-of-the-month price for each of the 12 months that make up the reporting period. The new rules are effective for annual reports for fiscal years ending on or after December 31, 2009. Early adoption is not permitted. The Company expects proved reserves to increase.

In September 2009, the FASB issued an exposure draft of proposed Accounting Standards Update (ASU) entitled *Oil and Gas Reserve Estimation and Disclosures*. This proposed ASU would amend the FASB accounting standards to align the reserve calculation and disclosure requirements with the requirements in the new SEC Rule, Modernization of Oil and Gas Reporting Requirements. As proposed, the ASU would be effective for reporting periods ending on or after December 31, 2009. Public comment was sought on the proposed ASU by October 15, 2009.

(3) Acquisitions

Antero Arkoma—On December 4, 2007, the Antero Arkoma acquired approximately 6,000 net acres in Coal and Hughes counties, Oklahoma and approximately 60 wells with various working interests. The purchase price was approximately $61 million, including purchase price adjustments of approximately $5 million. The operational results of the acquisition were included in the consolidated operations from the date of acquisition, December 4, 2007. The allocation of the purchase was approximately $38 million for unevaluated leasehold costs, and $28 million for proved properties.

Antero Piceance—In July 2008, Antero Piceance acquired 21 producing properties, unproved acreage, and the related gathering assets in Garfield County, Colorado for $39.2 million. The allocation of the purchase price was approximately $35.7 million for nonproducing leasehold costs and $3.5 million for proved properties.

Antero Appalachian—On September 30, 2008, Antero Appalachian acquired deep rights including the Marcellus Shale formation on approximately 114,000 net acres in the Appalachian Basin in southwestern Pennsylvania and northern West Virginia. The purchase price was approximately $347 million and was allocated to unproved property. The acquisition agreement contains various drilling commitments which requires Antero Appalachian to spend an estimated $625 million between January 1, 2009 and June 30, 2018 at structured intervals. If the Company does not fulfill its drilling commitments, portions of the unproved property may revert to the seller.

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(4) Divestitures of Assets Held for Sale

In May 2006 the Company sold its Overton field assets in East Texas for a sales price of approximately $51.6 million.

(5) Credit Facilities

(a) Bank Credit Facility

The Antero Entities entered into a Credit Agreement (Credit Agreement), which provides for loans up to $400 million, limited to a conforming and nonconforming borrowing base as determined by the lenders. The borrowing base is determined at the discretion of lenders, based on the collateral value of our proved reserves and is subject to regular semi-annual redeterminations. The next semi-annual redetermination of our borrowing base is scheduled to be in April 2010.

The Credit Agreement is secured by mortgages on substantially all of the Company's properties. Each of the Antero Entities has guaranteed the obligations of the other Antero Entities under the Credit Agreement. All advances are due and payable on March 15, 2012. The Credit Agreement contains certain covenants, including restrictions on indebtedness and dividends, and requirements with respect to working capital and leverage ratios. Interest is payable at a variable rate based on LIBOR or the prime rate based on the Company's election at the time of borrowing. The Antero Entities are in compliance with their financial covenants as of December 31, 2008.

As of December 31, 2008, the Company had an outstanding balance under the Credit Agreement of $397 million with a weighted average interest rate of 5.0%. On December 31, 2007, the Company had an outstanding balance under the Credit Agreement of $189 million with a weighted average interest rate of 7.5%. The Company pays commitment fees of up to 0.50% of the unused borrowing base. In addition, the Company had approximately $3.0 million in outstanding letters of credit under the facility at December 31, 2008. At December 31, 2008, the conforming borrowing base was amended to $320 million and the nonconforming borrowing base was $80 million. The nonconforming base has interest rates up to two basis points higher than the conforming base depending upon the borrowing level.

The following schedule discloses the outstanding balances under the Credit Agreement for each Antero entity at December 31, 2007 and 2008 (in thousands):

	Antero Arkoma	Antero Piceance	Antero Midstream	Antero Pipeline	Antero Appalachian	Combined total
Bank credit facility:						
December 31, 2007	$ 58,860	62,500	59,700	8,320	—	189,380
December 31, 2008	254,860	86,700	46,700	8,320	—	396,580

Subsequent to December 31, 2008 the Antero Entities executed a new Amended and Restated Credit Agreement dated January 14, 2009. The new agreement facilitated changes in the participating banks, eliminated the nonconforming portion of the borrowing base, and increased the variable interest rate based on LIBOR or the prime rate. Additionally the Company paid down the loan to $375 million, the amount of the newly determined conforming borrowing base.

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(5) Credit Facilities (Continued)

(b) Second Lien Term Loan Agreement

On April 12, 2007, Antero Arkoma, Antero Midstream, Antero Piceance, and Antero Pipeline (Second Lien Antero Entities) all participated in a term loan facility for $225 million (the Term Loan). Interest is payable at a rate of LIBOR plus 4.50%. The facility is for a term of seven years and the entire amount is due April 12, 2014. The Term Loan is secured by second mortgages on substantially all of the Second Lien Antero Entities properties. Each of the Second Lien Antero Entities has guaranteed the obligations of the other Second Lien Antero Entities' under the Term Loan. The Term Loan contains certain covenants, including restrictions on indebtedness and dividends, and requirements with respect to interest coverage, leverage ratios, and present value of reserves ratios on a combined basis. The Second Lien Antero Entities are in compliance with these the financial covenants as of December 31, 2008.

On December 31, 2008, the Company had an outstanding balance under the Term Loan facility of $225 million at a weighted average interest rate of 8.4%. On December 31, 2007, the Company had an outstanding balance under the Term Loan facility of $225 million at a weighted average interest rate of 9.8%. The following schedule discloses the outstanding balances for each Antero entity for the years ended December 31, 2007 and 2008 (in thousands):

	Antero Arkoma	Antero Piceance	Antero Midstream	Antero Pipeline	Combined total
Second lien term notes:					
December 31, 2007	$ 100,000	90,000	27,000	8,000	225,000
December 31, 2008	100,000	90,000	27,000	8,000	225,000

(c) Treasury Management Revolving Note

In November 2007, the Company entered into a treasury management revolving note agreement with a bank for up to $7.5 million. When drawn, the note bore interest at the prime rate. The note matured on December 31, 2008 and was not renewed. As of December 31, 2007, the Company had approximately $6.3 million outstanding under this agreement, this was paid in full at maturity.

(d) Capital Leases

The Company leases certain compressors under agreements that are classified as capital leases. The cost of equipment under capital leases is included in property and equipment and was approximately $1.3 million at December 31, 2007 and 2008. Accumulated amortization of the leased equipment at December 31, 2007 and 2008 was approximately $152 thousand $227 thousand, respectively. Amortization of assets under capital leases is included in depreciation expense.

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(5) Credit Facilities (Continued)

The following represents the future minimum lease payments remaining under capital leases as of December 31, 2008 (in thousands):

2009	$ 196
2010	196
2011	196
2012	196
2013	196
Thereafter	624
Total	1,604
Amount representing interest	(325)
Present value minimum lease payments	1,279
Less current portion of obligations under capital leases	125
Noncurrent portion of obligations under capital leases	$ 1,154

(6) Asset Retirement Obligations

The following is a reconciliation of the Company's asset retirement obligations for the years ended December 31, 2007 and 2008 (in thousands).

	2007	2008
Asset retirement obligations—beginning of year	$ 459	1,340
Obligations acquired	813	1,518
Accretion expense	68	176
Asset retirement obligations—end of year	$ 1,340	3,034

(7) Preferred Stock

(a) Series A Preferred Stock

On May 6, 2004, the Antero Entities each entered into a Restructuring and Series A Preferred Stock Financing Agreement (Stock Purchase Agreements), which provides for funding commitments of up to $260 million, from an investor group led by Warburg Pincus Private Equity VIII, LP (Investor Group). The Investor Group had agreed to fund the future capital commitments (as defined) in exchange for shares of Series A preferred stock (Series A) issued by each Antero Entity. The Antero Entities paid an investment banking firm a 1.875% placement fee for all capital commitments funded over $67 million up to a maximum of $200 million.

On October 17, 2005, the Antero Entities amended the Series A Preferred Stock Purchase Agreements (Amended Stock Purchase Agreements) for the recapitalization of the Antero Entities, which provided for funding commitments of up to $268 million. The recapitalization provided for the bifurcation of each Company's common stock into Class A common stock and Class B common stock, additional incentive stock options, $75.8 million of additional capital commitments by the Investor

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(7) Preferred Stock (Continued)

Group, an increase in capital commitments by the management group from $7 million to $15 million, and a $3.4 million capital call for Series A Preferred Stock (Series A) to be solely funded by the management group in order to meet the increased management capital commitment.

On July 13, 2006, the stock purchase agreements were amended to allow the $268 million commitment to be allocated to each Antero Entity in existence at that time at the discretion of the board of directors of the respective Antero Entities.

The Series A has been issued by each Antero Entity at a price of $10 per share, and holders are entitled to a cumulative dividend at the rate of 8%, compounded quarterly, if and when declared by the board of directors of the respective Antero Entity. Each share of Series A is convertible into one share of common stock plus an amount payable in cash, or in the event of an initial public offering, additional shares of common stock, equal to the purchase price plus any accumulated unpaid dividends. Each share of Series A is entitled to vote with the holders of the common stock on all matters submitted to a vote of stockholders of Company as if Series A was converted to common stock. Upon a liquidation event (as defined), holders of Series A are entitled to receive, prior to any amounts to be received by the common stockholders, an amount equal to the purchase price plus any accumulated unpaid dividends. The Series A stockholders continue to participate with the common stockholders in any excess funds available in liquidation as if Series A was converted into common stock. The Company accrues dividends upon liquidation or other events defined in the Stock Purchase Agreements, no dividends are accrued as of December 31, 2007 or 2008. The following schedule discloses shares outstanding and accumulated unpaid dividends for each Antero entity:

	Antero Arkoma	Antero Piceance	Antero Midstream	Antero Pipeline	Antero Appalachian	Combined total
Authorized, issued and outstanding Series A preferred shares:						
December 31, 2007	$ 16,800,000	8,700,000	900,000	400,000	—	26,800,000
December 31, 2008	16,800,000	8,700,000	900,000	400,000	—	26,800,000
Accumulated unpaid dividends:						
December 31, 2007	$ 40,300,000	9,200,000	1,000,000	492,000	—	50,992,000
December 31, 2008	57,500,000	17,100,000	1,800,000	863,000	—	77,263,000

In connection with the amended Stock Purchase Agreement, the Antero Entities entered into amended Stockholders' Agreements, which requires prior stockholder approval of certain activities, including the repurchase of equity securities, the declaration of dividends, incurrence of debt, and the approval of the annual budget, significant acquisitions, material hedging contracts, and contracts with related parties.

(b) Series B Preferred Stock

On August 10, 2007, the Antero Entities entered into Stock Purchase Agreements with six of its existing stockholders and the management team (Investors). The Stock Purchase Agreements

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(7) Preferred Stock (Continued)

authorized 66,666,667 shares of Series B Preferred Stock (Series B) in each Antero Entity. The Stock Purchase Agreements allow the Investors to purchase up to $1 billion of Series B at $15 per share, of each Company. The securities are issued by all the Antero Entities, upon receipt of capital calls made by their respective boards of directors. The Series B has been issued by each Company at a price of $15 per share, and holders are entitled to a cumulative dividend at the annual rate of 8%, compounded quarterly, if and when declared by the board of directors. Each share of Series B is convertible into one share of common stock plus an amount payable in cash, or in the event of an initial public offering, additional shares of common stock, equal to the purchase price plus any accumulated unpaid dividends. Each share of Series B is entitled to vote with the holders of the common stock on all matters submitted to a vote of stockholders of each Company as if Series B was converted to common stock. Upon a liquidation event (as defined), holders of Series B are entitled to receive, prior to any amounts to be received by the common stock holders, an amount equal to the purchase price plus any accumulated unpaid dividends. The Series B holders continue to participate with the common stockholders in any excess funds available in liquidation, as if Series B was converted into common stock. The following schedule discloses shares outstanding and accumulated unpaid dividends for each Antero entity:

	Antero Arkoma	Antero Piceance	Antero Midstream	Antero Pipeline	Antero Appalachian	Combined total
Outstanding Series B preferred shares:						
December 31, 2007	$ 13,000,000	2,000,000	—	—	—	15,000,000
December 31, 2008	18,000,000	15,000,000	1,333,333	—	25,333,333	59,666,666
Accumulated unpaid dividends:						
December 31, 2007	$ 3,000,000	627,000	—	—	—	3,627,000
December 31, 2008	22,500,000	11,200,000	1,300,000	—	9,300,000	44,300,000

In connection with the Stock Purchase Agreement, each Company entered into a Stockholders' Agreement, which requires prior stockholder approval of certain activities, including the repurchase of equity securities, the declaration of dividends, incurrence of debt, and the approval of the annual budget, significant acquisitions, material hedging contracts, and contracts with related parties.

(c) Series C Preferred Stock

On August 10, 2007, each Antero Entity authorized and issued 1,333,333 shares (6,666,665 combined) of Series C Preferred Stock (Series C) for no consideration to management team members who were investors in Series B. See note 8 for terms of awards and vesting.

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(7) Preferred Stock (Continued)

To the extent that the Series C shares are vested, the management team members who purchased Series B are entitled to cumulative dividends on the Series C shares equal to 8% of the amount of Series B shares purchased, compounded quarterly, if and when declared by the board of directors of each respective Antero Entity. The Series C holders participate with the common stockholders in any excess funds available in the liquidation as if the Series C was converted into common stock the following schedule shows accumulated unpaid dividends at December 31, 2008, for each Antero Entity.

	Antero Arkoma	Antero Piceance	Antero Midstream	Antero Pipeline	Antero Appalachian	Combined total
Accumulated unpaid dividends:						
December 31, 2008	$ 450,000	223,000	25,000	—	186,000	884,000

(d) Shareholder Agreements

The preferred stockholders of the Antero Entities have entered into various agreements which govern certain relationships among, and contains certain rights and obligations of, such preferred stockholders including (1) limitations on the ability of the stockholders to transfer their stock in an Antero Entity except in certain permitted transfers as defined therein; (2) provides for certain tag-along obligations and certain drag-along rights; (3) provides for certain registration rights; and (4) provides for certain preemptive rights. The Antero Entities have no obligation to repurchase these shares at the election of the preferred stockholders and they cannot be fully redeemed in other than a liquidation event (as defined).

(8) Common Stock

The following table shows the authorized common stock by each entity:

	Antero Arkoma	Antero Piceance	Antero Midstream	Antero Pipeline	Antero Appalachian
Class A common stock	40,225,000	40,225,000	40,225,000	40,225,000	—
Class B common stock	2,775,000	2,775,000	2,775,000	2,775,000	—
Class C common stock	125,153,278	125,153,278	125,153,279	125,153,279	125,153,279
Class D common stock	6,349,207	6,349,207	6,349,207	6,349,207	6,349,207
Class E common stock	8,547,009	8,547,009	8,547,009	8,547,009	8,547,009

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(8) Common Stock (Continued)

The following table shows the outstanding common stock, by each entity:

	Antero Arkoma	Antero Piceance	Antero Midstream	Antero Pipeline	Antero Appalachian	Combined total
December 31, 2007:						
Class A common stock	5,460,500	5,460,500	5,460,500	5,460,500	—	21,842,000
Class B common stock	2,775,000	2,775,000	2,775,000	2,775,000	—	11,100,000
Class C common stock	16,666,667	16,666,667	16,666,667	16,666,667	—	66,666,668
Class D common stock	6,162,699	6,162,699	6,162,699	6,162,699	—	24,650,796
Class E common stock	5,323,205	5,323,205	5,323,205	5,323,205	—	21,292,820
December 31, 2008:						
Class A common stock	5,460,500	5,460,500	5,460,500	5,460,500	—	21,842,000
Class B common stock	2,775,000	2,775,000	2,775,000	2,775,000	—	11,100,000
Class C common stock	16,666,667	16,666,667	16,666,667	16,666,667	16,666,667	83,333,335
Class D common stock	6,162,699	6,162,699	6,162,699	6,162,699	6,162,699	30,813,495
Class E common stock	5,323,205	5,323,205	5,323,205	5,323,205	5,323,205	26,616,025

Pursuant to the Stockholders' Agreements entered into in connection with the Stock Purchase Agreements, the founders and other members of management holding the Class A, B, C, D, and E common stock agreed to certain restrictions with regard to a portion of their shares. The restrictions lapse in equal annual increments over a four-year period, or based on the ratio of financing provided by the preferred stock investors compared to their total funding commitment, whichever is less. In the event the preferred stock investors do not fund their entire commitment or fund the other related Antero Entities, then a pro rata portion of the restricted shares are forfeited. In the event a founder or other member of management terminates employment prior to the end of the four-year period, any remaining restricted shares are forfeited. Upon a liquidation event, the restrictions based on the period of time the restricted shares are held lapse; however, a portion of the restricted shares continues to be subject to restrictions based on the amount of funding provided by the preferred stock investors.

In addition to the restrictions described above, the Class B, Class D and Class E common stock will only participate in distributions upon liquidation events meeting certain requisite financial return thresholds.

The common stock grants are accounted for as an equity based award in accordance with SFAS 123R and each Company is recognizing compensation expense as these awards vest based on their fair value on the date of grant. See footnote (9)—Stock Compensation.

(9) Stock Compensation

The preferred stock, common stock, and stock option grants are accounted for as equity based awards in accordance with SFAS 123R and the Company is recognizing compensation expense as these awards vest based on their fair value on the date of grant.

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(9) Stock Compensation (Continued)

Stock Compensation Expense

Compensation expense and unamortized stock compensation is as follows (in thousands):

Stock-based compensation expense:	
Year ended December 31, 2006:	
Stock options	$ 41
Year ended December 31, 2007:	
Preferred stock awards	$ 113
Common stock awards	524
Stock options	231
Total stock-based compensation expense	$ 868
Year ended December 31, 2008:	
Preferred stock awards	$ 30
Common stock awards	(45)
Stock options	285
Total stock-based compensation expense	$ 270
Unamortized stock compensation expense at December 31, 2008:	
Preferred stock awards	$ 190
Common stock awards	623
Stock options	784
Total unamortized stock compensation expense	$ 1,597

The Antero Entities expect that the unamortized stock compensation expense will be recognized over a weighted average period of 1.5 - 1.6 years. Each of the plans are described below.

(a) Stock Options

Each Antero Entity has an equity incentive plan under which directors, consultants, and employees may be granted options to purchase Class A common stock. Under the terms of the plans, the respective boards of directors may grant options to purchase up to 1,240,000 shares at its discretion as either nonqualified or incentive options, as defined by the Internal Revenue Service. On October 17, 2005, in conjunction with the Amended Stockholder Purchase Agreements, the shareholders of each Antero Entity approved the authorization of an additional 2,000,000 shares of Class A common stock (Home Run Options). The Home Run Options have the same characteristics as the options mentioned above with the following additional provisions and restrictions. The Home Run options may not participate in distributions upon a liquidation event until certain requisite financial returns thresholds on a pro forma basis are met by the issuing Antero Entity at the time of the liquidation event. The term of the options are seven years and the options time vest in equal installments over four years from the earlier of the optionee's original date of employment or grant date. The total options granted are also subject to the dollar vesting based on the portion of financing provided by the preferred stock investors compared to their total funding commitment. The options become fully vested in the event of

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(9) Stock Compensation (Continued)

a liquidation event, as defined in the Stockholders' Agreements limited to the portion that is vested based on the amount of funding provided by the preferred stock investors.

On August 10, 2007, in conjunction with the Series B Preferred Stock Purchase Agreement, the shareholders of the respective Antero Entities approved the authorization of an additional equity incentive plan under which directors, consultants, and employees may be granted options to purchase up to 12,881,562 shares of Class C common stock. Time and dollar vesting requirements of the Class C are consistent with the Class A described above.

The following schedule details the respective unissued shares of Class A common stock and Class C common stock that were available for each of the Antero Entities to grant under the plans.

	Antero Arkoma	Antero Piceance	Antero Midstream	Antero Pipeline	Antero Appalachian	Combined total
December 31, 2008:						
Class A common stock	1,339,016	693,419	71,733	31,882	—	2,136,050
Class C common stock	2,413,193	1,923,013	188,531	—	3,016,492	7,541,229

The fair value of each option award is estimated on the date of grant using the Black-Scholes option pricing model and the weighted average assumptions in the following table. The Companies use historical data to estimate the expected term of the option, such as employee option exercise and employee post-vesting departure behavior. The Company used peer group data to estimate volatility. Separate groups of employees that have similar historical exercise behavior are considered separately for valuation purposes. The risk-free rate for the expected term of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

	2006	2007	2008
Valuation assumptions:			
Expected dividend yield	None	None	None
Expected volatility	42.50%	22.37% - 40.16%	22.00% - 40.00%
Expected term (years)	4.75	4.75	4.75
Risk-free interest rate	4.62%	4.50%	1.52% - 3.49%

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(9) Stock Compensation (Continued)

Stock option activity for each of the Antero Entities during the year ended December 31, 2008 is as follows:

	Antero Arkoma	Antero Piceance	Antero Midstream	Antero Pipeline	Antero Appalachian	Combined number of shares	Weighted average exercise price	Weighted average remaining contractual term (years)
Options outstanding for Class A common stock:								
Balance at December 31, 2007	691,402	358,047	37,040	16,461	—	1,102,950	$ 2.90	
Granted	626	325	34	15	—	1,000	2.50	
Forfeited	—	—	—	—	—	—	—	
Balance at December 31, 2008	692,028	358,372	37,074	16,476	—	1,103,950	$ 2.90	7.10 - 7.77
Exercisable at December 31, 2008	$ 517,791	268,142	27,739	12,328	—	826,000	$ 2.77	6.83 - 7.63
Average intrinsic value	3,017,969	—	—	—	—	3,017,969		
Weighted average gram date fair value of shares granted (per share):								
2007	$ 1.01	0.01	44.42	6.67	—			
2008	5.74	0.58	0.12	0.12	—			

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(9) Stock Compensation (Continued)

	Antero Arkoma	Antero Piceance	Antero Midstream	Antero Pipeline	Antero Appalachian	Combined number of shares	Weighted average exercise price	Weighted average remaining contractual term (years)
Options outstanding for Class A common stock:								
Balance at December 31, 2007	1,454,507	1,159,060	113,633	—	—	2,727,200	$ 9.48	
Granted	359,040	286,110	28,050	—	2,265,733	2,938,933	12.06 - 22.51	
Forfeited	(104,640)	(83,385)	(8,175)	—	(129,600)	(325,800)	21.25	
Balance at December 31, 2008	1,708,907	1,361,785	133,508	—	2,136,133	5,340,333	$ 11.50	6.03 - 7.73
Exercisable at December 31, 2008	$ 689,843	549,718	53,894	—	862,303	2,155,758	$ 13.42	6.03 - 7.63
Average intrinsic value	108,920	—	—	—	—	108,920		
Weighted average gram date fair value of shares granted (per share):								
2007	$ 0.29	0.05	0.01	—	—			
2008	0.27	0.66	1.40	—	0.01			

Forfeitures are estimated and trued up for actual forfeitures at year-end.

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(9) Stock Compensation (Continued)

The following table summarizes the status of the Antero Entities nonvested options as of December 31, 2008 and changes during the year then ended:

	Antero Arkoma	Antero Piceance	Antero Midstream	Antero Pipeline	Antero Appalachian	Combined number of shares	Weighted average exercise price
Nonvested options for Class A common stock:							
Balance at December 31, 2007	267,501	138,527	14,331	6,368	—	426,727	$ 3.25
Granted	626	325	34	15	—	1,000	2.50
Vested	(93,890)	(48,622)	(5,030)	(2,235)	—	(149,777)	3.23
Forfeited	—	—	—	—	—	—	—
Balance at December 31, 2008	174,237	90,230	9,335	4,148	—	277,950	$ 3.25
Nonvested options for Class C common stock:							
Balance at December 31, 2007	1,129,969	900,444	88,278	—	—	2,118,691	$ 7.19
Granted	359,040	286,110	28,050	—	2,265,733	2,938,933	12.06 - 22.51
Vested	(365,305)	(291,102)	(28,539)	—	(862,303)	(1,547,249)	9.81
Forfeited	(104,640)	(83,385)	(8,175)	—	(129,600)	(325,800)	21.25
Balance at December 31, 2008	1,019,064	812,067	79,614	—	1,273,830	3,184,575	$ 10.20

(b) Preferred Stock Awards

Preferred stock awards are for Series C preferred stock were granted to management team members in conjunction with the Series B Preferred Stock financing. The preferred stock holders are entitled to a cumulative dividend at the rate of 8%, compounded quarterly, if and when declared by the board of directors. Refer to note (6) for accumulated unpaid dividends.

The Series C awards vest in equal increments over a four year period from date of grant or date of hire, whichever is earlier. In addition, the Series C shares also vest based on the portion of financing provided by the Series B Investors to the Antero Entities compared to the Series B total funding commitment. Each share of Series C is convertible into 1.25 shares of common stock. In the event of an initial public offering, the holder receives an additional share of common stock for each $15 of accumulated unpaid dividends. Upon a liquidation event (as defined), holders of Series C are entitled to receive, prior to any amounts to be received by the common stockholders, an amount equal to any accumulated unpaid dividends.

Each Antero Entity is accounting for these shares as an equity-based award in accordance with SFAS 123R and is recognizing compensation expense as these awards vest based on the fair value of the Series C shares on the date they were issued.

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(9) Stock Compensation (Continued)

Preferred stock award activity for each of the Antero Entities during the year ended December 31, 2008 is as follows:

	Antero Arkoma	Antero Piceance	Antero Midstream	Antero Pipeline	Antero Appalachian	Combined number of shares	Weighted average exercise price
Preferred stock awards outstanding:							
Balance at December 31, 2007	426,667	340,000	33,333	—	—	800,000	$ 0.15 - 0.61
Granted	—	—	—	—	533,333	533,333	0.04
Balance at December 31, 2008	426,667	340,000	33,333	—	533,333	1,333,333	$ 0.04 - 0.61
Weighted average grant date (per share) fair value of shares granted	$ 0.61	0.15	—	—	0.04		

The following table summarizes the status of each Antero Entities nonvested preferred stock awards as of December 31, 2008 and changes during the year then ended.

	Antero Arkoma	Antero Piceance	Antero Midstream	Antero Pipeline	Antero Appalachian	Combined number of shares	Weighted average exercise price
Nonvested awards for preferred stock:							
December 31, 2007	343,467	329,800	33,333	—	—	706,600	$ 0.15 - 0.61
Granted	—	—	—	—	533,333	533,333	0.04
Vested	(114,489)	(109,933)	(16,667)	—	(106,666)	(347,755)	0.04 - 0.61
Forfeited	—	—	—	—	—	—	—
December 31, 2008	228,978	219,867	16,666	—	426,667	892,178	$ 0.04 - 0.61

(c) Common Stock Awards

Common stock awards were issued to member of management in connection with the Series B Preferred Stock financing. The awards were granted for Class C, D and E restricted common stock.

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(9) Stock Compensation (Continued)

Common stock award activity for each of the Antero Entities during the year ended December 31, 2008 is as follows:

	Antero Arkoma	Antero Piceance	Antero Midstream	Antero Pipeline	Antero Appalachian	Combined number of shares	Weighted average exercise price
Common stock awards outstanding:							
Balance at December 31, 2007	9,008,823	7,178,906	703,814	—	—	16,891,543	$ 0.02 - 0.09
Granted	—	—	—	—	11,183,029	11,183,029	0.01
Balance at December 31, 2008	9,008,823	7,178,906	703,814	—	11,183,029	28,074,572	$ 0.01 - 0.09
Weighted average grant date (per share) fair value of shares granted:							
Common C	$ 0.14	0.15	—	—	0.02		
Common D	0.02	0.04	—	—	—		
Common E	—	—	—	—	—		

The following table summarizes the status of each Antero Entities nonvested common stock awards as of December 31, 2008 and changes during the year then ended.

	Antero Arkoma	Antero Piceance	Antero Midstream	Antero Pipeline	Antero Appalachian	Combined number of shares	Weighted average exercise price
Nonvested awards for preferred stock:							
December 31, 2007	7,252,104	6,963,539	703,814	—	—	14,919,457	$ 0.02 - 0.09
Granted	—	—	—	—	11,183,029	11,183,029	0.01
Vested	(2,417,368)	(2,321,179)	(351,907)	—	(2,236,606)	(7,327,060)	0.01 - 0.09
Forfeited	—	—	—	—	—	—	—
December 31, 2008	4,834,736	4,642,360	351,907	—	8,946,423	18,775,426	$ 0.01 - 0.09

Forfeitures are estimated and are trued up for actual forfeitures at year-end.

(10) Financial Instruments

The carrying values of trade receivables and trade payables at December 31, 2008 approximated market value. The carrying value of the bank credit facility, and term loan at December 31, 2008 approximated their fair values because the variable interest rates are reflective of current market conditions.

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(11) Derivative Instruments and Hedging Activities

Antero Arkoma and Antero Piceance periodically enters into natural gas derivative contracts with counterparties to hedge the price risk associated with a portion of its production. These derivatives are not held for trading purposes. To the extent that changes occur in the market prices of natural gas, the Company is exposed to market risk on these open contracts. This market risk exposure is generally offset by the change in market prices of natural gas recognized upon the ultimate sale of the natural gas produced.

For the years ended December 31, 2007 and 2008, Antero Arkoma and Antero Piceance were party to natural gas fixed price swaps. When actual commodity prices exceed the fixed price provided by the swap contracts, Antero Arkoma and Antero Piceance pays the excess to the counterparty, and when actual commodity prices are below the contractually provided fixed price receives the difference from the counterparty. Antero Arkoma and Antero Piceance natural gas swaps in place at December 31, 2007 and 2008 have not been designated as hedges for accounting purposes and accordingly, all gains and losses were recognized in income currently.

At December 31, 2008, Antero Arkoma and Antero Piceance were party to the following fixed price natural gas swaps (including related basis swaps):

	MMbtu/d	Weighted average price (Centerpoint Index)	Weighted average price (CIG Index)
Year ended December 31, 2009:			
Antero Arkoma	30,000	$ 9.03	—
Antero Piceance	30,000	—	7.76
Year ended December 31, 2010:			
Antero Arkoma	10,000	$ 10.40	—
Antero Piceance	2,466	—	10.23

In May 2007, the Company entered into an interest rate derivative contract to manage exposure to changes in interest rates. The contract is a floating-to-fixed interest rate swap for a notional amount of $225 million. Under the swap, the Company makes payments to, or receive payments from, the contract counterparty when the LIBOR variable rate for the three month contracts falls below, or exceeds, the fixed rate of 5.01%. The payment dates of the derivative contracts match the interest payment dates of the corresponding portion of the Company's Credit Agreement. The swap was for a term ending on June 30, 2009.

In February 2008, the Company and the other Antero Entities amended its interest rate swap agreement with the counterparty. The swap was extended for an additional 24 months, terminating on July 1, 2011, and the fixed rate was decreased to 4.11%. The swap continues to cover a notional amount of $225 million.

Additionally, the Company and the other Antero Entities entered into an additional floating to fixed interest rate swap for borrowings under the bank credit facility with a notional amount of $150 million and a fixed rate of 2.8025%. The swap covers the period from April 1, 2008 to April 1, 2010.

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(11) Derivative Instruments and Hedging Activities (Continued)

Antero Arkoma, in February 2008, also entered into an additional floating to fixed interest rate swap for the borrowings under the bank credit facility with a notional amount of $51 million and a fixed rate of 2.79%. The swap covers the period December 10, 2008 to December 10, 2009.

The following is a summary of the fair values of derivative instruments not designated as hedges for accounting purposes and where such values are recorded in the combined balance sheets as of December 31, 2007 and 2008. None of the Company's derivative instruments are designated as hedges for accounting purposes.

	2007		2008	
	Balance sheet location	Fair value	Balance sheet location	Fair value
		(In thousands)		(In thousands)
Asset derivatives not designated as hedges for accounting purposes:				
Commodity contracts	Current assets	$ 11,380	Current assets	$ 83,608
Commodity contracts	Long-term assets	599	Long-term assets	18,672
Total asset derivatives		$ 11,979		$ 102,280
Liability derivatives not designated as hedges for accounting purposes:				
Interest rate contracts	Current liabilities	$ 1,785	Current liabilities	$ 7,086
Interest rate contracts	Long-term liabilities	1,648	Long-term liabilities	10,164
Total liability derivatives		$ 3,433		$ 17,250

The following is a summary of realized and unrealized gains (losses) on derivative instruments and where such values are recorded in the combined statements of operations for the years ended December 31, 2006, 2007 and 2008:

	Statement of operations location	2006 Amount	2007 Amount	2008 Amount
			(In thousands)	
Realized gains (losses) on commodity contracts	Revenue	$ (4,325)	14,373	26,053
Unrealized gains on commodity contracts	Revenue	18,656	4,619	90,301
Total gains on commodity contracts		14,331	18,992	116,354
Realized losses on interest rate contracts	Other income (expense)	—	400	(1,428)
Unrealized losses on interest rate contracts	Other income (expense)	—	(3,433)	(13,817)
Total losses on rate contracts		—	(3,033)	(15,245)
Net gains on derivative contracts		$ 14,331	15,959	101,109

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(11) Derivative Instruments and Hedging Activities (Continued)

Fair Value Measures

The Company adopted SFAS No. 157, *Fair Value Measurements*, (SFAS 157) effective January 1, 2008 for financial assets and liabilities measured on a recurring basis. SFAS No. 157 applies to all financial assets and financial liabilities that are being measured and reported on a fair value basis. In February 2008, the FASB issued FSP No. 157-2, *Effective Date of FASB Statement No. 157*, which delayed the effective date of SFAS No. 157 for one year for nonfinancial assets and liabilities. As defined in SFAS No. 157, the fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS No. 157 establishes a fair value hierarchy which prioritized the input to valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to quoted market prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly. Level 2 instruments primarily include nonexchange traded derivatives such as over-the-counter commodity price swaps, basis swaps, investments and interest rate swaps. The Company's valuation models are primarily industry-standard models that consider various inputs including: (i) quoted forward prices for commodities, (ii) time value and (iii) current market prices and contractual prices for the underlying instruments, as well as other relevant economic measures. The Company utilizes it counterparties to assess the reasonableness of its prices and valuation techniques. To the extent a legal right of offset with a counterparty exists, the Company reports derivative assets and liabilities on a net basis. The Company has exposure to credit risk to the extent the counterparty to the derivative instruments is unable to meet its settlement commitment. The Company actively monitors the creditworthiness of each counterparty and assesses the impact, if any, on its derivative positions.

The following table summarizes the valuation of investments and financial instruments by the SFAS No. 157 fair value hierarchy at December 31, 2008:

	Fair value measurements using			
Description	Level 1	Level 2	Level 3	Total
		(In thousands)		
Derivatives asset (liability):				
Fixed price commodity swaps	$ —	10,280	—	10,280
Interest rate swaps	—	(17,250)	—	(17,250)

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(12) Income Taxes

The Company has not been in an income tax paying position during the years ended December 31, 2006, 2007 and 2008.

The income tax expense (benefit) differs from the amount that would be computed by applying the U.S. statutory federal income tax rate of 34% to pretax income for the years ended December 31, 2006, 2007 and 2008, respectively, as a result of the following (in thousands):

	2006	2007	2008
Federal income tax (benefit)	$ (2,918)	(12,972)	29,481
State income tax, net of federal benefit	(85)	(1,257)	2,376
Change in tax rate	—	(1,546)	760
Change in valuation allowance	3,395	15,360	(29,631)
Other	8	15	43
Total income tax expense (benefit)	$ 400	(400)	3,029

Deferred income taxes reflect the impact of temporary differences between amounts of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws. The tax effect of the temporary differences giving rise to the Company's net deferred tax assets and liabilities at December 31, 2007 and 2008 are as follows (in thousands):

	2007	2008
Deferred tax assets:		
Net operating loss carryforwards	$ 52,884	58,054
Unrealized losses on derivative instruments	202	1,063
Charitable contributions carryforwards	—	5
Other	—	1
Accrued liabilities	8	115
Total deferred tax assets	53,094	59,238
Valuation allowance	(36,080)	(6,449)
Net deferred tax assets	17,014	52,789
Deferred tax liabilities:		
Stock-based compensation	1,792	1,836
Unrealized gains on derivative instruments	6,893	34,000
Depreciation differences on gathering system	4,138	6,676
Sale of noncontrolling interest in subsidiary	—	2,690
Oil and gas properties	4,191	10,616
Total deferred tax liabilities	17,014	55,818
Net deferred tax assets (liabilities)	$ —	(3,029)

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(12) Income Taxes (Continued)

reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Due to the lack of historical profitable operations and based upon the projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Company will not realize the benefits of all of these deductible differences, and has recorded a valuation allowance of approximately $6.4 million at December 31, 2008. The amount of the deferred tax asset considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carryforward period are reduced.

The Antero Entities' net operating loss carryforwards as of December 31, 2008 are as follows (in thousands):

	Antero Arkoma	Antero Piceance	Antero Midstream	Antero Pipeline	Antero Appalachian	Combined total
Net operation loss carryforward	$ 75,600	53,400	21,500	5,500	935	156,935

The Company adopted the provisions of Financial Accounting Standards Board Interpretation No. 48 "Accounting for Uncertainty in Income Taxes" ("FIN 48") an interpretation of FASB Statement No. 109 "Accounting for Income Taxes", effective as of January 1, 2007. The interpretation clarifies the accounting for uncertainty in income taxes recognized in our financial statements and provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The adoption of FIN 48 resulted in no impact to our consolidated financial statements and we have no unrecognized tax benefits that would impact our effective rate.

As of December 31, 2008, we made no provisions for interest or penalties related to uncertain tax positions. The tax years 2005 through 2007 remain open to examination by the U.S. Internal Revenue Service. We file tax returns with various state taxing authorities which remain open to examination for tax years 2004 through 2007.

(13) Commitments and Contingencies

(a) Operating Leases

Effective November 1, 2006, the Company entered into a lease agreement for office space in Denver, Colorado. Rent expense for this office space was approximately $34 thousand, $163 thousand, and $347 thousand for the years ended December 31, 2006, 2007 and 2008, respectively.

The following table shows the annual rentals per year for the remaining term of the lease (in thousands).

2009	$ 380
2010	392
2011	408
2012	440
2013	451
Thereafter	1,604

The Company entered into office lease agreements for office space in McAlester, Atoka, and Ardmore, Oklahoma on a month-to-month basis, with a 30-day notice requirement. Rent expense for these facilities was approximately $22 thousand, $69 thousand, and $80 thousand for the years ended December 31, 2006, 2007 and 2008, respectively.

Effective February 1, 2008, the Company entered into a 5 year lease agreement for office space in Rifle, Colorado. Rent expense for this office space was $31 thousand, $62 thousand, and $76 thousand for the years ended December 31, 2006, 2007 and 2008, respectively.

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(13) Commitments and Contingencies (Continued)

The following table shows the annual rentals per year for the remaining term of the lease (in thousands).

2009	$ 75
2010	75
2011	75
2012	75
2013	6

The Company entered into a living quarter agreement in Rifle, Colorado. This lease agreement is on a month to month basis, with a 30-day notice requirement. Rent expense was approximately $0, $3 thousand, and $23 thousand for the years ended December 31, 2006, 2007 and 2008, respectively.

(b) Firm Transportation Commitments

The Company has entered into a firm commitment to transport 20,000 MMbtu per day of the Company's net production from the Arkoma Basin for the period January 1, 2009 through August 31, 2012. In addition, the Company has entered into a firm commitment to transport 40,000 MMbtu per day of the Company's net production from the Arkoma Basin for the period April 1, 2009 (estimated start date) through March 31, 2016. The agreement has staggered start and termination dates. Commitments for 20,000 MMbtu starts April 1, 2009 and terminate March 31, 2014. Commitments for 10,000 MMbtu starts April 1, 2010 and terminate March 31, 2015. The remaining 10,000 MMbtu commitments starts April 1, 2011 and terminate March 31, 2016.

The Company has entered into a firm commitment to transport 10,000 MMbtu per day of the Company's production from the Piceance Basin for the period March 1, 2009 through September 30, 2020. This quantity increases to 40,000 per day upon in-service date of the Piceance lateral midpoint. In addition, the Company has also entered a firm commitment to transport 25,000 MMbtu per day of its production from the Piceance Basin to the west coast for the period from April 1, 2011 (estimated in-service date) through March 31, 2021.

(c) Drilling Rig Service Commitments

The Company has entered into a contract for the services of one drilling rig, which expires December 1, 2009. The commitment was entered into to ensure that drilling rig services would be available to the Company. Payments remaining under this agreement are approximately $7.2 million at December 31, 2008. In addition, the Company has entered into additional contracts for the services of two drilling rigs, both of which expire October 1, 2009. The commitments were entered into to ensure that drilling rig services would be available to the Company. Payments remaining under this agreement are approximately $9.6 million at December 31, 2008.

(d) Processing Commitment

The Company has entered into a firm processing commitment to process its natural gas from the Piceance Basin. The agreement guarantees the Company the ability to process 50,000 MMbtu/day (increased to 60,000 MMbtu/day on July 1, 2009) through December 31, 2017. The Company is obligated to pay $0.05 per MMbtu whether or not it processes natural gas.

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(14) Subsequent Event

Subsequent to December 31, 2008, the Antero entities issued and received cash capital calls for Series B preferred stock as follows (in thousands):

	Antero Arkoma	Antero Piceance	Antero Midstream	Antero Pipeline	Antero Appalachian	Combined total
Capital calls of Series B preferred stock	$ 50,000	30,000	5,000	—	20,000	105,000

On November 3, 2009, the Company reorganized its capital structure through the formation of a new entity, Antero Resources LLC (Antero LLC), a limited liability company, and the issuance of a new class of units. The stockholders of each of the Antero Entities contributed their shares in each of the entities to Antero LLC, which in turn issued the stockholders an equivalent number of units from eight classes of units in Antero LLC. The Antero LLC units are substantially similar to the contributed stock of each of the Antero Entities, including the relative priority of any distributions made by Antero LLC as well as the vesting schedule applicable to shares held by management members (see note 5). Antero LLC also issued profits interests to Antero Resources Employee Trust, LLC, a newly formed limited liability company, owned solely by certain of our officers and employees. The Antero Entities also canceled all of their outstanding stock incentive plans and, to the extent that the fair market value of the common stock underlying the options exceeded the exercise price, the option holders will be paid the difference in cash in 2010.

In connection with the reorganization on November 3, 2009, Antero LLC issued for cash of $110 million a new class of units. Antero LLC used the net proceeds from this offering of approximately $109 million to repay borrowings under the Credit Agreement. On November 30, 2009, Antero LLC issued additional units in the new class for $15 million.

On November 17, 2009, a newly formed wholly owned subsidiary of Antero LLC, Antero Resources Finance Corporation (ARFC), issued $375 million of 9.375% senior notes due December 1, 2017. On January 19, 2010, ARFC issued an additional $150 million of 9.375% senior notes with substantially the same terms as the notes issued on November 17, 2009. The notes are unsecured and subordinate to the Company's bank credit facility to the extent of the value of the collateral securing the bank credit facility. The notes are guaranteed on a senior unsecured basis by Antero Resources LLC, all of its wholly owned subsidiaries (other than ARFC) and certain of its future restricted subsidiaries. The Company used the proceeds to retire its second lien term loan of $225 million, paydown a portion of the advances on its bank credit facility and pay expenses of the offering. Interest on the notes is payable on June 1 and December 1 of each year, commencing on June 1, 2010. ARFC may redeem all or part of the notes at any time on or after December 1, 2013 at redemption prices from 104.688% on or after December 1, 2013 to 100.00% on or after December 1, 2015. In addition, on or before December 1, 2012, ARFC may redeem up to 35% of the aggregate principal amount of the notes with the net cash proceeds of certain equity offerings, if certain conditions are met, at a redemption price of 109.375%. At any time prior to December 1, 2013, ARFC may also redeem the notes, in whole or in part, at a price equal to 100% of the principal amount of the notes plus a "make-whole" premium. If Antero Resources LLC undergoes a change of control, ARFC may be required to offer to purchase notes from the holders.

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(14) Subsequent Event (Continued)

As a result of the January 2010 notes offering, the borrowing base under the Company's senior secured revolving credit facility was automatically reduced by 25 cents per dollar of those notes issued in excess of $25 million.

The Senior Notes offering included a registration rights agreement, and, accordingly, upon the filing of an exchange offering the Company will be subject to the disclosure requirements of FASB ASC Topic 470-10-S99. Such disclosures require the Company to provide condensed financial statements of Guarantor subsidiaries whose securities collateralize an issue registered or being registered.

All of the Antero Entities, except Centrahoma Processing LLC are guarantors of the Company's new Senior Notes. Each guarantee is full and unconditional and joint and several. The combining condensed financial statements below present the financial position, results of operations and cash flows of the Company and the nonguarantor company as of December 31, 2008.

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(14) Subsequent Event (Continued)

Combining Condensed Balance Sheet

December 31, 2008

	Combined guarantor Antero Entities	Nonguarantor company	Eliminations	Combined
		(In thousands)		
Assets				
Cash and cash equivalents	$ 34,182	4,787	—	38,969
Accounts receivable	49,571	3,752	—	53,323
Derivative instruments	83,608	—	—	83,608
Other current assets	34,090	652	(6,474)	28,268
Total current assets	201,451	9,191	(6,474)	204,168
Property and equipment—net	1,727,452	70,263	—	1,797,715
Derivative instruments	18,672	—	—	18,672
Other assets, net	6,872	1,540	—	8,412
Total assets	$ 1,954,447	80,994	(6,474)	2,028,967
Liabilities and Equity				
Accounts payable and accrued expenses	$ 159,588	2,054	—	161,642
Revenue distribution payable and advances from joint interest owners	32,682	6,674	—	39,356
Derivative instruments	7,086	—	—	7,086
Other current liabilities	6,599	—	(6,474)	125
Total current liabilities	205,955	8,728	(6,474)	208,209
Long-term liabilities:				
Bank credit facility and term notes	621,580	—	—	621,580
Derivative instruments	10,164	—	—	10,164
Other long term liabilities	11,459	—	—	11,459
Total liabilities	849,158	8,728	(6,474)	851,412
Total equity	1,105,289	72,266	—	1,177,555
Total liabilities and equity	$ 1,954,447	80,994	(6,474)	2,028,967

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(14) Subsequent Event (Continued)

Combining Condensed Income Statement

Year ended December 31, 2008

	Combined guarantor Antero Entities	Nonguarantor companies	Eliminations	Combined
		(In thousands)		
Revenue:				
Total revenue	$ 364,607	6,648	(4,765)	366,490
Operating expenses:				
Operating expenses	87,795	2,744	(4,765)	85,774
Depletion, depreciation and amortization	120,373	4,624	—	124,997
General and administrative	16,171	—	—	16,171
Total operating expenses	224,339	7,368	(4,765)	226,942
Operating income (loss)	140,268	(720)	—	139,548
Interest and other income (expense), net	(53,218)	379	—	(52,839)
Income before taxes	87,050	(341)	—	86,709
Current tax (expense) benefit	(3,029)	—	—	(3,029)
Net income (loss)	84,021	(341)	—	83,680
Noncontrolling interest in net loss of consolidated subsidiary	276	—	—	276
Net income (loss) attributable to Antero stockholders	$ 84,297	(341)	—	83,956

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(14) Subsequent Event (Continued)

Combining Condensed Statement of Cash Flows

Year ended December 31, 2008

	Combined guarantor Antero Entities	Nonguarantor companies	Eliminations	Combined
		(In thousands)		
Net cash provided by operating activities	$ 152,649	4,866	—	157,515
Net cash used in investing activities	(990,216)	(13,794)	—	(1,004,010)
Net cash provided by financing activities	860,635	13,715	—	874,350
Net increase in cash and cash equivalents	23,068	4,787	—	27,855
Cash and cash equivalents, beginning of year	11,114	—	—	11,114
Cash and cash equivalents, end of year	$ 34,182	4,787	—	38,969

(15) Segment Information

In accordance with SFAS No. 131, *Disclosures about Segments of an Enterprise and Related Information*, we evaluated how the Company is organized and managed and have identified only one operating segment, which is the exploration and production of oil, natural gas and natural gas liquids. We consider our gathering processing and marketing functions as ancillary to our oil and gas producing activities. Substantially all of our assets are located in the United States, and substantially all revenues are attributable to United States customers.

(16) Supplemental Information on Oil and Gas Producing Activities (Unaudited)

The following supplemental information regarding the oil and gas producing activities is presented in accordance with the requirements of the SEC and SFAS No. 69, *Disclosures about Oil and Gas Producing Activities*. The amounts shown include our net working and royalty interest in all of our oil and gas operations.

(a) Capitalized Costs Relating to Oil and Gas Producing Activities

	Year ended December 31	
	2007	2008
	(In thousands)	
Proved properties	$ 617,697	1,148,306
Unproved properties	201,210	649,605
	818,907	1,797,911
Accumulated depreciation and depletion	(51,064)	(167,964)
Net capitalized costs	$ 767,843	1,629,947

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(16) Supplemental Information on Oil and Gas Producing Activities (Unaudited) (Continued)

(b) Costs Incurred in Certain Oil and Gas Activities

	Year ended December 31		
	2006	2007	2008
		(In thousands)	
Proved property acquisition costs	$ —	29,074	3,466
Unproved property acquisition costs	18,537	144,897	457,879
Development costs and other	166,291	335,465	512,112
Total costs incurred	$ 184,828	509,436	973,457

(c) Results of Operations for Oil and Gas Producing Activities

	Year ended December 31		
	2006	2007	2008
		(In thousands)	
Revenues	$ 14,794	67,724	229,715
Production expenses	—	13,684	44,998
Exploration expenses	13,490	17,970	22,998
Depreciation and depletion expense	—	44,100	116,906
Impairment	8,117	4,995	10,112
	(6,813)	(13,025)	34,701
Income tax expense (benefit)	—	(400)	3,029
Results of operations	$ (6,813)	(12,625)	31,672

(d) Oil and Gas Reserves

The following table sets forth the net quantities of proved reserves and proved developed reserves during the periods indicated. This information includes the oil and gas segment's royalty and net working interest share of the reserves in oil and gas properties. "Prepared" reserves are those quantities of reserves that were prepared by an independent petroleum consultant. "Audited" reserves are those quantities of reserves that were estimated by Antero employees and audited by an independent petroleum consultant. Net proved oil and gas reserves for the three years ended December 31, 2008 were prepared by DeGalyer and MacNaughton and Ryder Scott, utilizing data compiled by us. All reserves are located in the United States. There are many uncertainties inherent in estimating proved reserve quantities, and projecting future production rates and timing of future development expenditures. In addition, reserve estimates of new discoveries are more imprecise than those of properties with a production history. Accordingly, these estimates are subject to change as additional information becomes available. Proved reserves are the estimated quantities of crude oil, condensate and natural gas that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known oil and gas reservoirs under existing economic and

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(16) Supplemental Information on Oil and Gas Producing Activities (Unaudited) (Continued)

operating conditions at the end of the respective years. Proved developed reserves are those reserves expected to be recovered through existing wells with existing equipment and operating methods.

	Oil and condensate (MMBbl)	Natural gas (Bcf)	Total equivalents (Bcfe)
Proved developed and undeveloped reserves:			
January 1, 2006	—	—	—
Revisions and previous estimates	—	—	—
Extensions, discoveries and other additions	0.4	87.0	89.1
Production	—	(2.1)	(2.1)
Purchase of reserves	—	—	—
Sale of reserves in place	—	—	—
December 31, 2006	0.4	84.9	87.0
Revisions and previous estimates	—	(12.8)	(12.6)
Extensions, discoveries and other additions	0.6	164.7	168.6
Production	—	(10.9)	(11.2)
Purchase of reserves	—	2.9	2.9
Sale of reserves in place	—	—	—
December 31, 2007	1.0	228.8	234.7
Revisions of previous estimates	(0.5)	(2.5)	(5.5)
Extensions, discoveries and other additions	0.7	470.1	474.6
Production	—	(30.3)	(30.3)
Purchase of reserves	—	6.1	6.1
Sale of reserves in place	—	—	—
December 31, 2008	1.2	672.2	679.6

	Oil and condensate (MMBbl)	Natural gas (Bcf)	Total equivalents (Bcfe)
Proved developed reserves:			
December 31, 2005	—	23.8	24.0
December 31, 2006	0.1	38.0	38.9
December 31, 2007	0.4	106.6	109.1
December 31, 2008	0.3	236.9	238.7

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(16) Supplemental Information on Oil and Gas Producing Activities (Unaudited) (Continued)

Significant items included in the categories of proved developed and undeveloped reserve changes for the years 2006, 2007 and 2008 in the above table include:

- *Extensions and Discoveries*—The additions to the Company's proved reserves through new discoveries and extensions result from (i) extensions of the proved acreage of previously discovered reservoirs through additional drilling of development wells and (ii) discovery of new fields with proved reserves through drilling of exploratory wells.

  - 2006—Of the 89.1 Bcfe of 2006 extensions and discoveries, 67.8 Bcfe related to the Arkoma Basin and 21.3 Bcfe related to the Piceance Basin.

  - 2007—Our successful drilling in the Arkoma and Piceance basin extended the proved acreage in those areas. As a result of these successes, we accelerated our forecasted drilling plans by approximately $106 million. Of the 168.6 Bcfe of 2007 extensions and discoveries, 42.6 Bcfe related to the Arkoma Basin and 126.0 Bcfe related to the Piceance Basin.

  - 2008—Of the 474.6 Bcfe of 2008 extenstions and discoveries, 265.2 Bcfe related to the Arkoma Basin in Oklahoma, 197.7 Bcfe related to the Piceance Basin in Colorado and 11.7 Bcfe related to our other areas. The increase in extensions and discoveries is the result of our drilling exceeding expected 2008 future drilling costs by $115 million.

- *Revisions Other Than Price*—The 2007 total included performance revisions primarily in the Arkoma Basin.

The following table sets forth the standardized measure of the discounted future net cash flows attributable to our proved reserves. Future cash inflows were computed by applying year-end prices of oil and gas to the estimated future production of proved reserves. Natural gas prices were escalated only where existing contracts contained fixed and determinable escalation clauses. Contractually provided natural gas prices in excess of estimated market clearing prices were used in computing the future cash inflows only if we expect to continue to receive higher prices under legally enforceable contract terms. Future prices actually received may materially differ from current prices or the prices used in the standardized measure.

Future production and development costs represent the estimated future expenditures (based on current costs) to be incurred in developing and producing the proved reserves, assuming continuation of existing economic conditions. Future income tax expenses were computed by applying statutory income tax rates to the difference between pre-tax net cash flows relating to our proved reserves and the tax basis of proved oil and gas properties. In addition, the effects of statutory depletion in excess of tax basis, available net operating loss carryforwards and alternative minimum tax credits were used in

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(16) Supplemental Information on Oil and Gas Producing Activities (Unaudited) (Continued)

computing future income tax expense. The resulting net cash inflows were then discounted using a 10% annual rate.

	Year ended December 31		
	2006	2007	2008
	(In millions)		
Future cash inflows	$ 427	1,549	2,931
Future production costs	(88)	(303)	(599)
Future development costs	(116)	(273)	(637)
Future net cash flows before income tax	223	973	1,695
Future income tax expense	(29)	(162)	(268)
Future net cash flows	194	811	1,427
10% annual discount for estimated timing of cash flows	(104)	(379)	(738)
Standardized measure of discounted future net cash flows	$ 90	432	689

(e) Changes in Standardized Measure of Discounted Future Net Cash Flows

	Year ended December 31		
	2006	2007	2008
	(In millions)		
Sales of oil and gas, net of productions costs	$ (10)	(51)	(177)
Net changes in prices and production costs	—	48	(152)
Development costs incurred during the period	—	106	115
Net changes in future development costs	—	(12)	(126)
Extensions, discoveries and other additions	89	270	533
Revisions of previous quantity estimates	—	(25)	(8)
Accretion of discount	—	18	70
Net change in income taxes	11	4	(33)
Other changes	—	(16)	34
Net increase (decrease)	90	342	256
Beginning of year	—	90	433
End of year	$ 90	432	689

The changes in standardized measure relating to sales of reserves are calculated using prices in effect as of the beginning of the period and changes in standardized measure relating to purchases of reserves are calculated using prices in effect at the end of the period. Accordingly, the changes in standardized measure for purchases and sales of reserves reflected above do not necessarily represent the economic reality of such transactions. See "Costs Incurred in Certain Oil and Gas Activities" earlier in this Note and our consolidated statements of cash flows. Additionally, the standardized measure associated with the 2006 assets sold has not been included in the table above.

ANTERO RESOURCES ENTITIES

Notes to Combined Financial Statements (Continued)

December 31, 2006, 2007 and 2008

(16) Supplemental Information on Oil and Gas Producing Activities (Unaudited) (Continued)

(f) Revised Oil and Gas Standard

In December 2008, the SEC released the final rule for *Modernization of Oil and Gas Reporting,* or Modernization. The Modernization disclosure requirements will permit reporting of oil and gas reserves using an average price based upon the prior 12-month period rather than year-end prices and the use of new technologies to determine proved reserves, if those technologies have been demonstrated to result in reliable conclusions about reserves volumes. Companies will also be allowed to disclose probable and possible reserves to investors in SEC filed documents. In addition, companies will be required to report the independence and qualifications of its reserves preparer or auditor and file reports when a third party is relied upon to prepare reserves estimates or conduct a reserves audit. The Modernization disclosure requirements will become effective for the year ended December 31, 2009. The SEC is coordinating with the FASB to obtain the revisions necessary under SFAS No. 19, *Financial Accounting and Reporting by Oil and Gas Producing Companies*, and SFAS No. 69, *Disclosures about Oil and Gas Producing Activities*, to provide consistency with the Modernization. In the event that consistency is not achieved in time for companies to comply with the Modernization, the SEC will consider delaying the compliance date.


ANTERO
RESOURCES

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. Indemnification of Directors and Officers.

Antero Resources Finance Corporation (the "Company") is incorporated in Delaware. Section 145 of the Delaware General Corporation Law ("DGCL") provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Section 145 further provides that a corporation similarly may indemnify any such person serving in any such capacity who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Delaware Court of Chancery or such other court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper.

The Company's certificate of incorporation provides that indemnification shall be to the fullest extent permitted by the DGCL for all current or former directors or officers of the Company. As permitted by the DGCL, the Company's certificate of incorporation provides that directors of the Company shall have no personal liability to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director, except (1) for any breach of the director's duty of loyalty to the Company or its stockholders, (2) for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of law, (3) under Section 174 of the DGCL or (4) for any transaction from which a director derived an improper personal benefit.

Item 21. Exhibits and Financial Statement Schedules.

(a) The following documents are filed as exhibits to this Registration Statement.

Exhibit Number	Description
3.1	Certificate of Incorporation of Antero Resources Finance Corporation.
3.2	Bylaws of Antero Resources Finance Corporation.
3.3	Certificate of Formation of Antero Resources LLC.

Exhibit Number	Description
3.4	Limited Liability Company Agreement of Antero Resources LLC dated as of November 3, 2009.
4.1	Indenture dated as of November 17, 2009 among Antero Resources Finance Corporation, the several guarantors named therein, and Wells Fargo Bank, National Association, as trustee.
4.2	Registration Rights Agreement dated as of November 17, 2009 among Antero Resources Finance Corporation the several guarantors named therein and the Initial Purchasers named therein.
4.3	Registration Rights Agreement dated as of January 19, 2010 among Antero Resources Finance Corporation, the several guarantors named therein, and Wells Fargo Bank, National Association, as trustee.
4.4	Registration Rights Agreement dated as of November 3, 2009 by and among Antero Resources LLC and the other parties named therein.
5.1	Opinion of Vinson & Elkins L.L.P.
10.1*	Third Amended And Restated Credit Agreement dated as of January 14, 2009 among Antero Resources Corporation, Antero Resources Midstream Corporation, Antero Resources Piceance Corporation, Antero Resources Pipeline Corporation and Antero Resources Appalachian Corporation, as Borrowers, certain subsidiaries of Borrowers, as Guarantors, the Lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, BNP Paribas and Bank of Scotland Plc, as Co-Syndication Agents, Union Bank, N.A., as Documentation Agent and J.P. Morgan Securities Inc., as Sole Lead Arranger and Sole Bookrunner.
10.2*	Amendment No. 1 to Third Amended And Restated Credit Agreement dated as of June 25, 2009.
10.3*	Amendment No. 2 to Third Amended And Restated Credit Agreement dated as of July 15, 2009.
10.4*	Amendment No. 3 to Third Amended And Restated Credit Agreement dated as of October 29, 2009.
10.5*	Amendment No. 4 to Third Amended And Restated Credit Agreement dated as of November 6, 2009.
10.6*	Amendment No. 5 to Third Amended and Restated Credit Agreement dated as of January 12, 2010.
10.7*	Amended and Restated Farmout Acquisition Agreement dated September 23, 2008, by and between Dominion Exploration & Production, Inc., Dominion Transmission, Inc. and Dominion Appalachian Development, LLC and Antero Resources Appalachian Corporation.
10.8*	Farmout Agreement dated September 29, 2008 but effective September 30, 2008 by and between Dominion Exploration & Production, Inc., Dominion Transmission, Inc. and Dominion Appalachian Development, LLC and Antero Resources Appalachian Corporation.
10.9	Limited Liability Company Agreement of Antero Resources Employee Holdings LLC, dated as of November 3, 2009.
12.1	Computation of Ratios of Earnings to Fixed Charges.

Exhibit Number	Description
21.1	Subsidiaries of Antero Resources Finance Corporation.
23.1	Consent of KPMG LLP.
23.2	Consent of DeGolyer and MacNaughton.
23.3	Consent of Ryder Scott Company, L.P.
23.4	Consent of Vinson & Elkins L.L.P. (included in Exhibit 5.1).
24.1	Powers of Attorney (included on the signature pages hereto).
25.1	Statement of Eligibility on Form T-1 of Wells Fargo Bank, National Association.

* To be filed by amendment.

(b) Financial Data Schedules.

Schedules are omitted because they either are not required or are not applicable or because equivalent information has been included in the financial statements, the notes thereto or elsewhere herein.

Item 22. Undertakings.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrants, we have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of a registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, such registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

Each registrant hereby undertakes:

To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(a) to include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(b) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(c) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, if such registrant is subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

That, for the purpose of determining liability of such registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, in a primary offering of securities of such registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(a) any preliminary prospectus or prospectus of the undersigned registrants relating to the offering required to be filed pursuant to Rule 424;

(b) any free writing prospectus relating to the offering prepared by or on behalf of such registrant or used or referred to by the undersigned registrants;

(c) the portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrants or their securities provided by or on behalf of such registrant; and

(d) any other communication that is an offer in the offering made by such registrant to the purchaser.

That, for purposes of determining any liability under the Securities Act of 1933, each filing of a registrant annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

To deliver or cause to be delivered with the prospectus, to each person to whom the prospectus is sent or given, the latest annual report to security holders that is incorporated by reference in the prospectus and furnished pursuant to and meeting the requirements of Rule 14a-3 or Rule 14c-3 under the Securities Exchange Act of 1934; and, where interim financial information required to be presented by Article 3 of Regulation S-X are not set forth in the prospectus, to deliver, or cause to be delivered to each person to whom the prospectus is sent or given, the latest quarterly report that is specifically incorporated by reference in the prospectus to provide such interim financial information.

To respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11, or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

To supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, each registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Denver, State of Colorado, on February 11, 2010.

ANTERO RESOURCES FINANCE CORPORATION
ANTERO RESOURCES LLC
ANTERO RESOURCES CORPORATION
ANTERO RESOURCES MIDSTREAM CORPORATION
ANTERO RESOURCES PICEANCE CORPORATION
ANTERO RESOURCES PIPELINE CORPORATION
ANTERO RESOURCES APPALACHIAN CORPORATION

By: /s/ GLEN C. WARREN, JR.
Glen C. Warren, Jr.
President, Chief Financial Officer and Secretary

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Paul M. Rady and Glen C. Warren, Jr., and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this registration statement (including post-effective amendments and registration statements filed pursuant to Rule 462 or otherwise) and to file the same, with all exhibits thereto, and the other documents in connection therewith, with the Securities and Exchange Commission, and hereby grants to such attorneys-in-fact and agents and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons in the capacities indicated for each registrant.

Signatures	Title	Date
/s/ PAUL M. RADY Paul M. Rady	Chairman of the Board, Director and Chief Executive Officer (principal executive officer)	February 11, 2010
/s/ GLEN C. WARREN, JR. Glen C. Warren, Jr.	President, Chief Financial Officer and Secretary (principal financial officer)	February 11, 2010

Signatures	Title	Date
/s/ ALVYN A. SCHOPP Alvyn A. Schopp	Vice President—Accounting & Administration and Treasurer (principal accounting officer)	February 11, 2010
/s/ PETER R. KAGAN Peter R. Kagan	Director	February 11, 2010
/s/ W. HOWARD KEENAN, JR. W. Howard Keenan	Director	February 11, 2010
/s/ CHRISTOPHER R. MANNING Christopher R. Manning	Director	February 11, 2010

INDEX TO EXHIBITS

Exhibit Number	Description
3.1	Certificate of Incorporation of Antero Resources Finance Corporation.
3.2	Bylaws of Antero Resources Finance Corporation.
3.3	Certificate of Formation of Antero Resources LLC.
3.4	Limited Liability Company Agreement of Antero Resources LLC dated as of November 3, 2009.
4.1	Indenture dated as of November 17, 2009 among Antero Resources Finance Corporation, the several guarantors named therein, and Wells Fargo Bank, National Association, as trustee.
4.2	Registration Rights Agreement dated as of November 17, 2009 among Antero Resources Finance Corporation the several guarantors named therein and the Initial Purchasers named therein.
4.3	Registration Rights Agreement dated as of January 19, 2010 among Antero Resources Finance Corporation, the several guarantors named therein, and Wells Fargo Bank, National Association, as trustee.
4.4	Registration Rights Agreement dated as of November 3, 2009 by and among Antero Resources LLC and the other parties named therein.
5.1	Opinion of Vinson & Elkins L.L.P.
10.1*	Third Amended And Restated Credit Agreement dated as of January 14, 2009 among Antero Resources Corporation, Antero Resources Midstream Corporation, Antero Resources Piceance Corporation, Antero Resources Pipeline Corporation and Antero Resources Appalachian Corporation, as Borrowers, certain subsidiaries of Borrowers, as Guarantors, the Lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, BNP Paribas and Bank of Scotland Plc, as Co-Syndication Agents, Union Bank, N.A., as Documentation Agent and J.P. Morgan Securities Inc., as Sole Lead Arranger and Sole Bookrunner.
10.2*	Amendment No. 1 to Third Amended And Restated Credit Agreement dated as of June 25, 2009.
10.3*	Amendment No. 2 to Third Amended And Restated Credit Agreement dated as of July 15, 2009.
10.4*	Amendment No. 3 to Third Amended And Restated Credit Agreement dated as of October 29, 2009.
10.5*	Amendment No. 4 to Third Amended And Restated Credit Agreement dated as of November 6, 2009.
10.6*	Amendment No. 5 to Third Amended and Restated Credit Agreement dated as of January 12, 2010.
10.7*	Amended and Restated Farmout Acquisition Agreement dated September 23, 2008, by and between Dominion Exploration & Production, Inc., Dominion Transmission, Inc. and Dominion Appalachian Development, LLC and Antero Resources Appalachian Corporation.

Exhibit Number	Description
10.8*	Farmout Agreement dated September 29, 2008 but effective September 30, 2008 by and between Dominion Exploration & Production, Inc., Dominion Transmission, Inc. and Dominion Appalachian Development, LLC and Antero Resources Appalachian Corporation.
10.9	Limited Liability Company Agreement of Antero Resources Employee Holdings LLC, dated as of November 3, 2009.
12.1	Computation of Ratios of Earnings to Fixed Charges.
21.1	Subsidiaries of Antero Resources Finance Corporation.
23.1	Consent of KPMG LLP.
23.2	Consent of DeGolyer and MacNaughton.
23.3	Consent of Ryder Scott Company, L.P.
23.4	Consent of Vinson & Elkins L.L.P. (included in Exhibit 5.1).
24.1	Powers of Attorney (included on the signature pages hereto).
25.1	Statement of Eligibility on Form T-1 of Wells Fargo Bank, National Association.

* To be filed by amendment.

Exhibit 3.1

CERTIFICATE OF INCORPORATION
OF
ANTERO RESOURCES FINANCE CORPORATION

FIRST: The name of the corporation is Antero Resources Finance Corporation (the "*Corporation*").

SECOND: The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801 in New Castle County, Delaware. The name of its registered agent at such address is The Corporation Trust Company.

THIRD: The nature of the business or purposes to be conducted or promoted by the Corporation is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law.

FOURTH: The total number of shares of capital stock which the corporation shall have authority to issue is one thousand (1,000) shares of common stock at a par value of $0.001 per share (the "*Common Stock*").

The designations and the powers, preferences, rights, qualifications, limitations and restrictions of the Common Stock are as follows:

(a) Each share of Common Stock of the Corporation shall have identical rights and privileges in every respect. Except as may otherwise be provided in this Certificate of Incorporation or by applicable law, the holders of shares of Common Stock shall be entitled to one vote for each such share upon all questions presented to the stockholders and the Common Stock shall have the exclusive right to vote for the election of directors and for all other purposes.

(b) The holders of shares of the Common Stock shall be entitled to receive such dividends (payable in cash, stock or otherwise) as may be declared thereon by the board of directors at any time and from time to time out of any funds of the Corporation legally available therefor.

(c) In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, the holders of shares of the Common Stock shall be entitled to receive all of the remaining assets of the Corporation available for distribution to its stockholders, ratably in proportion to the number of shares of the Common Stock held by them. A liquidation, dissolution or winding-up of the Corporation, as such terms are used in this Paragraph (c), shall not be deemed to be occasioned by or to include any consolidation or merger of the Corporation with or into any other corporation or corporations or other entity or a sale, lease, exchange or conveyance of all or a part of the assets of the Corporation.

(d) Subject to the foregoing provisions of this Certificate of Incorporation, the Corporation may issue shares of its Common Stock from time to time for such consideration (not less than the par value thereof) as may be fixed by the board of directors of the Corporation, which is expressly authorized to fix the same in its absolute and uncontrolled discretion subject to the foregoing conditions. Shares so issued for which the consideration shall have been paid or delivered to the Corporation shall be deemed fully paid stock and shall not be liable to any further call or assessment thereon, and the holders of such shares shall not be liable for any further payments in respect of such shares.

(e) The Corporation shall have authority to create and issue rights and options entitling their holders to purchase shares of the Corporation's capital stock of any class or series or other securities of the Corporation, and such rights and options shall be evidenced by instrument(s)

approved by the board of directors of the Corporation. The board of directors of the Corporation shall be empowered to set the exercise price, duration, times for exercise, and other terms of such options or rights; provided, however, that the consideration to be received for any shares of capital stock subject thereto shall not be less than the par value thereof.

(f) The Corporation shall be entitled to treat the person in whose name any share of its stock is registered as the owner thereof for all purposes and shall not be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether or not the Corporation shall have notice thereof, except as expressly provided by applicable law.

FIFTH: The name of the incorporator is Alvyn A. Schopp, whose mailing address is c/o Antero Resources LLC, 1625 17th Street, Denver, Colorado 80202.

SIXTH: The name and mailing address of the initial director, who shall serve until the first annual meeting of stockholders or until his successors are elected and qualified, is as follows:

Name	Address
Alvyn A. Schopp	c/o Antero Resources LLC, 1625 17th Street, Denver, Colorado 80202

The number of directors of the Corporation shall be as specified in, or determined in the manner provided in, the bylaws of the Corporation. Unless and except to the extent that the bylaws of the Corporation so provide, the election of directors need not be by written ballot.

SEVENTH: In furtherance of, and not in limitation of, the powers conferred by the laws of the State of Delaware, the Board of Directors of the Corporation is expressly authorized to adopt, amend or repeal the bylaws of the Corporation, subject to the power of the stockholders of the Corporation to alter or repeal any bylaw whether adopted by them or otherwise.

EIGHTH: Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and/or between the Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for the Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for the Corporation under the provisions of Section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of the Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of the Corporation, as the case may be, and also on the Corporation.

NINTH: No director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. In addition to the circumstances in which a director of the Corporation is not personally liable as set forth in the preceding sentence, a director of the

Corporation shall not be liable to the fullest extent permitted by any amendment to the Delaware General Corporation Law hereafter enacted that further limits the liability of a director.

TENTH: The Corporation shall indemnify any person who was, is or is threatened to be made a party to a proceeding (as hereinafter defined) by reason of the fact that he or she (i) is or was a director or officer of the Corporation or (ii) while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, to the fullest extent permitted under the Delaware General Corporation Law, as the same exists or may hereafter be amended. Such right shall be a contract right and as such shall inure to the benefit of any director or officer who is elected and accepts the position of director or officer of the Corporation or elects to continue to serve as a director or officer of the Corporation while this Article Tenth is in effect. Any repeal or amendment of this Article Tenth shall be prospective only and shall not limit the rights of any such director or officer or the obligations of the Corporation with respect to any claim arising from or related to the services of such director or officer in any of the foregoing capacities prior to any such repeal or amendment to this Article Tenth. Such right shall include the right to be paid by the Corporation expenses (including without limitation attorneys' fees) actually and reasonably incurred by him in defending any such proceeding in advance of its final disposition to the maximum extent permitted under the Delaware General Corporation Law, as the same exists or may hereafter be amended. If a claim for indemnification or advancement of expenses hereunder is not paid in full by the Corporation within sixty (60) days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim, and if successful in whole or in part, the claimant shall also be entitled to be paid the expenses of prosecuting such claim. It shall be a defense to any such action that such indemnification or advancement of costs of defense is not permitted under the Delaware General Corporation Law, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors or any committee thereof, independent legal counsel or stockholders) to have made its determination prior to the commencement of such action that indemnification of, or advancement of costs of defense to, the claimant is permissible in the circumstances nor any actual determination by the Corporation (including its Board or any committee thereof, independent legal counsel or stockholders) that such indemnification or advancement is not permissible shall be a defense to the action or create a presumption that such indemnification or advance is not permissible. In the event of the death of any person having a right of indemnification under the foregoing provisions, such right shall inure to the benefit of his or her heirs, executors, administrators and personal representatives. The rights conferred above shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, bylaw, resolution of stockholders or directors, agreement or otherwise.

The Corporation may also indemnify any employee or agent of the corporation to the fullest extent permitted by law.

As used herein, the term "proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative (other than an action by or in the right of the Corporation), any appeal in such an action, suit or proceeding, any inquiry or investigation that could lead to such an action, suit or proceeding.

ELEVENTH: No contract or transaction between the Corporation and one or more of its directors, officers or stockholders or between the Corporation and any person (as used herein, "person" means other corporation, partnership, association, firm, trust, joint venture, political subdivision or instrumentality) or other organization in which one or more of its directors, officers or stockholders are directors, officers or stockholders, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in

the meeting of the board or committee which authorizes the contract or transaction, or solely because his, her or their votes are counted for such purpose, if: (i) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the board of directors or the committee, and the board of directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (ii) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (iii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the board of directors, a committee thereof or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or of a committee which authorizes the contract or transaction.

TWELFTH: The Corporation shall have the right, subject to any express provisions or restrictions contained in this certificate of incorporation or bylaws of the Corporation, from time to time, to amend this certificate of incorporation or any provision hereof in any manner now or hereafter provided by law, and all rights and powers of any kind conferred upon a director or stockholder of the Corporation by this certificate of incorporation or any amendment hereof are subject to such right of the Corporation.

[Remainder of Page Intentionally Left Blank]

I, the undersigned, being the incorporator herein before named, for the purpose of forming a corporation pursuant to the Delaware General Corporation Law, do make this certificate, hereby declaring that this is my act and deed and that the facts herein stated are true, and accordingly have hereunto set my hand this 23rd day of October, 2009.

/s/ ALVYN A. SCHOPP

Alvyn A. Schopp,
Incorporator

QuickLinks

Exhibit 3.2

BYLAWS

OF

ANTERO RESOURCES FINANCE CORPORATION

A Delaware Corporation

Date of Adoption:

October 29, 2009

TABLE OF CONTENTS

BYLAWS

OF

ANTERO RESOURCES FINANCE CORPORATION

ARTICLE I
OFFICES

Section 1. *Registered Office.* The registered office of Antero Resources Finance Corporation (the "*Corporation*") required by the General Corporation Law of the State of Delaware (the "*DGCL*") to be maintained in the State of Delaware, shall be the registered office named in the original Certificate of Incorporation of the Corporation (as the same may be amended and restated from time to time, the "*Certificate of Incorporation*"), or such other office as may be designated from time to time by the Board of Directors in the manner provided by law. Should the Corporation maintain a principal office within the State of Delaware such registered office need not be identical to such principal office of the Corporation.

Section 2. *Other Offices*. The Corporation may have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine or as the business of the Corporation may require.

ARTICLE II
STOCKHOLDERS

Section 1. *Place of Meetings.* All meetings of the stockholders shall be held at the principal office of the Corporation, or at such other place within or without the State of Delaware as shall be specified or fixed in the notices or waivers of notice thereof.

Section 2. *Quorum; Adjournment of Meetings*. Unless otherwise required by law or provided in the Certificate of Incorporation or these bylaws, the holders of shares of stock with a majority of the voting power entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at any meeting of stockholders for the transaction of business and the act of the holders of a majority of the voting power of such stock so represented at any meeting of stockholders at which a quorum is present shall constitute the act of the meeting of stockholders. The stockholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Shares of its own stock belonging to the Corporation or to another corporation, if such shares of stock represent a majority of the voting power entitled to vote in the election of directors of such other corporation are held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the Corporation or any subsidiary of the Corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

Notwithstanding the other provisions of the Certificate of Incorporation or these bylaws, the chairman of the meeting or the holders of shares of stock with a majority of the voting power present in person or represented by proxy at any meeting of stockholders, whether or not a quorum is present, shall have the power to adjourn such meeting from time to time, without any notice other than announcement at the meeting of the time and place of the holding of the adjourned meeting; provided, however, if the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at such meeting. At any such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally called.

Section 3. *Annual Meetings*. An annual meeting of the stockholders, for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held at such place, within or without the State of Delaware, on such date, and at such time as the Board of Directors shall fix and set forth in the notice of the meeting, which date shall be within thirteen (13) months subsequent to the later of the date of incorporation or the last annual meeting of stockholders.

Section 4. *Special Meetings*. Unless otherwise provided in the Certificate of Incorporation, special meetings of the stockholders for any purpose or purposes may be called at any time by the Chairman of the Board (if any), by the chief executive officer or by a majority of the Board of Directors, or by a majority of the executive committee (if any), and shall be called by the Chairman of the Board (if any), by the chief executive officer or the Secretary upon the written request therefor, stating the purpose or purposes of the meeting, delivered to such officer, signed by the holder(s) of at least sixty percent (60%) of the issued and outstanding stock entitled to vote at such meeting.

Section 5. *Record Date*. For the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders, or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors of the Corporation may fix, in advance, a date as the record date for any such determination of stockholders, which date shall not be more than sixty (60) days nor less than ten (l0) days before the date of such meeting, nor more than sixty (60) days prior to any other action.

If the Board of Directors does not fix a record date for any meeting of the stockholders, the record date for determining stockholders entitled to notice of or to vote at such meeting shall be at the close of business on the day next preceding the day on which notice is given, or, if in accordance with *Article VII*, *Section 3* of these bylaws notice is waived, at the close of business on the day next preceding the day on which the meeting is held. If, in accordance with *Section 12* of this *Article II*, corporate action without a meeting of stockholders is to be taken, the record date for determining stockholders entitled to express consent to such corporate action in writing, when no prior action by the Board of Directors is necessary, shall be the day on which the first written consent is expressed. The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 6. *Notice of Meetings.* Written notice of the place, date and hour of all meetings, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given by or at the direction of the Chairman of the Board (if any) or the chief executive officer, the Secretary or the other person(s) calling the meeting to each stockholder entitled to vote thereat and shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, personally, by electronic transmission or by mail. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at his or her address as it appears on the records of the Corporation. The Corporation may provide stockholders with notice of a meeting by electronic transmission provided such stockholders have consented to receiving electronic notice.

Section 7. *Stock List*. A complete list of stockholders entitled to vote at any meeting of stockholders, arranged in alphabetical order for each class of stock and showing the address of each such stockholder and the number of shares registered in the name of such stockholder, shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either on a reasonably accessible

electronic network, provided that the information required to gain access to the list is provided with the notice of the meeting, or during ordinary business hours, at the principal place of business of the Corporation. The stock list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

Section 8. *Proxies*. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to a corporate action in writing without a meeting may authorize another person or persons to act for him by proxy. Proxies for use at any meeting of stockholders shall be filed with the Secretary, or such other officer as the Board of Directors may from time to time determine by resolution, before or at the time of the meeting. All proxies shall be received and taken charge of and all ballots shall be received and canvassed by the secretary of the meeting who shall decide all questions touching upon the qualification of voters, the validity of the proxies, and the acceptance or rejection of votes, unless an inspector or inspectors shall have been appointed by the chairman of the meeting, in which event such inspector or inspectors shall decide all such questions.

No proxy shall be valid after three (3) years from its date, unless the proxy provides for a longer period. Each proxy shall be revocable unless expressly provided therein to be irrevocable and coupled with an interest sufficient in law to support an irrevocable power.

Should a proxy designate two or more persons to act as proxies, unless such instrument shall provide the contrary, a majority of such persons present at any meeting at which their powers thereunder are to be exercised shall have and may exercise all the powers of voting or giving consents thereby conferred, or if only one be present, then such powers may be exercised by that one; or, if an even number attend and a majority do not agree on any particular issue, each proxy so attending shall be entitled to exercise such powers in respect of the same portion of the shares as he or she is of the proxies representing such shares.

Section 9. *Voting; Elections; Inspectors*. Unless otherwise required by law or provided in the Certificate of Incorporation, each stockholder shall have one vote for each share of stock entitled to vote which is registered in his or her name on the record date for the meeting. Shares registered in the name of another corporation, domestic or foreign, may be voted by such officer, agent or proxy as the bylaw (or comparable instrument) of such corporation may prescribe, or in the absence of such provision, as the Board of Directors (or comparable body) of such corporation may determine. Shares registered in the name of a deceased person may be voted by his or her executor or administrator, either in person or by proxy.

All voting, except as required by the Certificate of Incorporation or where otherwise required by law, may be by a voice vote; provided, however, that upon demand therefor by stockholders holding shares of stock representing a majority of the voting power present in person or by proxy at any meeting a written ballot vote shall be taken. All elections for directors shall be by written ballot unless otherwise provided in the Certificate of Incorporation. Unless otherwise provided in the Certificate of Incorporation or these bylaws, directors shall be elected by a plurality of the votes cast by the holders of shares of stock entitled to vote in the election of directors at a meeting of stockholders at which a quorum is present. All other elections and questions presented to the stockholders at a meeting at which a quorum is present shall, unless otherwise provided by the Certificate of Incorporation, these by-laws, the rules or regulations of any stock exchange applicable to the Corporation, or applicable law or pursuant to any regulation applicable to the Corporation or its securities, be decided by the affirmative vote of the holders of a majority in voting power of the shares of stock of the Corporation which are present in person or by proxy and entitled to vote thereon. Every stock vote shall be taken

by written ballots, each of which shall state the name of the stockholder or proxy voting and such other information as may be required under the procedure established for the meeting.

At any meeting at which a vote is taken by ballots, the chairman of the meeting may appoint one or more inspectors, each of whom shall subscribe an oath or affirmation to execute faithfully the duties of inspector at such meeting with strict impartiality and according to the best of his or her ability. Such inspector shall ascertain the number of shares of capital stock of the Corporation outstanding and the voting power of each such share, determine the shares of capital stock of the Corporation represented at the meeting and the validity of proxies and ballots, count all votes and ballots, determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and certify their determination of the number of shares of capital stock of the Corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the Corporation, the inspectors may consider such information as is permitted by applicable law. The chairman of the meeting may appoint any person to serve as inspector, except no candidate for the office of director shall be appointed as an inspector.

Unless otherwise provided in the Certificate of Incorporation, cumulative voting for the election of directors shall be prohibited.

Section 10. *Conduct of Meetings*. The meetings of the stockholders shall be presided over by the Chairman of the Board (if any), or if he or she is not present, by the chief executive officer, or if neither the Chairman of the Board (if any), nor chief executive officer is present, by a chairman elected at the meeting. The Secretary of the Corporation, if present, shall act as secretary of such meetings, or if he or she is not present, an Assistant Secretary shall so act; if neither the Secretary nor an Assistant Secretary is present, then a secretary shall be appointed by the chairman of the meeting. The chairman of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seem to him in order. Unless the chairman of the meeting of stockholders shall otherwise determine, the order of business shall be as follows:

(a) Calling of meeting to order.

(b) Election of a chairman and the appointment of a secretary if necessary.

(c) Presentation of proof of the due calling of the meeting.

(d) Presentation and examination of proxies and determination of a quorum.

(e) Reading and settlement of the minutes of the previous meeting.

(f) Reports of officers and committees.

(g) The election of directors if an annual meeting, or a meeting called for that purpose.

(h) Unfinished business.

(i) New business.

(j) Adjournment.

Section 11. *Treasury Stock.* The Corporation shall not vote, directly or indirectly, shares of its own stock owned by it or any other corporation, if a majority of shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly by the Corporation and such shares shall not be counted for quorum purposes.

Section 12. *Action Without Meeting.* Unless otherwise provided in the Certificate of Incorporation, any action permitted or required by law, the Certificate of Incorporation or these bylaws to be taken at a meeting of stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than a unanimous written consent shall be given by the Secretary to those stockholders who have not consented in writing.

ARTICLE III
BOARD OF DIRECTORS

Section 1. *Power; Number; Term of Office.* The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors, and subject to the restrictions imposed by law or the Certificate of Incorporation, they may exercise all the powers of the Corporation.

The number of directors of the Corporation shall be determined from time to time by resolution of the Board of Directors, unless the Certificate of Incorporation fixes the number of directors, in which case a change in the number of directors shall be made only by amendment of the Certificate of Incorporation. Each director shall hold office for the term for which he or she is elected, and until his or her successor shall have been elected and qualified or until his or her earlier death, resignation or removal.

Unless otherwise provided in the Certificate of Incorporation, directors need not be stockholders nor residents of the State of Delaware.

Section 2. *Quorum*. Unless otherwise provided in the Certificate of Incorporation, a majority of the total number of directors shall constitute a quorum for the transaction of business of the Board of Directors and the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 3. *Place of Meetings; Order of Business.* The directors may hold their meetings and may have an office and keep the books of the Corporation, except as otherwise provided by law, in such place or places, within or without the State of Delaware, as the Board of Directors may from time to time determine by resolution. At all meetings of the Board of Directors business shall be transacted in such order as shall from time to time be determined by the Chairman of the Board (if any), or in his or her absence by the chief executive officer, or by resolution of the Board of Directors.

Section 4. *First Meeting.* Each newly elected Board of Directors may hold its first meeting for the purpose of organization and the transaction of business, if a quorum is present, immediately after and at the same place as the annual meeting of the stockholders. Notice of such meeting shall not be required.

Section 5. *Regular Meetings*. Regular meetings of the Board of Directors shall be held at such times and places as shall be designated from time to time by resolution of the Board of Directors. Notice of such regular meetings shall not be required.

Section 6. *Special Meetings.* Special meetings of the Board of Directors may be called by the Chairman of the Board (if any), the chief executive officer or, on the written request of any two directors, by the Secretary, in each case on at least twenty-four (24) hours personal or written notice or on at least twenty-four (24) hours notice by electronic transmission to each director. Such notice, or any waiver thereof pursuant to *Article VII*, *Section 3* hereof, need not state the purpose or purposes of such meeting, except as may otherwise be required by law or provided for in the Certificate of Incorporation or these bylaws.

Section 7. *Removal*. Any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors; provided that, unless the Certificate of Incorporation otherwise provides, if the Board of Directors is classified, then the stockholders may effect such removal only for cause; and provided further that, if the Certificate of Incorporation expressly grants to stockholders the right to cumulate votes for the election of directors and if less than the entire Board of Directors is to be removed, no director may be removed without cause if the votes cast against his or her removal would be sufficient to elect him or her if then cumulatively voted at an election of the entire Board of Directors, or, if there be classes of directors, at an election of the class of directors of which such director is a part.

Section 8. *Vacancies; Increases in the Number of Directors*. Unless otherwise provided in the Certificate of Incorporation, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, although less than a quorum, or a sole remaining director; and any director so chosen shall hold office until the next annual election and until his or her successor shall be duly elected and shall qualify, unless sooner displaced.

If the directors of the Corporation are divided into classes, any directors elected to fill vacancies or newly created directorships shall hold office until the next election of the class for which such directors shall have been chosen, and until their successors shall be duly elected and shall qualify.

Section 9. *Compensation*. Unless otherwise restricted by the Certificate of Incorporation, the Board of Directors shall have the authority to fix the compensation of directors.

Section 10. *Action Without a Meeting; Telephone Conference Meeting.* Unless otherwise restricted by the Certificate of Incorporation, any action required or permitted to be taken at any meeting of the Board of Directors, or any committee designated by the Board of Directors, may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Such consent shall have the same force and effect as a unanimous vote at a meeting, and may be stated as such in any document or instrument filed with the Secretary of State of Delaware.

Unless otherwise restricted by the Certificate of Incorporation, subject to the requirement for notice of meetings, members of the Board of Directors, or members of any committee designated by the Board of Directors, may participate in a meeting of such Board of Directors or committee, as the case may be, by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such a meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 11. *Approval or Ratification of Acts or Contracts by Stockholders*. The Board of Directors in its discretion may submit any act or contract for approval or ratification at any annual meeting of the stockholders, or at any special meeting of the stockholders called for the purpose of considering any such act or contract, and any act or contract that shall be approved or be ratified by the vote of the holders of shares of stock representing a majority of the voting power entitled to vote and present in person or by proxy at such meeting (provided that a quorum is present), shall be as valid and as binding upon the Corporation and upon all the stockholders as if it has been approved or ratified by every stockholder of the Corporation. In addition, any such act or contract may be approved or ratified by the written consent of the holders of shares of stock representing a majority of the voting power entitled to vote and such consent shall be as valid and as binding upon the Corporation and upon all the stockholders as if it had been approved or ratified by every stockholder of the Corporation.

ARTICLE IV
COMMITTEES

Section 1. *Designation; Powers*. The Board of Directors may, by resolution passed by a majority of the whole board, designate one or more committees, including, if they shall so determine, an executive committee, each such committee to consist of one or more of the directors of the Corporation. Any such designated committee shall have and may exercise such of the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation as may be provided in such resolution, except that no such committee shall have the power or authority of the Board of Directors in reference to amending the Certificate of Incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders an agreement of merger, recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution of the Corporation, or amending, altering or repealing the bylaws or adopting new bylaws for the Corporation and, unless such resolution or the Certificate of Incorporation expressly so provides, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock. Any such designated committee may authorize the seal of the Corporation to be affixed to all papers which may require it. In addition to the above, such committee or committees shall have such other powers and limitations of authority as may be determined from time to time by resolution adopted by the Board of Directors.

Section 2. *Procedure; Meetings; Quorum*. Any committee designated pursuant to Section 1 of this Article shall choose its own chairman, shall keep regular minutes of its proceedings and report the same to the Board of Directors when requested, shall fix its own rules or procedures, and shall meet at such times and at such place or places as may be provided by such rules, or by resolution of such committee or resolution of the Board of Directors. At every meeting of any such committee, the presence of a majority of all the members thereof shall constitute a quorum and the affirmative vote of a majority of the members present shall be necessary for the adoption by it of any resolution.

Section 3. *Substitution of Members*. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of the absent or disqualified member.

ARTICLE V
OFFICERS

Section 1. *Number, Titles and Term of Office*. The officers of the Corporation shall be a chief executive officer and a Secretary and, if the Board of Directors so elects, a Chairman of the Board, one or more Vice Presidents (any one or more of whom may be designated Executive Vice President or Senior Vice President), a Treasurer and such other officers as the Board of Directors may from time to time elect or appoint. Each officer shall hold office until his or her successor shall be duly elected and shall qualify or until his or her death or until he or she shall resign or shall have been removed in the manner hereinafter provided. Any number of offices may be held by the same person, unless the Certificate of Incorporation provides otherwise. Except for the Chairman of the Board, if any, no officer need be a director.

Section 2. *Salaries*. The salaries or other compensation of the officers and agents of the Corporation shall be fixed from time to time by the Board of Directors.

Section 3. *Removal*. Any officer or agent elected or appointed by the Board of Directors may be removed, either with or without cause, by the vote of a majority of the whole Board of Directors at a

special meeting called for the purpose, or at any regular meeting of the Board of Directors. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 4. *Vacancies*. Any vacancy occurring in any office of the Corporation may be filled by the Board of Directors.

Section 5. *Powers and Duties of the Chief Executive Officer*. The President shall be the chief executive officer of the Corporation unless the Board of Directors designates the Chairman of the Board or any other officer as chief executive officer. Subject to the control of the Board of Directors and the executive committee (if any), the chief executive officer shall have general executive charge, management and control of the properties, business and operations of the Corporation with all such powers as may be reasonably incident to such responsibilities; he or she may agree upon and execute all leases, contracts, evidences of indebtedness and other obligations in the name of the Corporation and may sign all certificates for shares of capital stock of the Corporation; and shall have such other powers and duties as designated in accordance with these bylaws and as from time to time may be assigned to him by the Board of Directors.

Section 6. *Powers and Duties of the Chairman of the Board*. If elected, the Chairman of the Board shall preside at all meetings of the stockholders and of the Board of Directors; shall have such other powers and duties as designated in these bylaws and as from time to time may be assigned to him by the Board of Directors.

Section 7. *Powers and Duties of the President*. Unless the Board of Directors otherwise determines, the President shall have the authority to agree upon and execute all leases, contracts, evidences of indebtedness and other obligations in the name of the Corporation; and, unless the Board of Directors otherwise determines, he or she shall, in the absence of the Chairman of the Board or if there be no Chairman of the Board, preside at all meetings of the stockholders and (should he or she be a director) of the Board of Directors; and he or she shall have such other powers and duties as designated in accordance with these bylaws and as from time to time may be assigned to him or her by the Board of Directors.

Section 8. *Vice Presidents*. In the absence of the chief executive officer, or in the event of his or her inability or refusal to act, a Vice President designated by the Board of Directors shall perform the duties of the chief executive officer, and when so acting shall have all the powers of and be subject to all the restrictions upon the chief executive officer. In the absence of a designation by the Board of Directors of a Vice President to perform the duties of the chief executive officer, or in the event of his or her absence or inability or refusal to act, the Vice President who is present and who is senior in terms of time as a Vice President of the Corporation shall so act. The Vice Presidents shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

Section 9. *Treasurer*. The Treasurer, if any, shall have responsibility for the custody and control of all the funds and securities of the Corporation, and he or she shall have such other powers and duties as designated in these bylaws and as from time to time may be assigned to him or her by the Board of Directors. He or she shall perform all acts incident to the position of Treasurer, subject to the control of the chief executive officer and the Board of Directors; and he or she shall, if required by the Board of Directors, give such bond for the faithful discharge of his or her duties in such form as the Board of Directors may require.

Section 10. *Assistant Treasurers*. Each Assistant Treasurer, if any, shall have the usual powers and duties pertaining to his or her office, together with such other powers and duties as designated in these bylaws and as from time to time may be assigned to him or her by the chief executive officer or the Board of Directors. The Assistant Treasurers shall exercise the powers of the Treasurer during that officer's absence or inability or refusal to act.

Section 11. *Secretary*. The Secretary shall keep the minutes of all meetings of the Board of Directors, committees of directors and the stockholders, in books provided for that purpose; he or she shall attend to the giving and serving of all notices; he or she may in the name of the Corporation affix the seal of the Corporation to all contracts of the Corporation and attest the affixation of the seal of the Corporation thereto; he or she may sign with the other appointed officers all certificates for shares of capital stock of the Corporation; he or she shall have charge of the certificate books, transfer books and stock ledgers, and such other books and papers as the Board of Directors may direct, all of which shall at all reasonable times be open to inspection of any director upon application at the office of the Corporation during business hours; he or she shall have such other powers and duties as designated in these bylaws and as from time to time may be assigned to him or her by the Board of Directors or the chief executive officer; and he or she shall in general perform all acts incident to the office of Secretary, subject to the control of the chief executive officer and the Board of Directors.

Section 12. *Assistant Secretaries*. Each Assistant Secretary, if any, shall have the usual powers and duties pertaining to his or her office, together with such other powers and duties as designated in these bylaws and as from time to time may be assigned to him or her by the chief executive officer or the Board of Directors. The Assistant Secretaries shall exercise the powers of the Secretary during that officer's absence or inability or refusal to act.

Section 13. *Action with Respect to Securities of Other Corporations.* Unless otherwise directed by the Board of Directors, the chief executive officer shall have power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of security holders of or with respect to any action of security holders of any other corporation in which this Corporation may hold securities and otherwise to exercise any and all rights and powers which this Corporation may possess by reason of its ownership of securities in such other corporation.

ARTICLE VI
CAPITAL STOCK

Section 1. *Certificates of Stock*. Except as provided in this Section 1 of Article VI, the certificates for shares of the capital stock of the Corporation shall be in such form, not inconsistent with that required by law and the Certificate of Incorporation, as shall be approved by the Board of Directors. The Chairman of the Board (if any), chief executive officer or a Vice President shall cause to be issued to each stockholder one or more certificates, under the seal of the Corporation or a facsimile thereof if the Board of Directors shall have provided for such seal, and signed by the Chairman of the Board (if any), chief executive officer or a Vice President and the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer certifying the number of shares (and, if the stock of the Corporation shall be divided into classes or series, the class and series of such shares) owned by such stockholder in the Corporation; provided, however, that any of or all the signatures on the certificate may be facsimile. The stock record books and the blank stock certificate books shall be kept by the Secretary, or at the office of such transfer agent or transfer agents as the Board of Directors may from time to time by resolution determine. In case any officer, transfer agent or registrar who shall have signed or whose facsimile signature or signatures shall have been placed upon any such certificate or certificates shall have ceased to be such officer, transfer agent or registrar before such certificate is issued by the Corporation, such certificate may nevertheless be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. The stock certificates shall be consecutively numbered and shall be entered in the books of the Corporation as they are issued and shall exhibit the holder's name and number of shares. The Board of Directors may deem that any outstanding shares of the Corporation will be uncertificated and registered in such form on the stock books of the Corporation.

Section 2. *Transfer of Shares*. Subject to the provisions of the Certificate of Incorporation regarding the transfer of stock, the shares of stock of the Corporation shall be transferable only on the books of

the Corporation by the holders thereof in person or by their duly authorized attorneys or legal representatives upon surrender and cancellation of certificates for a like number of shares. Subject to the provisions of the Certificate of Incorporation regarding the transfer of stock, upon surrender to the Corporation or a transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

Section 3. *Ownership of Shares*. The Corporation shall be entitled to treat the holder of record of any share or shares of capital stock of the Corporation as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Delaware.

Section 4. *Regulations Regarding Certificates*. The Board of Directors shall have the power and authority to make all such rules and regulations as they may deem expedient concerning the issue, transfer and registration or the replacement of certificates for shares of capital stock of the Corporation.

Section 5. *Lost or Destroyed Certificates*. The Board of Directors may determine the conditions upon which a new certificate of stock may be issued in place of a certificate which is alleged to have been lost, stolen or destroyed; and may, in their discretion, require the owner of such certificate or his or her legal representative to give bond, with sufficient surety, to indemnify the Corporation and each transfer agent and registrar against any and all losses or claims which may arise by reason of the issue of a new certificate in the place of the one so lost, stolen or destroyed.

ARTICLE VII
MISCELLANEOUS PROVISIONS

Section 1. *Fiscal Year*. The fiscal year of the Corporation shall be such as established from time to time by the Board of Directors.

Section 2. *Corporate Seal*. The Board of Directors may provide a suitable seal, containing the name of the Corporation. The Secretary shall have charge of the seal (if any). If and when so directed by the Board of Directors or a committee thereof, duplicates of the seal may be kept and used by the Treasurer or by the Assistant Secretary or Assistant Treasurer.

Section 3. *Notice and Waiver of Notice.* Whenever any notice is required to be given by law, the Certificate of Incorporation or under the provisions of these bylaws, said notice shall be deemed to be sufficient if given by electronic transmission or by deposit of the same in a post office box in a sealed prepaid wrapper addressed to the person entitled thereto at his or her post office address, as it appears on the records of the Corporation, and such notice shall be deemed to have been given on the day of such transmission or mailing, as the case may be.

Whenever notice is required to be given by law, the Certificate of Incorporation or under any of the provisions of these bylaws, a written waiver thereof, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the grounds that the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice unless so required by the Certificate of Incorporation or these bylaws.

Section 4. *Resignations*. Any director, member of a committee or officer may resign at any time. Such resignation shall be made in writing or by electronic transmission and shall take effect at the time specified therein, or if no time be specified, at the time of its receipt by the chief executive officer or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 5. *Facsimile Signatures.* In addition to the provisions for the use of facsimile signatures elsewhere specifically authorized in these bylaws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board of Directors.

Section 6. *Reliance upon Books, Reports and Records.* Each director and each member of any committee designated by the Board of Directors shall, in the performance of his or her duties, be fully protected in relying in good faith upon the books of account or reports made to the Corporation by any of its officers, or by an independent certified public accountant, or by an appraiser selected with reasonable care by the Board of Directors or by any such committee, or in relying in good faith upon other records of the Corporation.

Section 7. *Form of Records*. Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or by means of, or be in the form of, any information storage device or method, provided that the records so kept can be converted into clearly legible paper form within a reasonable time.

ARTICLE VIII
AMENDMENTS

Section 1. *Amendments*. If provided in the Certificate of Incorporation of the Corporation, the Board of Directors shall have the power to adopt, amend and repeal from time to time bylaws of the Corporation, subject to the right of the stockholders entitled to vote with respect thereto to amend or repeal such bylaws as adopted or amended by the Board of Directors.

QuickLinks

Exhibit 3.3

CERTIFICATE OF FORMATION

OF

ANTERO RESOURCES LLC

This Certificate of Formation, dated October 23, 2009, has been duly executed and is filed pursuant to Sections 18-201 and 18-204 of the Delaware Limited Liability Company Act (the "Act") to form a limited liability company (the "Company") under the Act.

1. ***Name.*** The name of the Company is "Antero Resources LLC".

2. ***Registered Office; Registered Agent.*** The address of the registered office required to be maintained by Section 18-104 of the Act is:

Corporation Trust Center
1209 Orange Street
Wilmington, Delaware 19801

The name and the address of the registered agent for service of process required to be maintained by Section 18-104 of the Act are:

The Corporation Trust Company
Corporation Trust Center
1209 Orange Street
Wilmington, Delaware 19801

EXECUTED as of the date written first above.

By: /s/ ALVYN A. SCHOPP

Name: Alvyn A. Schopp
Authorized Person

QuickLinks

Exhibit 3.4

EXECUTION VERSION

LIMITED LIABILITY COMPANY AGREEMENT

OF

ANTERO RESOURCES LLC

a Delaware Limited Liability Company

Dated as of November 3, 2009

TABLE OF CONTENTS

LIMITED LIABILITY COMPANY AGREEMENT

OF

ANTERO RESOURCES LLC

This **LIMITED LIABILITY COMPANY AGREEMENT** (this "***Agreement***"), dated as of November 3, 2009, is adopted, executed and agreed to, for good and valuable consideration, by Warburg, the Yorktown Parties, the Trilantic Parties, Antero Employee Holdings and each of the parties listed on *Exhibit A* attached hereto who are Members as of the date hereof, and the persons who at any time become Members of the Company or parties hereto as provided herein. In consideration of the mutual covenants and agreements contained herein, the Members do hereby agree as follows:

ARTICLE I.
FORMATION

Section 1.1 **Formation**. The Company has been formed as a Delaware limited liability company by the filing of the Certificate of Formation (the "***Certificate***") in the office of the Secretary of State of the State of Delaware under and pursuant to the Act. The Members hereby agree that during the term of the Company, the rights and obligations of the Members with respect to the Company will be determined in accordance with the terms and provisions of this Agreement and the Act (except where the Act provides that such rights and obligations specified in the Act shall apply "unless otherwise provided in a limited liability company agreement" or words of similar effect and such rights and obligations are set forth in this Agreement). Notwithstanding anything herein to the contrary, §18-210 of the Act (entitled "Contractual appraisal rights") shall not apply or be incorporated into this Agreement.

Section 1.2 **Name**. The name of the Company is "Antero Resources LLC". The business of the Company shall be conducted in the name of the Company. If the applicable law of a jurisdiction where the Company does business requires the Company to do business under a different name, the Board of Directors shall choose another name to do business in such jurisdiction. In such a case, the business of the Company in such jurisdiction may be conducted under such other name or names as the Board of Directors may select.

Section 1.3 **Purpose**. The Company has been formed for the purpose of holding the outstanding securities of the Antero Subsidiaries and such other Subsidiaries as may hereafter be acquired or formed, and will not directly or indirectly engage in any trade or business within the meaning of Section 864(b) of the Internal Revenue Code; *provided*, *however*, the Company may engage in transactions that cause the Company to have effectively connected income as a result of the application of section 897 of the Internal Revenue Code in connection with any Antero Subsidiary Disposition. The Company shall provide written notice to each of the Investor Members not less than 10 Business Days prior to the occurrence of any event or transaction that would cause the Company to have effectively connected income as a result of the application of section 897 of the Internal Revenue Code.

Section 1.4 **Registered Office and Registered Agent; Principal Place of Business**.

(a) The registered office of the Company required by the Act to be maintained in the State of Delaware shall be the initial registered office named in the Certificate or such other office (which need not be a place of business of the Company) as the Board of Directors may designate from time to time in the manner provided by law. The registered agent of the Company in the State of Delaware shall be the initial registered agent named in the Certificate or such other person or persons as the Board of Directors may designate from time to time.

(b) The principal place of business of the Company shall be 1625 17th Street, Denver, Colorado 80202, or at such other location as designated by the Board of Directors.

Section 1.5 **Foreign Qualification**. Prior to the Company conducting business in any jurisdiction other than Delaware, the Company shall comply, to the extent procedures are reasonably available, with all requirements necessary to qualify the Company as a foreign limited liability company in such jurisdiction. At the request of the Board of Directors or an authorized officer of the Company, each Member agrees to execute, acknowledge, swear to, and deliver all certificates and other instruments conforming with this Agreement that are necessary or appropriate to qualify, continue, and terminate the Company as a foreign limited liability company in all such jurisdictions in which the Company may conduct business.

Section 1.6 **Term**. The Company commenced on the date the Certificate was filed with the Secretary of State of Delaware and shall continue in existence until it is dissolved and terminated in accordance with the terms hereof.

Section 1.7 **Transaction Costs**. The Company or an Antero Subsidiary shall promptly pay or reimburse the Members and their respective Affiliates, to the extent such costs have been incurred, for all reasonable, third-party out of pocket costs and expenses incurred by them in connection with the formation of the Company, the negotiation, preparation and execution of this Agreement, and the consummation of the transactions hereunder, including the reasonable fees and expenses of legal counsel of the Members and any of their respective Affiliates in connection therewith.

ARTICLE II.
DEFINITIONS AND REFERENCES

Section 2.1 **Definitions**. When used in this Agreement, the following terms shall have the respective meanings assigned to them in this *Section 2.1* or in the Sections or other subdivisions referred to below:

"***Act***" means the Delaware Limited Liability Company Act or any successor statute, as amended from time to time.

"***Adjusted Capital Account***" means the Capital Account maintained for each Member as provided in *Section 7.3*, (a) increased by (i) the amount of any unpaid Capital Contributions agreed to be contributed by such Member, if any, and (ii) an amount equal to the amount such Member is deemed obligated to restore under the penultimate sentences of Treasury Regulation Section 1.704-2(g)(1) and 1.704-2(i)(5) as computed on the last day of such fiscal year in accordance with the applicable Treasury Regulations, and (b) decreased by the adjustments provided for in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4)-(6).

"***Affiliate***" means, when used with respect to any person, any person directly or indirectly controlling, controlled by, or under common control with such person. For the purposes of this definition, the terms "*controlling*", "*controlled by*", or "*under common control*" means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of securities or any partnership or other ownership interest, by contract or otherwise) of a person. Without limiting the foregoing, when used with respect to any Management Member, an "Affiliate" shall be deemed to specifically include (a) each of the Management Members, (b) any Relative of a Management Member or (c) any trust or other entity established for or owned by any of the persons described in clause (a) or clause (b) immediately preceding.

"***Agreement***" means this Agreement, as hereafter amended, restated, supplemented or otherwise modified in accordance with the terms hereof.

"***Allocation Year***" means (a) the period commencing on the date hereof and ending on December 31, 2009, (b) any subsequent 12-month period commencing on January 1, and ending on December 31, or (c) any portion of the periods described in clauses (a) or (b) for which the Company is required to allocate Profits, Losses and other items of Company income, gain, loss or deduction

under *Article VI* or (d) the period commencing on the immediately preceding January 1, and ending on the date on which all property and assets of the Company are distributed to the Members under *Article IX*; *provided, however*, if such period is not permissible for tax purposes, the Tax Matters Member shall select another period that is permissible for tax purposes

"***Antero Appalachian***" means Antero Resources Appalachian Corporation, a Delaware corporation.

"***Antero Midstream***" means Antero Resources Midstream Corporation, a Delaware corporation.

"***Antero Piceance***" means Antero Resources Piceance Corporation, a Delaware corporation.

"***Antero Pipeline***" means Antero Resources Pipeline Corporation, a Delaware corporation.

"***Antero Resources***" means Antero Resources Corporation, a Delaware corporation.

"***Antero Subsidiary***" means each of Antero Appalachian, Antero Midstream, Antero Piceance, Antero Pipeline and Antero Resources and any other Subsidiary so designated by the Board of Directors; and "***Antero Subsidiaries***" means each of the foregoing persons collectively.

"***Antero Subsidiary Disposition***" means, the direct or indirect Disposition, in a transaction effected on an arms' length basis, of the outstanding Equity Interests or all or substantially all of the assets of an Antero Subsidiary, whether in one or a series of transactions or by merger, combination, sale or similar transaction to any person other than the Company or any of its other Subsidiaries.

"***Approved Annual Budget***" has the meaning set forth in *Section 7.1(b)(v)*.

"***Approved Sale***" has the meaning set forth in *Section 8.8(a)*.

"***Asset Disposition***" means the direct or indirect Disposition or abandonment of any of the properties or other assets of the Company, any Subsidiary or any interest in such properties, Subsidiary or other assets (exclusive of properties, materials, supplies, equipment or other items of personal property disposed of in the ordinary course of business or are not otherwise material to the business of the Company and its Subsidiaries, taken as a whole).

"***Audit Committee***" has the meaning set forth in *Section 4.2(d)*.

"***Available Units***" has the meaning set forth in *Section 8.14(a)*.

"***Blocker Corporation***" has the meaning set forth in *Section 8.13(b)*.

"***Board of Directors***" means the Board of Directors of the Company.

"***Board Observer***" has the meaning set forth in *Section 4.2(c)*.

"***Bonus Recipient***" means any employee of the Company or any of its Subsidiaries that has received a distribution from the Transaction Bonus Pool pursuant to clause *First* in *Section 6.1(b)*.

"***Business Day***" means a day other than a Saturday, Sunday or a day on which commercial banks in the States of Colorado or New York are authorized or required to be closed for business.

"***Business Opportunity***" has the meaning set forth in *Section 4.13*.

"***Capital Account***" has the meaning set forth in *Section 7.3(a)*.

"***Capital Contribution***" means, with respect to any Member, the aggregate amount that such Member has contributed or is deemed to have contributed to the Company in accordance with the provisions of this Agreement.

"***Capital Contribution Percentage***" means with respect to a Member a fraction the numerator of which is such Member's Capital Contribution and the denominator of which is the aggregate Capital Contribution of all of the Members.

"***Cause***" shall mean, with respect to an employee's employment with a Subsidiary of the Company, discharge by all of the Subsidiaries of the Company that employ such employee, *provided* that, with respect to one or more of such Subsidiaries, such discharge shall be on the following grounds:

(i) An employee's gross negligence or willful misconduct in the performance of his or her duties;

(ii) An employee's conviction of a felony or other crime involving theft, fraud or embezzlement or any other crime involving dishonesty or moral turpitude which is materially detrimental to the business or affairs of the Company or any of its Subsidiaries;

(iii) An employee's willful refusal, after fifteen (15) days' written notice from the board of directors of such Subsidiary, to perform the material lawful duties or responsibilities required of him or her;

(iv) An employee's willful and material breach of any corporate policy or code of conduct established by the Company or any of its Subsidiaries; or

(v) An employee's willfully engaging in conduct that materially damages the integrity, reputation, or financial viability of the Company or its Affiliates; *provided*, *that* no conduct on such employee's part shall be considered "Cause" if done or omitted to be done by such employee in good faith and in the reasonable belief that such act or failure to act was in the best interest of the Company or a Subsidiary or in furtherance of such employee's duties of employment.

"***Certificate***" has the meaning set forth in *Section 1.1*.

"***Change of Control***" means, the occurrence in one transaction or a series of related transactions of any of the following: (a) a Disposition of Membership Interests, merger or similar transaction involving the Company in which the holders of record and beneficial owners of the Membership Interests immediately prior to such Disposition, merger or similar transaction do not, immediately after such transaction, own Membership Interests representing a majority of the outstanding voting power (based on the right to directly or indirectly (through a parent company or otherwise) elect directors or managers) of the Company or the surviving entity, (b) the Disposition, directly or indirectly, of all or substantially all of the assets of the Company, or (c) a consolidation, recapitalization, reorganization or any other form of reorganization in which outstanding Membership Interests are exchanged for or converted into cash, securities of another corporation or business organization (including the surviving entity of a merger), or other property in which the holders of record and beneficial holders of Membership Interests immediately prior to such consolidation, recapitalization or reorganization do not, immediately after such consolidation, recapitalization or reorganization, own Membership Interests representing a majority of the outstanding voting power (based on the right to directly or indirectly (through a parent company or otherwise) elect directors or managers) of the Company, except, in the case of clauses (a), (b) or (c), as the result of any public offering of Membership Interests and unless, in the case of clauses (a), (b) or (c), it shall have been determined by Required Member Approval that such transaction shall not constitute a Change of Control. For purposes of the provisions of this Agreement that refer to a "Change of Control" of a person other than the Company, each reference to the "Company" in this definition of Change of Control shall be deemed a reference to such other person.

"***Class A-1 Units***" has the meaning set forth in *Section 3.2(a)*.

"***Class A-2 Profits Units***" has the meaning set forth in *Section 3.2(a)*.

"***Class A-3 Units***" has the meaning set forth in *Section 3.2(a)*.

"***Class A-4 Profits Units***" has the meaning set forth in *Section 3.2(a)*.

"***Class B-1 Units***" has the meaning set forth in *Section 3.2(a)*.

"***Class B-2 Profits Units***" has the meaning set forth in *Section 3.2(a)*.

"***Class B-3 Units***" has the meaning set forth in *Section 3.2(a)*.

"***Class B-3 Profits Units***" has the meaning set forth in *Section 3.2(a)*.

"***Class B-4 Profits Units***" has the meaning set forth in *Section 3.2(a)*.

"***Class B-5 Units***" has the meaning set forth in *Section 3.2(a)*.

"***Class B-5 Profits Units***" has the meaning set forth in *Section 3.2(a)*.

"***Class I Election Notice***" has the meaning set forth in *Section 8.6(a)*.

"***Class I-1 Units***" has the meaning set forth in *Section 3.2(a)*.

"***Class I-2 Units***" has the meaning set forth in *Section 3.2(a)*.

"***Class I-3 Units***" has the meaning set forth in *Section 3.2(a)*.

"***Class I-4 Units***" has the meaning set forth in *Section 3.2(a)*.

"***Class I-4 Member***" and "***Class I-4 Members***" means a Member or Members in its or their capacity as a holder of record of Class I-4 Units.

"***Class I-4 Purchase Price***" means $15, as it may be adjusted from time to time pursuant to *Section 3.3*.

"***Class I Units***" refers, collectively, or sometimes individually, to the Class I-1 Units, the Class I-2 Units, the Class I-3 Units and the Class I-4 Units.

"***Company***" means Antero Resources LLC, the Delaware limited liability company governed by this Agreement.

"***Company Minimum Gain***" has the meaning set forth in Treasury Regulations Sections 1.704-2(b)(2) and 1.704-2(d) with respect to "partnership minimum gain".

"***Company Nonrecourse Liabilities***" means nonrecourse liabilities (or portions thereof) of the Company for which no Member bears any economic risk of loss.

"***Compensation Committee***" has the meaning set forth in *Section 4.2(d)*.

"***Covered Person***" means (i) any Member and any Affiliate of such Member, (ii) any officer, employee, director, member, partner or agent of a Member or its Affiliates, (iii) any officer of the Company, (iv) any member of the Board of Directors, and (v) any other person who serves at the request of the Company as an officer, director, partner, employee or agent of any other person.

"***Current Market Price***" at any date shall mean, the average of the daily closing prices of such Marketable Securities for the 30 consecutive trading days ending three trading days before such date (as adjusted for any stock dividend, split, combination or reclassification that took effect during such 33 trading-day period). The closing price for each day shall be the last reported sale price regular way or, in case no such reported sale takes place on such day, the average of the last closing bid and asked prices regular way, in either case on the principal national securities exchange on which such Marketable Securities are listed or admitted trading.

"***Depreciation***" means an amount equal to the depreciation, amortization, or other cost recovery deduction allowable for federal income tax purposes with respect to an asset. Except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of any accounting period, Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such period bears to such beginning adjusted tax basis, *provided*, *however*, that if the

adjusted basis for federal income tax purposes of an asset at the beginning of such period is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Tax Matters Member.

"***Director***" and "***Directors***" has the meanings set forth in *Section 4.2(a)*.

Disability" shall mean a Management Member (or, in the case of either of the Management LLCs, Rady or Warren, as applicable) becoming incapacitated by accident, sickness or other circumstance which renders him or her mentally or physically incapable of performing his or her duties with Resources or any of its Subsidiaries on a full-time basis for a period of at least one hundred twenty (120) days during any twelve (12)-month period.

"***Dispose***" (including the correlative terms "***Disposed***" and "***Disposition***") means any sale, assignment, transfer, conveyance, gift, pledge, distribution, hypothecation or other encumbrance or any other disposition, whether voluntary, involuntary or by operation of law, whether effected directly or indirectly, which shall include the sale, assignment, transfer, conveyance, gift, pledge, hypothecation or other encumbrance or any other disposition, whether voluntary, involuntary or by operation of law of stock, limited liability company interests, partnership interest, or other Equity Interests in or from a person who holds of record Membership Interests or securities of the Company.

"***Drag Along Transaction***" means (a) any Disposition, consolidation, merger or other business combination involving the Company in which Membership Interests are exchanged or converted into cash, securities of another corporation or business organization or other property, (b) the Disposition of all or substantially all of the assets of the Company to be followed promptly by a liquidation of the Company or a distribution to the Members of all or substantially all of the proceeds of such Disposition, or (c) the Disposition by all the Members of all their Membership Interests.

"***Effective Date***" means November 3, 2009.

"***Electing Investor Member***" has the meaning set forth in *Section 8.5(c)*.

"***Electing Management Member***" has the meaning set forth in *Section 8.5(b)*.

"***Employee***" means a holder of Equity Interests of Employee Holdings or any Management Member.

"***Employee Bonus Advance Amount***" means with respect to any particular Employee of the Company or any of its Subsidiaries and as of immediately preceding any distribution pursuant to *Section 6.1* (including each cycle of redistribution pursuant to *Section 6.1(f)*) or any Repurchase Date, (i) the cumulative amount of all payments made by the Company to a Subsidiary pursuant to clause *First* of *Section 6.1(b)* that have been, in turn, paid to such Employee in the current year and all prior years, minus (ii) the cumulative amount of all previous Employee Distribution Hypothetical Amounts of such Employee that had been redirected pursuant to *Section 6.1(f)*; provided, however, that the Employee Bonus Advance Amount shall never be less than $0.

"***Employee Distribution Hypothetical Amount***" means the hypothetical amount that would otherwise be distributed to an Employee with respect to a specific distribution pursuant to this Agreement and the Employee Holdings LLC Agreement as if no amount had been redirected pursuant to *Section 6.1* and as if such amount had not been credited and reduced pursuant to *Section 6.1(f)* of this Agreement and Section 6.3(b)(viii) of the Employee Holdings LLC Agreement.

"***Employee Holdings***" means Antero Resources Employee Holdings LLC, a Delaware limited liability company.

"***Employee Holdings LLC Agreement***" means that certain Limited Liability Company Agreement of Employees Holdings as in effect on the date hereof or as may be amended, restated, supplemented or otherwise modified in accordance with the provisions hereof.

"***Employee Redirected Amount***" has the meaning set forth in *Section 6.3(f)*.

"***Equity Interests***" means, with respect to any person, any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent membership, partnership or other ownership interests in a person (other than a corporation) and any and all Equity Interest Equivalents.

"***Equity Interest Equivalents***" means, with respect to any person, without duplication with any other Equity Interests or Equity Interest Equivalents, any and all rights, warrants, options, convertible securities, or exchangeable securities or indebtedness, or other rights, exercisable for or convertible or exchangeable into, directly or indirectly, any Equity Interests or securities convertible or exchangeable into any Equity Interests, whether at the time of issuance or upon the passage of time or the occurrence of some future event.

"***Exchange Act***" means the Securities Exchange Act of 1934, as amended from time to time and any successor statute thereto.

"***Excluded Securities***" has the meaning set forth in *Section 3.4(d)*.

"***Fair Market Value***" means, with respect to any property or asset, the fair market value of such property or asset as reasonably determined by the unanimous resolution of all Directors of the Board of Directors; *provided* that if the Board of Directors does not or is unable to make such a determination of fair market value, such determination of fair market value shall be made by an investment banking firm of recognized national standing selected by a majority of the Directors of the Board of Directors, and such firm shall be engaged and paid by the Company.

"***GAAP***" means generally accepted accounting principles and practices in the United States, consistently applied, which are recognized as such by the Financial Accounting Standards Board (or any generally recognized successor).

"***Gross Asset Value***" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset (including any equity interest) contributed by a Member to the Company shall be the gross fair market value of such asset on the date of contribution as reasonably determined by the Board;

(b) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values (taking Internal Revenue Code Section 7701(g) into account on the date determined), as determined by the Board as of the following times: (i) the acquisition of an additional Membership Interest by any new or existing Member in exchange for a Capital Contribution or services, neither of which is *de minimis*; (ii) the distribution by the Company to a Member of more than a *de minimis* amount of property as consideration for a Membership Interest; (iii) in connection with the grant of an interest in the Company (other than a *de minimis* interest) as consideration for the provision of services to or for the benefit of the Company by an existing Member acting in a Member capacity or in anticipation of becoming a Member; and (iv) the liquidation of the Company within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g); *provided* that any or all adjustments described in clauses (i), (ii) and (iii) of this paragraph shall be made only if the Board reasonably determines that such adjustment is necessary or appropriate to reflect the relative economic interests of the Members in the Company;

(c) The Gross Asset Value of any item of Company assets distributed to any Member shall be adjusted to equal the gross fair market value (taking Internal Revenue Code Section 7701(g) into account) of such asset on the date of distribution as reasonably determined by the Board;

(d) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets under Internal Revenue Code Sections 734(b) or 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts under Treasury Regulations Section 1.704-1(b)(2)(iv)(m) and subparagraph (f) of the definition of "Profits" and "Losses"; *provided, however*, that Gross Asset Values shall not be adjusted under this subparagraph (d) to the extent that an adjustment under subparagraph (ii) is required in connection with a transaction that would otherwise result in an adjustment under this subparagraph (d);

(e) The Gross Asset Value of an asset shall be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses; and

(f) The Gross Asset Value of Company assets shall be adjusted at such other times as required in the applicable Treasury Regulations.

"***Guarantee Obligation***" means, as to any person (the "*guaranteeing person*"), any obligation of (a) the guaranteeing person or (b) another person (including any bank under any letter of credit), if to induce the creation of such obligation of such other person the guaranteeing person has issued a reimbursement, counterindemnity or similar obligation, in either case guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the "*primary obligations*") of any other third person (the "*primary obligor*") in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services, in each case, primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; *provided, however*, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business.

"***Hedging Transactions***" means any commodity hedging transaction pertaining to oil, gas and related hydrocarbons and minerals, whether in the form of a swap agreement, option to acquire or dispose of a futures contract, whether on an organized commodities exchange or otherwise, or similar type of financial transaction.

"***Historical Investment***" means, (a) with respect to Antero Appalachian, $400,000,000, (b) with respect to Antero Midstream, $34,000,000, (c) with respect to Antero Piceance, $342,000,000, (d) with respect to Antero Pipeline, $4,000,000, and (e) with respect to Antero Resources, $488,000,000.

"***Incentive Units***" has the meaning set forth in *Section 3.2(c)*.

"***Inclusion Notice***" has the meaning set forth in *Section 8.7(b)*.

"***Inclusion Right***" has the meaning set forth in *Section 8.7(c)*.

"***Indebtedness***" means, with respect to any person at any date, without duplication, all (a) indebtedness of such person for borrowed money; (b) obligations of such person for the deferred purchase price of property or services (other than trade payables incurred in the ordinary course of such person's business); (c) obligations of such person evidenced by notes, bonds, debentures or other similar instruments; (d) indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property); (e) capital lease obligations of such person; (f) obligations of such person, contingent or otherwise, as an account party or applicant under acceptance, letter of credit

or similar facilities; (g) obligations of such person, contingent or otherwise, to purchase, redeem, retire or otherwise acquire for value any Equity Interests of such person; (h) Guarantee Obligations of such person in respect of obligations of the kind referred to in clauses (a) through (g) above; (i) obligations of the kind referred to in clauses (a) through (h) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned by such person, whether or not such person has assumed or become liable for the payment of such obligation and (j) obligations (netted, to the extent provided for therein) of such person in respect of Hedging Transactions.

"***Independent Auditors***" means KPMG LLP or such other nationally recognized independent auditing firm as may be acceptable by the Board of Directors.

"***Independent Director***" has the meaning set forth in *Section 4.2(b)(v)*.

"***Internal Revenue Code***" means the Internal Revenue Code of 1986, as amended from time to time, and any successor statute or statutes.

"***Invested Capital Balance***" has the meaning set forth in *Section 6.2(a)*.

"***Investor Election Notice***" has the meaning set forth in *Section 8.5(c)*.

"***Investor Directors***" has the meaning set forth in *Section 4.2(b)*.

"***Investor Member Related Parties***" has the meaning set forth in *Section 4.12*.

"***Investor Members***" means Warburg, the Yorktown Parties, the Trilantic Parties and such other Members designated as such on *Exhibit A* as amended and updated from time to time as provided for herein, and including the respective Permitted Transferees of any such Members.

"***Investor Units***" refers collectively, or sometimes individually, to Class I-1 Units, the Class I-2 Units and the Class I-4 Units.

"***Involuntary Transfer***" means the Disposition by a Management Member resulting from (a) bankruptcy proceedings involving such Management Member, (b) the entry of a divorce decree directly involving such Management Member, (c) the execution of either a judgment or a foreclosure by a court of law against such Management Member, (d) any other event (excluding death) that forces such Management Member to Dispose of any of its Membership Interests to a third party, including events occurring by operation of law or (e) a Change of Control of such Management Member.

"***Involuntary Transfer Notice***" has the meaning set forth in *Section 8.9*.

"***IPO Issuer***" means the Company or a successor to the Company that is an Affiliate of the Company or a Subsidiary of the Company or any of the Company's Affiliates and which will be the issuer in a Qualified IPO.

"***IPO Securities***" has the meaning set forth in *Section 8.13(a)*.

"***Joinder Agreement***" has the meaning set forth in *Section 8.2(c)*.

"***Lien***" means any of the following: mortgage, lien (statutory or other), other security agreement, arrangement or interest, hypothecation, pledge or other deposit arrangement, assignment, charge, levy, executory seizure, attachment, garnishment, encumbrance (including any easement, exception, reservation or limitation, right of way, and the like), conditional sale, title retention, voting agreement or other similar agreement, arrangement, device or restriction, preemptive or similar right, the filing of any financial statement under the Uniform Commercial Code or comparable law of any jurisdiction, restriction on Dispositions, or any option, equity, claim or right of or obligation to any other person of whatever kind and character; *provided, however*, that the term "Lien" shall not include any of the foregoing to the extent created by this Agreement.

"***Liquidation Event***" means the occurrence of any of (a) a liquidation, dissolution, or winding up of the Company or (b) an event constituting a Change of Control.

"***Management Election Notice***" has the meaning set forth in *Section 8.5(b)*.

"***Management LLCs***" means the Rady LLC and the Warren LLC.

"***Management Members***" means the Members designated as such on *Exhibit A* as amended and updated from time to time as provided for herein and shall include Permitted Transferees of any such Members.

"***Management Directors***" has the meaning set forth in *Section 4.2(b)(i)*.

"***Management Units***" means the Class A-1 Units, Class A-3 Units, Class B-1 Units, Class B-3 Units and Class B-5 Units.

"***Marketable Securities***" means freely tradable common stock (with no restrictions on disposition under applicable law or contract) approved for listing on the New York Stock Exchange or admitted to trading and quoted in the Nasdaq Stock Market of a corporation with a market value of its outstanding Equity Interests owned by non-Affiliates in excess of $50,000,000.

"***Member***" means any person executing this Agreement as of the date of this Agreement as a member or hereafter admitted to the Company as a member as provided in this Agreement, but such term does not include any person who has ceased to be a Member.

"***Member Nonrecourse Debt***" means has the meaning set forth in Treasury Regulations Section 1.704-2(b)(4) with respect to "partner nonrecourse debt".

"***Member Nonrecourse Debt Minimum Gain***" means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, as determined in accordance with Treasury Regulations Section 1.704-2(i)(3).

"***Member Nonrecourse Deduction***" has the meaning assigned to the term "partner nonrecourse deduction" in Treasury Regulation Section 1.704-2(i)(1).

"***Membership Interest***" means the interest of a Member in the Company, including any and all Units, and other Equity Interests in the Company, the right of such Member to receive distributions (liquidating or otherwise), to be allocated income, gain, loss, deduction, credit, or similar items, to receive information, and to grant consents or approvals; *provided, however*, that such term shall not include any management rights held by a Member solely in its capacity as a Member.

"***New Equity Value***" has the meaning set forth in *Section 3.3(a)*.

"***Non-Executive Managers***" has the meaning set forth in *Section 6.1(b)*.

"***Non-Included Tag Offeree***" has the meaning set forth in *Section 8.7(e)*.

"***Nonrecourse Deduction***" has the meaning assigned to that term in Treasury Regulation Section 1.704-2(b)(1).

"***Nonrecourse Liability***" has the meaning set forth in Treasury Regulations Section 1.704-2(b)(3).

"***Note***" has the meaning set forth in *Section 8.4(a)*.

"***Notice of Right of First Refusal***" has the meaning set forth in *Section 8.4(a)*.

"***Offer Price***" has the meaning set forth in *Section 8.4(a)*.

"***Offered Management Units***" means any Offered Units consisting of Management Units.

"***Offered Class I Units***" means any Offered Units consisting of Class I Units.

"***Offered Securities***" has the meaning set forth in *Section 3.4(a)*.

"***Offered Units***" has the meaning set forth in *Section 8.4(a)*.

"***Offeree***" has the meaning set forth in *Section 3.4(b)*.

"***Offeror Member***" has the meaning set forth in *Section 8.4(a)*.

"***Other Investments***" has the meaning set forth in *Section 4.12(a)(i)*.

"***Other Class I Members***" has the meaning set forth in *Section 8.6(a)*.

"***Original Cost***" means, with respect to a particular Unit, the cash amount originally paid to an Antero Subsidiary to purchase a share of capital stock of such entity, which share was contributed to the Company by a Management Member in exchange for such Unit, or, if no cash amount was originally paid to such Antero Subsidiary to purchase such share, then the "Original Cost" with respect to such Unit shall be $0.

"***Permitted Transfer***" means the Disposition by any Member or any of its Permitted Transferees of any or all of its Membership Interests, related management rights, and rights to be a Member hereunder to one or more Permitted Transferees made in compliance with *Section 8.1*, *Section 8.2* and *Section 8.3*.

"***Permitted Transferee***" means (a) with respect to any Member, the spouse of such Member; (b) with respect to any Management Member, a trust, partnership, corporation, limited liability company or other similar entity the sole beneficiary of which is such Management Member or any Relative of such Management Member; *provided* that (i) such Permitted Transferee shall not be entitled to make any further Dispositions except for Dispositions of such Membership Interests back to such original transferor Management Member or, in the case of a Permitted Transferee who received Membership Interests directly from the Rady LLC or the Warren LLC, to another Permitted Transferee of the Rady LLC or the Warren LLC, as the case may be, (ii) such Membership Interests shall be deemed to continue to be owned by such original transferor Management Member for all purposes of this Agreement and (iii) such Permitted Transferee shall have agreed to comply with the provisions of this Agreement as if such Units were owned by such Management Member; (c) with respect to any Trilantic Party, to any other Trilantic Party; (d) with respect to any Yorktown Party, to any other Yorktown Party; and (e) with respect to any Investor Member, the direct or indirect partners, members or other Affiliate of such Investor Member; *provided,* that any such person may not, directly or indirectly, compete with the Company or any of its Subsidiaries in any material manner or engage in any aspect of the oil and gas exploration and production or gas gathering and processing industries other than (A) owning Membership Interests or providing services to (whether as an employee, consultant or otherwise) the Company, any of its Subsidiaries or any of their respective Affiliates, or (B) providing financing to or investing in any person or business within such industry. For purposes of clauses (a) and (b) above, any reference to "Member" shall be deemed to be a reference to Rady, in the case of the Rady LLC, and Warren, in the case of the Warren LLC. For purposes of clause (e) above, no transferee of an Investor Member (1) shall be deemed to be competing, directly or indirectly, with the Company or its Subsidiaries as the result of its ownership, directly or indirectly, of Equity Interests or other securities in portfolio companies that compete with the Company and its Subsidiaries or engage in any aspect of the oil and gas exploration and production or gas gathering and processing industries; (2) shall be prohibited from engaging in their ordinary brokerage, asset management, investment banking, capital markets, research and arbitrage activities, if any, involving competitors of the Company and securities of competitors of the Company; (3) shall not be prohibited from receiving fees for ordinary course services that consist of stock or other Equity Interests of competitors of the Company or (4) constituting a fund or other investment vehicle formed for investment purposes which

is controlled by or under common control with such Investor Member shall be deemed a competitor of the Company or its Subsidiaries for purposes of this definition.

"***person***" means a natural person, partnership (whether general or limited), limited liability company, trust (including a common law trust, business trust, statutory trust, voting trust or any other form of trust), estate, association (including any group, organization, co-tenancy, plan, board, council or committee), corporation, government (including a country, state, county or any other governmental subdivision, agency or instrumentality), custodian, nominee or any other individual or entity (or series thereof) in its own or any representative capacity, in each case, whether domestic or foreign.

"***Personal Representative***" means the executor, administrator, guardian, or other personal representative of any natural person who has become deceased or subject to disability, or any successor or assignee thereof whether by operation of law or otherwise.

"***Preemptive Offer***" has the meaning set forth in *Section 3.4(a)*.

"***Preemptive Offer Acceptance Notice***" has the meaning set forth in *Section 3.4(b)*.

"***Preemptive Offer Period***" has the meaning set forth in *Section 3.4(a)*.

"***Pre-IPO Value***" means the product of (a) the quotient obtained by dividing (i) the proceeds expected to be received by the Company from a Qualified IPO (less the reasonably estimated expenses of such Qualified IPO to the IPO Issuer) by (ii) a fraction (expressed as a percentage), the numerator of which is the number of Publicly Offered Securities to be sold to the public in the Qualified IPO and the denominator of which is the total number of securities of the same class or series as the Publicly Offered Securities (including the Publicly Offered Securities) that will be outstanding immediately after the Qualified IPO and (b) the difference between 100% and the percentage described in clause (a)(ii) of this definition.

"***Profits***" and "***Losses***" mean, for each Allocation Year, an amount equal to the Company's taxable income or loss for such Allocation Year, determined in accordance with Internal Revenue Code Section 703(a) (for purposes of such determination, all items of income, gain, loss or deduction required to be stated separately under Internal Revenue Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments (without duplication):

(a) Any income of the Company exempt from federal income tax and not otherwise taken into account in computing Profits or Losses under this definition of "Profits" and "Losses" shall be added to such taxable income or loss;

(b) Any expenditures of the Company described in Internal Revenue Code Section 705(a)(2)(B) or treated as Internal Revenue Code Section 705(a)(2)(B) expenditures under Treasury Regulations Section 1.704-1(b)(2)(iv)(i) and not otherwise taken into account in computing Profits or Losses under this definition of "Profits" and "Losses" shall be subtracted from such taxable income or loss;

(c) If the Gross Asset Value of any Company asset is adjusted as provided in this Agreement, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the Gross Asset Value of the asset) or an item of loss (if the adjustment decreases the Gross Asset Value of the asset) from the disposition of such asset and shall be taken into account for purposes of computing Profits or Losses;

(d) Gain or loss resulting from any Disposition of property or assets of the Company with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property or assets Disposed of, notwithstanding that the adjusted tax basis of such property or assets differs from its Gross Asset Value;

(e) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Allocation Year, computed in accordance with the definition of Depreciation;

(f) To the extent an adjustment to the adjusted tax basis of any Company asset under Internal Revenue Code Section 734(b) is required, under Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's Membership Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) from the Disposition of such asset and shall be taken into account for purposes of computing Profits or Losses; and

(g) Notwithstanding any other provision of this definition, any items which are specially allocated under *Section 6.7* shall not be taken into account in computing Profits or Losses.

"***Proportionate Percentage***" means, with respect to any Member, a fraction, expressed as a percentage, the numerator of which is the number of Units (excluding Incentive Units) held by such Member and the denominator of which is (a) in a situation where the Proportionate Percentage is being calculated with respect to all Members, the total number of Units (excluding Incentive Units) held by all Members at the time in question and (b) in a situation where the Proportionate Percentage is being calculated with respect to a particular group of Members, the total number of Units (excluding Incentive Units) held by such group.

"***Publicly Offered Securities***" has the meaning set forth in *Section 8.13(a)*.

"***Purchase Price***" has the meaning set forth in *Section 8.14(c)*.

"***Qualified IPO***" means the offering and sale of Membership Interests or IPO Securities in a firm commitment underwritten public offering registered under the Securities Act that results in (a) aggregate cash proceeds to the Company of not less than $50,000,000 (without deducting underwriting discounts, expenses, and commissions) and (b) the listing of such Membership Interests or IPO Securities on the New York Stock Exchange, the NYSE Euronext or admitted to trading and quoted on the Nasdaq Stock Market.

"***Qualified Merger***" means a merger of the Company with another person that is a Qualified Public Company, or a subsidiary of a Qualified Public Company, in which the consideration received for Class I-1 Units, Class I-2 Units, Class I-3 Units and Class I-4 Units pursuant to the merger consists of cash and/or the Marketable Securities of such Qualified Public Company.

"***Qualified Public Company***" means a person whose Equity Interests are (a) authorized and approved for listing on the New York Stock Exchange or admitted to trading and quoted in the Nasdaq Stock Market and (b) the market value of which is owned by non-Affiliates of such person is in excess of $50,000,000.

"***Rady***" means Paul M. Rady, an individual.

"***Rady LLC***" means Salisbury Investment Holdings, LLC, a Delaware limited liability company controlled by Rady.

"***Reduced Fair Market Value***" has the meaning set forth in *Section 8.14(c)*.

"***Refusal Notice Date***" has the meaning set forth in *Section 8.4(b)*.

"***Refused Securities***" has the meaning set forth in *Section 3.4(c)*.

"***Regulatory Allocations***" has the meaning set forth in *Section 6.7(e)*.

"***Relative***" means, with respect to any individual, (a) such individual's spouse, (b) any direct descendent, parent, grandparent, great grandparent or sibling (in each case, whether by blood or adoption) of such individual or such individual's spouse, and (c) any spouse of a person described in clause (b) of this sentence.

"***Repurchase Date***" has the meaning set forth in *Section 8.14(c)*.

"***Repurchase Notice***" has the meaning set forth in *Section 8.14(b)*.

"***Required Board Approval***" has the meaning set forth in *Section 4.4*.

"***Required Member Approval***" has the meaning set forth in *Section 4.3*.

"***Securities Act***" means the Securities Act of 1933, as amended from time to time, and any successor statute thereto and any regulations promulgated pursuant thereto.

"***Selling Member***" has the meaning set forth in *Section 8.7(a)*.

"***Special Allocation Amount***" has the meaning set forth in *Section 6.2(a)*.

"***Special Allocation Rate***" has the meaning set forth in *Section 6.2(a)*.

"***Subscription Agreement***" means that certain Unit Subscription Agreement among the investors named therein and the Company related to the purchase of Class I-4 Units.

"***Subsidiary***" means, a corporation, partnership, limited liability company or other entity of which Equity Interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership, limited liability company or other entity are at the time owned, or the management of which is otherwise controlled, in each case, directly or indirectly through one or more intermediaries, or both, by the Company, including, specifically, each of the Antero Subsidiaries.

"***Tag Offered Units***" means the class or classes of Units included in a Disposition to a third party by the Selling Member pursuant to *Section 8.7*.

"***Tag Offerees***" has the meaning set forth in *Section 8.7(a)*.

"***Tag Percentage***" means, with respect to any Member, a fraction, expressed as a percentage, the numerator of which is the number of Units of a particular class of Units held by such Member and the denominator of which is the total number of Units in that same class of Units held by all Tag Offerees that elect to exercise their Inclusion Rights with respect to a Disposition pursuant to *Section 8.7*.

"***Tax Distribution Advance Amount***" has the meaning set forth in *Section 6.3(b)*.

"***Tax Matters Member***" has the meaning set forth in *Section 7.6*.

"***Termination Date***" has the meaning set forth in *Section 8.14(a)(ii)*.

"***Third Party***" has the meaning set forth in *Section 8.4(a)*.

"***Third Party Offer***" has the meaning set forth in *Section 8.4(a)*.

"***Time Vested***" has the meaning set forth in *Section 3.2(e)*.

"***Time Vesting***" has the meaning set forth in *Section 3.2(e)*.

"***Transaction Bonus Pool***" has the meaning set forth in *Section 6.1(b)*.

"***Treasury Regulations***" (or any abbreviation thereof used herein) means temporary or final regulations promulgated under the Internal Revenue Code.

"***Trilantic Parties***" shall refer collectively to Trilantic Capital Partners AIV I L.P., Trilantic Capital Partners Fund (B) AIV I L.P., Trilantic Capital Partners Fund AIV I L.P., TCP Capital Partners V AIV I L.P., Lehman Brothers Diversified Private Equity Fund 2004 Partners, Trilantic Capital Partners Fund III Onshore Rollover L.P., Trilantic Capital Partners IV L.P., TCP Capital Partners VI L.P., Trilantic Capital Partners Group VI L.P., Trilantic Capital Partners Fund IV Funded Rollover L.P., John Bush, Stephen Wolf, Howard H Leach Living Trust, Gard Investment Company LLC and Coleman Andrews SP Trust.

"***Trilantic Director***" has the meaning set forth in *Section 4.2(b)(iv)*.

"***Voting Units***" has the meaning set forth in *Section 3.2(d)*.

"***Units***" has the meaning set forth in *Section 3.2(a)*.

"***Unvested Unit***" means any Management Unit that is not a Vested Unit.

"***Vested Unit***" means any Management Unit that has become vested pursuant to *Section 3.2(e)*.

"***Warburg***" means WP Antero, LLC.

"***Warburg Director***" has the meaning set forth in *Section 4.2(b)(ii)*.

"***Warren***" means Glen C. Warren, Jr., an individual.

"***Warren LLC***" means Canton Investment Holdings LLC, a Delaware limited liability company controlled by Warren.

"***Yorktown Parties***" means, collectively, Yorktown Energy Partners V, L.P., Yorktown Energy Partners VI, L.P. and Yorktown Energy Partners VII, L.P.

"***Yorktown Director***" has the meaning set forth in *Section 4.2(b)(iii)*.

Section 2.2 ***References and Construction***.

(a) All references in this Agreement to articles, Sections, subsections and other subdivisions refer to corresponding articles, Sections, subsections and other subdivisions of this Agreement unless expressly provided otherwise.

(b) Titles appearing at the beginning of any of such subdivisions are for convenience only and shall not constitute part of such subdivisions and shall be disregarded in construing the language contained in such subdivisions.

(c) The words "this Agreement", "this instrument", "herein", "hereof", "hereby", "hereunder" and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited.

(d) Words in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires.

(e) Examples shall not be construed to limit, expressly or by implication, the matter they illustrate.

(f) The word "or" is not exclusive and the word "includes" and its derivatives means "includes, but is not limited to" and corresponding derivative expressions.

(g) No consideration shall be given to the fact or presumption that one party had a greater or lesser hand in drafting this Agreement.

(h) All references herein to "$" or "dollars" shall refer to U.S. Dollars.

(i) Unless the context otherwise requires or unless otherwise provided herein, the terms defined in this Agreement which refer to a particular agreement, instrument or document shall also refer to and include all renewals, extensions, modifications, amendments or restatements of such agreement, instrument or document, *provided that* nothing contained in this subsection shall be construed to authorize such renewal, extension, modification, amendment or restatement.

(j) Each Annex and Exhibit attached hereto is incorporated herein by reference and made a part hereof for all purposes and references to this Agreement shall include such Annex and Exhibit unless the context shall otherwise require.

ARTICLE III.
MEMBERS

Section 3.1 ***Members***.

(a) The names and addresses of the each Member of the Company, as well as the class or classes of Membership Interests held by such Member, are set forth in *Exhibit A*, as such exhibit may be amended and updated from time to time in accordance herewith. The Board of Directors shall be authorized, without the requirement of consent by any Member, to provide such revisions or amendments to *Exhibit A* as may be necessary from time to time to reflect changes effected in accordance with this Agreement. Rady and Warren intend to own and hold all Units (excluding Incentive Units) through the Management LLCs, and such Management LLCs have been identified as "Management Members" on *Exhibit A*. Rady and the Rady LLC shall be jointly and severally liable for and subject to all of their respective obligations and limitations under this Agreement, and Warren and the Warren LLC shall be jointly and severally liable for and subject to all of their respective obligations and limitations under this Agreement, in each case including limitations on Disposition and transfer of Units.

(b) Any person to whom Membership Interests are issued by the Company after the date hereof shall be admitted to the Company as a Member on the date of issuance of such Membership Interests in accordance with this Agreement. Any person to whom Membership Interests are Disposed as permitted by *Article VIII* shall be admitted to the Company as a Member on the date upon which such Disposition has been effected and the requirements set forth in *Article VIII* have been satisfied. The Board of Directors shall have the power and right to authorize and issue additional Membership Interests and to admit the purchasers thereof as Members of the Company, on such terms as the Board of Directors shall determine in accordance with the provisions of this Agreement.

(c) Except as specifically provided otherwise in this Agreement, this Agreement shall extend and apply to all Units now owned by each of the Members and to Units as may hereafter be acquired by any of the Members, whether such Units constitute the separate property or community property of any of the individual Members, and regardless of the capacity in which title to such Units is held or taken. This Agreement shall also apply to all Units to which the spouse of any Member is entitled by virtue of any community property or any other laws.

Section 3.2 ***Units***.

(a) Each Member's relative rights, privileges, preferences and obligations with respect to the other Members and the Company are represented by that Member's Membership Interests. There initially shall be 15 classes of Membership Interests as follows:

(i) a class of capital interests known as "***Class I-1 Units***";

(ii) a class of capital interests known as "***Class I-2 Units***";

(iii) a class of capital interests known as "***Class I-3 Units***";

(iv) a class of capital interests known as "***Class I-4 Units***";

(v) a class of capital interests known as "***Class A-1 Units***";

(vi) a class of profits interests known as "***Class A-2 Profits Units***";

(vii) a class of capital interests known as "***Class A-3 Units***";

(viii) a class of profits interests known as "***Class A-4 Profits Units***";

(ix) a class of capital interests known as "***Class B-1 Units***";

(x) a class of profits interests known as "***Class B-2 Profits Units***";

(xi) a class of capital interests known as "***Class B-3 Units***";

(xii) a class of profits interests known as "***Class B-3 Profits Units***";

(xiii) a class of profits interests known as "***Class B-4 Profits Units***";

(xiv) a class of capital interests known as "***Class B-5 Units***"; and

(xv) a class of profits interests known as "***Class B-5 Profits Units***;"

(each of the foregoing a "***Unit***", and, collectively, "***Units***").

(b) Each Unit shall have all of the rights, privileges, preferences, and obligations specifically provided for in this Agreement. Except as specifically provided in this Agreement to the contrary, Members will be entitled to share in distributions only if and to the extent set forth in *Article VI*.

(c) The Class A-2 Profits Units, the Class A-4 Profits Units, the Class B-2 Profits Units, the Class B-3 Profits Units, the Class B-4 Profits Units and the Class B-5 Profits Units (collectively, the "***Incentive Units***") shall have only the rights, privileges, preferences, and obligations specifically provided for in this Agreement. The Incentive Units shall be entitled to share in distributions and allocations under this Agreement only if and to the extent set forth in *Article VI*. At the time of the issuance of Incentive Units (including the issuance of any additional Incentive Units), such Incentive Units are intended to constitute profits interests within the meaning of Section 2.02 of Internal Revenue Procedure 93-27, 1993-2 C.B. 343 as modified by Internal Revenue Procedure 2001-43, 2001-2 C.B. 191. The Incentive Units are interests solely in profits and shall not have initial Capital Accounts associated therewith. It is intended that there is no liquidation value at the time of issuance of any Incentive Unit. In order to eliminate any liquidation value of the Incentive Units at the time of the issuance of such Incentive Units, the Board of Directors may define the Incentive Units to provide that the Incentive Units will not benefit from any sale of any asset of the Company except to the extent of its direct or indirect interest in the excess of the value of such asset at the time of its disposition, over the value of such asset on the date of the issuance of the Incentive Units. Holders of Incentive Units will be allocated income, gain, loss and deduction of the Company to take into account the reverse Section 704(c) principles as contemplated by Treasury Regulation Sections 1.704-1(b)(2)(iv)(f), 1.704-1(b)(2)(iv)(g), and 1.704-1(b)(4)(i). The Incentive Units may be granted subject to such vesting and such other terms and conditions as may be determined by the Board of Directors. *Exhibit A* shall be updated, from to time, to reflect the names of each person to whom an Incentive Unit is granted. The Incentive Units are hereby issued as of the Effective Date to Employee Holdings subject to compliance by Employee Holdings with the condition that the Incentive Units shall at all times be held of record solely by Employee Holdings.

(d) Each Unit (other than the Incentive Units) (collectively, the "***Voting Units***") shall be entitled to one vote per Unit. The Incentive Units shall have no voting rights.

(e) The Management Units held by any Management Member will become "***Time Vested***" in accordance with the schedule included in *Exhibit D*, if, as of each applicable date on such schedule, the

Management Member (or, in the case of either of the Management LLCs, Rady or Warren, as applicable) is still employed by either the Company or any of its Subsidiaries ("***Time Vesting***"). If a Management Member (or, in the case of either of the Management LLCs, Rady or Warren, as applicable) is still employed either by the Company or any of its Subsidiaries at the time of a Liquidation Event or Approved Sale, then all such Management Member's Management Units that have not yet become Time Vested shall vest at the time of such event. If a Management Member (or, in the case of either of the Management LLCs, Rady or Warren, as applicable) is still employed either by the Company or any of its Subsidiaries at the time of a Qualified IPO, then all such Management Member's Management Units that have not yet become Time Vested shall remain subject to such Time Vesting requirements.

Section 3.3 ***Class I-4 Unit Anti-Dilution Adjustments***.

(a) If at any time prior to the consummation of a Qualified IPO, the Company offers and sells Membership Interests resulting in aggregate proceeds to the Company of more than $50,000,000, and such Membership Interests were offered and sold at a per unit price (or with a per unit conversion or exercise price) calculated based on an implied member equity value of the Company (the "***New Equity Value***") which is lower than the implied member equity value of the Company by the then effective Class I-4 Purchase Price, then concurrently with the consummation of such offer and sale of Membership Interests, the Class I-4 Purchase Price shall be reduced to an amount which imputes a member equity value equal to the New Equity Value and each of the holders of Class I-4 Units shall be issued its pro rata portion of an aggregate number of additional Class I-4 Units equal to the quotient of (i) the aggregate amount equal to the number of Class I-4 Units then outstanding, multiplied by the amount of the reduction in the Class I-4 Purchase Price as a result of this *Section 3.3(a)* and (ii) the Class I-4 Purchase Price as adjusted in connection with such offering of Membership Interests.

(b) The foregoing clause (a) notwithstanding, no adjustment to the Class I-4 Purchase Price shall be effected as the result of (i) any distribution of Membership Interests to Members or as a result of any subdivision of units; (ii) any issuance of Membership Interests as part of any employee benefit plan that is approved by the Board of Directors; and (iii) any issuance of Membership Interests in connection with an acquisition transaction, building or equipment lease transaction, loan transaction or strategic alliance or partnership arrangement that is not primarily for equity financing purposes and that is approved by the Board of Directors as such.

(c) The foregoing clause (a) notwithstanding, all rights with respect to Class I-4 Purchase Price Adjustments shall terminate (i) in the case of an Antero Subsidiary Disposition resulting in aggregate net proceeds (which shall include, for purposes of calculating the amount of such aggregate net proceeds, any proceeds received from such Disposition but that are used to repay indebtedness of any Antero Subsidiary other than any Antero Subsidiaries that have been Disposed in such transaction) of at least $750,000,000 and a gross return of at least 150% on the total equity investment in such Antero Subsidiary or (ii) if the Company issues Membership Interests resulting in net proceeds to it of at least $50,000,000 at a price per unit that imputes a member equity value for the Company which is higher than that imputed by the then effective Class I-4 Purchase Price (after giving effect to any adjustment to the Class I-4 Purchase Price pursuant to *Section 3.3(a)*).

(d) In the event that the Company intends to consummate a Qualified IPO of Membership Interests at a price to the public (the "***IPO Price***") that reflects an implied equity value for the Company that is lower than the implied equity value reflected by the Class I-4 Purchase Price (as the same may have been adjusted), and in connection with such Qualified IPO the Class I-4 Units are to be converted into common equity units, then the Class I-4 Units shall be converted into that number of common equity units which when multiplied by such price to the public equals the aggregate Class I-4 Purchase Price (as the same may have been adjusted and as such price has been increased by all accrued but unpaid distributions on such Unit).

Section 3.4 ***Preemptive Rights***.

(a) Except in the case of Excluded Securities, prior to the consummation of a Qualified IPO, the Company shall not, and shall cause its Subsidiaries not to, issue, exchange or otherwise Dispose, agree to issue, exchange or otherwise Dispose, or reserve or set aside for the same, any of the Membership Interests or the Equity Interests of any Subsidiary, unless in each case the Company shall have first offered or caused such Subsidiary to offer (the "***Preemptive Offer***") to sell such Membership Interests or Equity Interests, as applicable, to all Members who own Class I Units and are "accredited investors" as defined in Rule 501(a) under the Securities Act (the "***Offered Securities***") by delivery to such Members of written notice of such offer stating the Company or Subsidiary of the Company, as the case may be, proposes to sell such Offered Securities, the number or amount of the Offered Securities proposed to be sold, the proposed purchase price therefor and any other terms and conditions of such offer. The Preemptive Offer shall by its terms remain open and irrevocable for a period of 15 days from the date it is delivered to the Members eligible to receive such notice (the "***Preemptive Offer Period***").

(b) Each Member being offered the Offered Securities (an "***Offeree***") shall have the option, exercisable at any time during the Preemptive Offer Period by delivering written notice to the Company (a "***Preemptive Offer Acceptance Notice***"), to subscribe for (i) the number or amount of such Offered Securities up to its Proportionate Percentage of the total number or amount of Offered Securities proposed to be issued and (ii) up to its Proportionate Percentage of the Offered Securities not subscribed for by other Offerees as specified in its Preemptive Offer Acceptance Notice. Any Offered Securities not subscribed for by an Offeree shall be deemed to be re-offered to and accepted by the Offerees exercising their options specified in *clause (ii)* of the immediately preceding sentence with respect to the lesser of (A) the amount specified in their respective Preemptive Offer Acceptance Notices and (B) an amount equal to their respective Proportionate Percentages with respect to such deemed offer. Such deemed offer and acceptance procedures described in the immediately preceding sentence shall be deemed to be repeated until either (1) all of the Offered Securities are accepted by the Offerees or (2) no Offeree desires to subscribe for more Offered Securities. The Company shall notify each Offeree accepting Offered Securities hereunder within five days following the expiration of the Preemptive Offer Period of the number or amount of Offered Securities which such Offeree has subscribed to purchase.

(c) If Preemptive Offer Acceptance Notices are not given by the Offerees for all the Offered Securities, the Company shall have 45 days from the expiration of the Preemptive Offer Period to sell all or any part of such Offered Securities as to which Preemptive Offer Acceptance Notices have not been given by the Offerees (the "***Refused Securities***") to any other persons, but only upon terms and conditions in all material respects, including price, which are no more favorable, individually or in the aggregate, to such other persons or less favorable, individually or in the aggregate, to the Company than those set forth in the Preemptive Offer. Upon the closing, which shall occur at a reasonable time and place within such 45-day period and shall include full payment to the Company of the proceeds from the sale to such other persons of all the Refused Securities, the accepting Members shall purchase from the Company, and the Company shall sell to the accepting Members, the Offered Securities with respect to which Preemptive Offer Acceptance Notices were delivered by the accepting Members, at the terms specified in the Preemptive Offer. In each case, any Offered Securities not purchased by the accepting Members or any other persons in accordance with this *Section 3.4* within 45 days after the expiration of the Preemptive Offer Period may not be sold or otherwise Disposed of until they are again offered to the Members under the procedures specified in this *Section 3.4*.

(d) The rights of the Members who own Class I Units under this *Section 3.4* shall not apply to the following Membership Interests (the "***Excluded Securities***"):

(i) the issuance of any Management Units or any Incentive Units;

(ii) Membership Interests issued as consideration to the sellers in connection with an acquisition by the Company or any Subsidiary in a bona fide arms length transaction, the terms of which have been approved pursuant to a Required Member Approval;

(iii) Membership Interests issued in a Qualified IPO;

(iv) Units distributed to Members or issued upon any Unit split or other pro-rata subdivision or combination of Units;

(v) Units issued to any person that is not an Investor Member or an Affiliate of any Investor Member, so long as the Board of Directors shall have approved the waiver of the preemptive rights with respect to such issuance pursuant to a Required Board Approval;

(vi) Equity Interests of a Subsidiary issued to the Company or any other direct or indirect wholly owned Subsidiary;

(vii) Equity Interests of an Antero Subsidiary Disposed of in an Antero Subsidiary Disposition; and

(viii) Class I-4 Units issued pursuant to the Subscription Agreement.

Section 3.5 ***Representations and Warranties***. Each Member hereby severally, and not jointly, represents and warrants to the Company and the other Members as of the date hereof and the date such Member is admitted to the Company, that the representations and warranties set forth in *Part I* and *Part III* of *Exhibit B* hereto are true and correct with respect to such Member as of such date, and each Member hereby severally, and not jointly, represents and warrants to the Company and the other Members as of the date upon which it acquires any additional Membership Interest, that the representations and warranties set forth in *Part I*, *Part II* and *Part III* of *Exhibit B* hereto are true and correct with respect to such Member as of such date.

Section 3.6 ***Liability to Third Parties***. No Member or any officer, director, manager, or partner of such Member, solely by reason of being a Member, shall be liable for the debts, obligations or liabilities of the Company, including under a judgment, decree or order of a court.

Section 3.7 ***Members Have No Agency Authority***. Except as expressly provided in this Agreement, no Member (in its capacity as a member of the Company) shall have any agency authority on behalf of the Company.

ARTICLE IV.
MANAGEMENT/GOVERNANCE PROVISIONS

Section 4.1 ***General***. The holders of Voting Units shall be entitled to vote on all matters submitted to a vote of Members of the Company. Each holder of Voting Units shall be entitled to the number of votes equal to the number of such Voting Units held of record by such holder at the record date for the determination of the Members entitled to vote on such matters or, if no such record date is established, at the date such vote is taken or any written consent of Members is first executed. The holders of Voting Units shall be entitled to notice of any Members' meeting in accordance with this Agreement.

Section 4.2 ***Board of Directors***.

(a) Except for situations in which the approval of the Members is required by this Agreement or by nonwaivable provisions of applicable law, the powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of directors, who shall be referred to herein each as a "***Director***" or collectively as the "***Directors***," and who shall act as a board of directors (the "***Board of Directors***").

(b) From and after the date hereof, the Company shall exercise all authority under applicable law, and the Members and their assigns shall vote their Voting Units, at any regular or special meeting of Members called for the purpose of filling positions on the Board of Directors, or in any written consent executed in lieu of such meeting of Members and shall take all actions necessary to ensure that, prior to a Qualified IPO, the Board of Directors shall consist of six members (as provided below and subject to reduction to the extent that Warburg, the Yorktown Parties or the Trilantic Parties lose their rights to designate directors as provided below) designated as follows:

(i) one of whom shall be the chief executive officer of the Company and one of whom shall be the chief financial officer of the Company (for so long as Warren is the chief financial officer of the Company) (who initially shall be Rady and Warren, respectively) (together, the "***Management Directors***");

(ii) one of whom shall be designated by Warburg, who shall initially be Peter R. Kagan (the "***Warburg Director***"); *provided, however*, that Warburg shall no longer be entitled to designate a director pursuant to this *Section 4.2(b)(ii)* (and this *Section 4.2(b)(ii)* shall terminate) if at any time Warburg and its Permitted Transferees collectively hold of record less than 7.5% of the outstanding Voting Units and have invested less than $235 million in the Company;

(iii) one of whom shall be designated by the Yorktown Parties, who shall initially be W. Howard Keenan, Jr. (the "***Yorktown Director***"); *provided, however*, that the Yorktown Parties shall no longer be entitled to designate a director pursuant to this *Section 4.2(b)(iii)* (and this *Section 4.2(b)(iii)* shall terminate) if at any time the Yorktown Parties and their Permitted Transferees collectively hold of record less than 7.5% of the outstanding Voting Units and have invested less than $235 million in the Company;

(iv) one of whom shall be designated by the Trilantic Parties, who shall initially be Christopher R. Manning (the "***Trilantic Director***" and, together with the Warburg Director and the Yorktown Director, the "***Investor Directors***"); *provided, however*, that the Trilantic Parties shall no longer be entitled to designate a director pursuant to this *Section 4.2(b)(iv)* (and this *Section 4.2(b)(iv)* shall terminate) if at any time the Trilantic Parties and their Permitted Transferees collectively hold of record less than 7.5% of the outstanding Voting Units and have invested less than $235 million in the Company; and

(v) one of whom shall be an independent director (the "***Independent Director***") selected by Warburg after consultation with the Management Directors and the other Investor Directors.

(c) In addition to the foregoing, for so long as they are entitled to designate directors pursuant to *Section 4.2*, each of Warburg, the Yorktown Parties and the Trilantic Parties shall have the right to have such additional persons as any may choose attend meetings of the Board of Directors and any committee thereof (each such person, a "***Board Observer***"). Each Investor Director and each Investor Director's Board Observer shall be full-time employees, directors, managers, or partners of such Investor Member or any of its Affiliates, unless all other Investor Directors shall have otherwise consented.

(d) The Board of Directors may create one or more committees in accordance with the Act, and shall establish an audit committee (the "***Audit Committee***") and a compensation committee (the "***Compensation Committee***"). Each committee of the Board of Directors shall be comprised of at least two Directors designated by the Board of Directors and shall have the power and authority granted in writing by the Board of Directors to such committee; *provided, however*, that the Board of Directors shall not delegate a right to take any of the actions set forth in *Section 4.3* to a committee. The Investor Directors will each be entitled to be members of all such committees of the Board of Directors.

(e) Prior to consummation of a Qualified IPO, no member of the Board of Directors (other than the Independent Director) will receive any consideration for serving on the Board of Directors. All of the Directors will be entitled to reimbursement from the Company or any Subsidiary for reasonable out-of-pocket expenses in attending meetings of the Board of Directors or committees thereof.

(f) Actions by the Board of Directors shall be decided by majority vote of the whole Board of Directors, except as otherwise provided herein.

(g) The Company shall not take any of the actions set forth in *Section 4.3* or *Section 4.4* without complying with the approval requirements contained therein.

Section 4.3 ***Certain Actions Subject to Class I Units Vote***. So long as any Class I-1 Units, Class I-2 Units or Class I-4 Units are outstanding, and in addition to any other vote required by applicable law, the Company will not, directly or indirectly, including by merger, consolidation or otherwise, without the approval of the Warburg Director, so long as Warburg has the right to designate the Warburg Director pursuant to *Section 4.2(b)(ii)*, and the holders of at least 69% of the then outstanding Class I-1 Units, Class I-2 Units and Class I-4 Units given in writing (including by facsimile or in portable document format (.pdf)) or by vote at a meeting, consenting or voting (as the case may be) separately as a single class (such approval, subject to the application of *Section 4.4*, below, a "***Required Member Approval***"):

(a) repurchase, redeem, issue or otherwise Dispose of any Membership Interests or Equity Interests of any Subsidiary other than (i) Incentive Units issued in compliance with the terms hereof; (ii) Membership Interests referred to in *Section 3.4(d)(iv)* and *(vi)*; and (iii) Membership Interests repurchased from any Member in accordance with the terms hereof;

(b) declare or make distributions on, or effect any split, recapitalization or similar transaction with respect to, any Membership Interests or Equity Interests of any Subsidiary, in each case, other than as required this Agreement;

(c) effect a Change of Control;

(d) amend the Certificate or this Agreement;

(e) authorize, issue or reclassify any Membership Interests or Equity Interests of any Subsidiary into Membership Interests or other Equity Interests with the right to distributions (whether upon liquidation or otherwise) prior to, or concurrently with, distributions to Class I Units (including the authorization of additional Class I Units except as expressly contemplated herein);

(f) dissolve, liquidate or wind up the Company;

(g) change the primary line of business of the Company or any Subsidiary or enter into any materially dissimilar line of business; or

(h) take any action, authorize or approve, or enter into any binding agreement with respect to the foregoing.

Section 4.4 ***Certain Actions Subject to Board Approval***. Without the approval of the Warburg Director, so long as Warburg has the right to designate the Warburg Director pursuant to *Section 4.2(b)(ii)*, and at least one of the other Investor Directors (a "***Required Board Approval***"), so long as Class I-1 Units, Class I-2 Units or Class I-4 Units are outstanding, and in addition to any other vote required by applicable law or this Agreement, the Company will not, and will not permit any Subsidiary to, directly or indirectly:

(a) approve any annual budget;

(b) make expenditures during the fiscal year covered by any annual budget approved in accordance with *clause (a)* above, other than for acquisitions of oil and gas producing and

nonproducing properties and leasehold interests or pipelines and related gathering and processing assets, of amounts that in the aggregate exceed the aggregate amounts approved for all expenditures in the annual budget by 5% of such approved amounts or $10,000,000, on a consolidated basis;

(c) acquire during any fiscal year assets for an aggregate consideration equal to or in excess of $20,000,000 or more, on a consolidated basis, or assets representing 20% or more of the total assets as of the most recent quarterly balance sheet of the Company, on a consolidated basis (except as included in an annual budget approved in accordance with *clause (a)* above);

(d) incur or guarantee (A) any Indebtedness in an aggregate principal amount in excess of $20,000,000 or (B) any Indebtedness if immediately following such incurrence or guarantee, the Company's aggregate consolidated Indebtedness would exceed the product of two times the Company's consolidated earnings before interest, taxes, depletion, depreciation and amortization (adjusted pro forma for any acquisitions made since the beginning of the 12-month period described below) for the latest 12 months for which the Company has delivered financial statements pursuant to *Section 7.1(b)* of this Agreement (in each case except as included in an annual budget approved in accordance with *clause (a)* above);

(e) effect any Asset Disposition for an aggregate amount of $20,000,000 or more, on a consolidated basis, or assets representing 20% or more of the assets of any Subsidiary (computed by reference to the fair market value of the assets so Disposed of) in each case except as included in an annual budget approved in accordance with *clause (a)* above;

(f) enter into, modify, amend or terminate any material transaction with any executive officers, directors, or Affiliates of the Company or any Subsidiary other than (A) compensatory arrangements with executive officers approved by the Compensation Committee of the Board of Directors, and (B) Membership Interests repurchased from Management Members or Investor Members in accordance with this Agreement;

(g) establish the employment terms of any senior executive officer of the Company or any Subsidiary holding an office higher than the level of Vice President, including the Chief Executive Officer, President, Chief Financial Officer, Chief Operating Officer, Chief Accounting Officer, and General Counsel;

(h) authorize or issue any Membership Interests to any employee, director, or consultant of the Company or any Subsidiary, or authorize or create, or reserve Membership Interests (including increasing the amount of Membership Interests reserved) with respect to any equity incentive plan; and

(i) authorize or approve the offering and sale of Membership Interests or IPO Securities in an underwritten public offering registered under the Securities Act.

Section 4.5 ***Removal.***

(a) An Investor Director may be removed during his or her term of office, with or without cause, only by the person or persons then entitled to designate such Investor Director pursuant to *Section 4.2*. In addition, the Management Directors may be removed from the Board of Directors in accordance with *Section 4.5(b)* and *Section 4.8*.

(b) If any person is entitled to designate a Director and desires to remove such Director, then each Member hereby agrees to vote all Membership Interests owned by such Member to effect such removal or consent in writing to effect such removal upon request. If a person serving as a Management Director because such person was the chief executive officer or the chief financial officer of the Company ceases to be the chief executive officer or the chief financial officer of the Company but fails to resign as a Director of the Company, all the Members shall act promptly to remove such Director and, in the case of the former chief executive officer, elect in such Director's place the then current chief executive officer.

Section 4.6 ***Vacancies.*** In the event that a vacancy is created on the Board of Directors by the death, disability, retirement, resignation or removal of a Director, other than the Management Directors, such vacancy shall be filled by consent of the Member or Members entitled to designate such Director pursuant to *Section 4.2(b)*. If a vacancy exists with respect to the chief executive officer of the Company, a majority of the Board shall select a new chief executive officer of the Company and such newly selected chief executive officer shall automatically fill such vacancy.

Section 4.7 ***Covenant to Vote.*** Each Member agrees to vote the Voting Units owned by such Member upon any other matter arising under this Agreement submitted to a vote of the Members in a manner that will implement the terms of this Agreement.

Section 4.8 ***Investor Member Rights.*** At any time when Class I Units are outstanding, upon a Required Member Approval given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a single class, the Company shall immediately undertake to cause the removal of one or both of the Management Directors or any other employees of the Company or its subsidiaries from the Board of Directors or the termination of the chief executive officer of the Company. Each Member hereby covenants and agrees that it shall vote its Membership Interests to enforce compliance with this *Section 4.8*.

Section 4.9 ***Meetings of Board of Directors***.

(a) Meetings of the Board of Directors, regular or special, may be held either within or outside of the State of Delaware.

(b) Regular meetings of the Board of Directors, of which no notice shall be necessary, shall be held at such times and places as may be fixed from time to time by resolution adopted by the Board of Directors and communicated to all Directors. Except as otherwise provided by applicable law or this Agreement, any and all business may be transacted at any regular meeting. The Company shall use its best efforts to cause the Board of Directors to hold meetings no less frequently than quarterly, and at such meetings the Company shall report to the Board of Directors on, among other things, its business activities, prospects, and financial position.

(c) Special meetings of the Board of Directors may be called on 24 hours' notice (effective upon receipt) to each Director, either personally or by facsimile, electronic transmission, or overnight courier, by the Chairman of the Board (if any), the President of the Company or, on the written request of any two Directors, by the Secretary of the Company. Except as may be otherwise expressly provided by statute or this Agreement, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

(d) At all meetings of the Board of Directors, the presence or representation of a majority of the number of Directors fixed by or in the manner provided in this Agreement shall be necessary and sufficient to constitute a quorum for the transaction of business; *provided, however*, that such majority includes the Warburg Director so long as Warburg has the right to designate the Warburg Director pursuant to *Section 4.2(b)(ii)*. If a quorum shall not be present at any meeting of the Board of Directors, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At any such adjourned meeting any business may be transacted that might have been transacted at the meeting as originally convened.

(e) The act of a majority in number of the persons then serving on the Board of Directors shall be the act of the Board of Directors.

(f) All meetings of the Board of Directors shall be presided over by the chairman of the meeting, who shall be a person designated by a majority of the Directors present at the meeting. The chairman

of any meeting of the Board of Directors shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as determined by him to be in order.

(g) Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, is signed by the requisite number of Directors, or the specified Directors, that would be necessary to authorize or take such action at a meeting of the Board of Directors. For purposes hereof, facsimile or similar reproduction of a writing, including by email in portable document format (.pdf), signed by a Director, shall be regarded as signed by the Director for purposes of this *Section 4.9*.

(h) Subject to the provisions of applicable law and this Agreement regarding notice of meetings and the granting of proxies, any Director (i) may, unless otherwise restricted by this Agreement, participate in and hold a meeting of the Board of Directors by using conference telephone, electronic transmission, or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in such a meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened and (ii) may grant a proxy to another Director or delegate his right to act to another Director which proxy or delegation shall be effective as the attendance or action at the meeting of the Director giving such proxy or delegation. Participation by a Director in a meeting pursuant to this *Section 4.9* shall constitute presence in person at such meeting, except when a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

Section 4.10 ***Officers***.

(a) The Board of Directors may, from time to time, designate one or more persons to be officers of the Company. No officer need be a resident of the State of Delaware, a Member or a Director. Any officers so designated shall have such authority and perform such duties as the Board of Directors may, from time to time, delegate to them. The Board of Directors may assign titles to particular officers. Each officer shall hold office until his successor shall be duly designated and shall qualify or until his death or until he shall resign or shall have been removed in the manner hereinafter provided. Any number of offices may be held by the same person. The salaries or other compensation, if any, of the officers and agents of the Company shall be fixed from time to time by the Board of Directors.

(b) Any officer may resign as such at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or if no time be specified, at the time of its receipt by the Board of Directors. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation. Any officer may be removed as such, either with or without cause, by the Board of Directors; *provided, however*, that such removal shall be without prejudice to the contract rights, if any, of the person so removed. Designation of an officer shall not of itself create contract rights. Any vacancy occurring in any office of the Company may be filled by the Board of Directors.

Section 4.11 ***Duties of Directors***.

(a) Notwithstanding anything in this Agreement or in the Act to the contrary, a person, in performing his duties and obligations as a Director under this Agreement, shall be entitled to act or omit to act at the direction of the Member(s) that designated such person to serve on the Board of Directors, considering only such factors, including the separate interests of the designating Member(s), as such Director or Member(s) choose to consider, and any action of a Director or failure to act, taken or omitted in good faith reliance on the foregoing provisions shall not, as between the Company and

the other Member(s), on the one hand, and the Director or Member(s) designating such Director, on the other hand, constitute a breach of any duty (including any fiduciary or other similar duty, to the extent such exists under the Act or any other applicable law, rule or regulation) on the part of such Director or Member(s) to the Company or any other Director or Member of the Company.

(b) The Members (and the Members on behalf of the Company) hereby:

(i) agree that (A) the terms of this *Section 4.11*, to the extent that they modify or limit a duty or other obligation, if any, that a Director may have to the Company or any another Member under the Act or other applicable law, rule or regulation, are reasonable in form, scope and content; and (B) the terms of this *Section 4.11* shall control to the fullest extent possible if it is in conflict with a duty, if any, that a Director may have to the Company or another Member, under the Act or any other applicable law, rule or regulation; and

(ii) waive any duty or other obligation, if any, that a Member may have to the Company or another Member, pursuant to the Act or any other applicable law, rule or regulation, to the extent necessary to give effect to the terms of this *Section 4.11*.

(c) The Members, including Management Members, on behalf of the Company, acknowledge, affirm and agree that (i) the Investor Members would not be willing to make an investment in the Company, and no person designated by any of the Investor Members to serve on the Board of Directors would be willing to so serve, in the absence of this *Section 4.11*, and (ii) they have reviewed and understand the provisions of §§18-1101(b) and (c) of the Act.

Section 4.12 ***Other Investments of Investor Member Related Parties; Waiver of Conflicts of Interest and Negation of Duties and Obligations***.

(a) Each Member acknowledges and affirms that the Investor Members, their respective Permitted Transferees, Affiliates (other than the Company and its Subsidiaries) and any officer, director, partner, employee or other agent of any of the foregoing (the "***Investor Member Related Parties***"):

(i) (A) have participated (directly or indirectly) and will continue to participate (directly or indirectly) in venture capital and other direct investments in corporations, joint ventures, limited liability companies and other entities (in this *Section 4.12*, "***Other Investments***"), including Other Investments engaged in various aspects of the "upstream" oil and gas business that may, are or will be competitive with the Company's or any of its Subsidiaries' business or that could be suitable for the Company, (B) have interests in, participate with, aid and maintain seats on the Board of Directors, Board of Directors or similar governing bodies of, Other Investments, and (C) may develop or become aware of business opportunities for Other Investments; and

(ii) may or will, as a result of or arising from the matters referenced in clause (i) above, the nature of the Investor Member Related Parties' businesses and other factors, have conflicts of interest or potential conflicts of interest.

(b) The Members, and the Members on behalf of the Company expressly (i) waive any such conflicts of interest or potential conflicts of interest and agree that no Investor Member Related Party shall have any liability to any Member or any Affiliate thereof, or the Company with respect to such conflicts of interest or potential conflicts of interest and (ii) acknowledge and agree that the Investor Member Related Parties and their respective representatives will not have any duty to disclose to the Company, any other Member or the Board of Directors or Directors any such business opportunities, whether or not competitive with the Company's or its Subsidiaries' business and whether or not the Company or any of its Subsidiaries might be interested in such business opportunity for itself; *provided, however*, that the foregoing shall not be construed to permit any breach of *Section 11.15*. The Members (and the Members on behalf of the Company) also acknowledge that the Investor Member Related

Parties and their representatives have duties not to disclose confidential information of or related to the Other Investments.

(c) The Members (and the Members on behalf of the Company) hereby:

(i) agree that (A) the terms of this *Section 4.12*, to the extent that they modify or limit any duty of loyalty or other similar obligation, if any, that an Investor Member Related Party may have to the Company or another Member under the Act or other applicable law, rule or regulation, are reasonable in form, scope and content; and (B) the terms of this *Section 4.12* shall control to the fullest extent possible if it is in conflict with any duty of loyalty or similar obligation, if any, that an Investor Member Related Party may have to the Company or another Member, the Act or any other applicable law, rule or regulation; and

(ii) waive any duty of loyalty or other similar obligation, if any, that an Investor Member Related Party may have to the Company or another Member, pursuant to the Act or any other applicable law, rule or regulation, to the extent necessary to give effect to the terms of this *Section 4.12*.

(d) Whenever in this Agreement a Member or any representative thereof (including a Director designated by such Member or instructed to act by such Member) is permitted or required to make a decision (a) in its "sole discretion" or "discretion" or under a grant of similar authority or latitude, the Member shall be entitled to consider only such interests and factors as it desires, including its own interests, and shall have no duty or obligation to give any consideration to any interests of or factors affecting the Company or any other Member, or (b) in its "good faith" or under another expressed standard, a Member shall act under such express standard and shall not be subject to any other or different standard imposed by this Agreement or any other agreement contemplated herein or by relevant provisions of law or in equity or otherwise.

The Members, individually and on behalf of the Company, acknowledge, affirm and agree that (i) the execution and delivery of this Agreement by the Investor Member Related Parties is of material benefit to the Company and the Members (including the Management Members), and that the Class I Members would not be willing to (A) execute and deliver this Agreement, and (B) make their agreed Capital Contributions to the Company, without the benefit of this *Section 4.12* and the agreement of the parties, including the Members, thereto; and (ii) they have reviewed and understand the provisions of §§18-1101(b) and (c) of the Act.

ARTICLE V.
CAPITALIZATION

Section 5.1 ***No Capital Contributions***. Other than as set forth in the Subscription Agreement with respect to the purchase of Class I-4 Units, no Member shall have any obligation to make additional Capital Contributions to the Company.

Section 5.2 ***Interest on and Return of Capital Contributions***. Except as provided in *Section 6.2*, no interest shall accrue on any Capital Contributions and no Member shall have the right to demand or require the return of its Capital Contributions except to the extent, if any, that distributions made pursuant to the express terms of this Agreement may be considered as such by law or by unanimous agreement of the Members, or upon dissolution and liquidation of the Company, and then only to the extent expressly provided for in this Agreement and as permitted by law.

Section 5.3 ***Member Loans***. Any Member may, with the consent of the Board of Directors, loan funds to the Company. Loans by a Member to the Company will not be treated as Capital Contributions but will be treated as debt obligations having such terms as are approved by the Board of Directors.

ARTICLE VI.
ALLOCATIONS AND DISTRIBUTIONS

Section 6.1 ***Distributions***.

(a) Except as otherwise expressly provided in this *Section 6.1*, *Section 6.3* and *Article IX*, all amounts available for distribution by the Company shall be distributed as and when determined by the Board of Directors or as otherwise required hereunder, in accordance with this *Section 6.1*.

(b) Except as otherwise provided herein, all amounts available for distribution shall be distributed as follows:

First, in the case of an Antero Subsidiary Disposition, a payment to employees of the Company and its Subsidiaries in an amount equal to 3.0% of the profit generated upon consummation of the Antero Subsidiary Disposition with respect to such Antero Subsidiary; *provided* that when such amounts are paid to employees of the Company and its Subsidiaries via a transaction bonus pool (the "***Transaction Bonus Pool***") at least 66.67% of such Transaction Bonus Pool be paid to employees other than Rady and Warren (such employees the "***Non-Executive Managers***") (For purposes of this clause *First*, "profit" shall mean the amount by which (i) the aggregate proceeds received by the Company as a result of such Antero Subsidiary Disposition (which shall include, for purposes of calculating the amount of such aggregate proceeds, any proceeds received from such Antero Subsidiary Disposition but that are used to repay indebtedness of any Antero Subsidiary other than any Antero Subsidiaries that have been Disposed of in such transaction) less the attorneys' fees, accountants' fees, investment bank fees and commissions and other fees and expenses actually incurred in connection therewith plus all dividends or other distributions received by the Company from such Antero Subsidiary prior to the consummation of such Antero Subsidiary Disposition exceeds (ii) the sum of (x) the aggregate Historical Investment in such Antero Subsidiary and all capital investments made in such Antero Subsidiary on or after the Effective Date and prior to the consummation of such Antero Subsidiary Disposition and (y) the amount of all indebtedness, if any, that is allocated to such Antero Subsidiary and repaid using the proceeds of the Antero Subsidiary Disposition);

Second, to holders of Class I-1 Units, Class I-2 Units and Class I-4 Units, on a pro rata basis, until such holders have received with respect to each such Unit (i) in the case of Class I-1 Units, an amount per Unit equal to the amount opposite such holder's name on *Schedule 6.1(b)(i)*, (ii) in the case of the Class I-2 Units, an amount per Unit equal to $15.00, and (iii) in the case of the Class I-4 Units, an amount per unit equal to the Class I-4 Purchase Price;

Third, to holders of Class I-1 Units, Class I-2 Units and Class I-3 Units pro rata, until such holders have received with respect to each such Unit:

(1) in the case of Class I-1 Units, an amount per Unit equal to the amount opposite such holder's name on *Schedule 6.1(b)(ii)* allocable to such Class I-1 Units to the date of such distribution;

(2) in the case of Class I-2 Units, an amount per Unit equal to the amount opposite such holder's name on *Schedule 6.1(b)(iii)* allocable to such Class I-2 Units to the date of such distribution; and

(3) in the case of Class I-3 Units, an amount per Unit equal to $1.37 allocable to such Class I-3 Units to the date of such distribution;

Fourth, to the Class I-4 Members pro rata, until the Class I-4 Members have received with respect to each Class I-4 Unit an amount per Unit equal to the Special Allocation Amount allocable to such Class I-4 Unit to the date of such distribution;

Fifth, to holders of Class I-1 Units, Class I-2 Units and Class I-3 Units pro rata, until such holders have received with respect to each such Unit:

(1) in the case of Class I-1 Units, an amount per Unit equal to the Special Allocation Amount allocable to such Class I-1 Units to the date of such distribution;

(2) in the case of Class I-2 Units, an amount per Unit equal to the Special Allocation Amount allocable to such Class I-2 Units to the date of such distribution; and

(3) in the case of Class I-3 Units, an amount per Unit equal to the Special Allocation Amount allocable to such Class I-3 Units to the date of such distribution.

Sixth, pro rata to holders of Class I Units, Classes A-1 and B-1 Units until such time as holders of Class A-1 Units have received an aggregate amount per Unit equal to $2.50;

Seventh, pro rata to holders of Class I Units, Classes A-1 and B-1 Units and Class A-2 Profits Units until such time as holders of Class A-1 Units have received an aggregate amount per Unit equal to $3.75;

Eighth, pro rata to holders of Class I Units, Classes A-1 and B-1 Units and Classes A-2 and B-2 Profits Units until such time as holders of Class A-1 Units have received an aggregate amount per Unit equal to $10.00;

Ninth, pro rata to holders of Class I Units, Classes A-1, A-3 and B-1 Units and Classes A-2 and B-2 Profits Units until such time as holders of Class A-1 Units have received an aggregate amount per Unit equal to $15.00;

Tenth, pro rata to holders of Class I Units, Classes A-1, A-3, B-1 and B-3 Units and Classes A-2, B-2 and B-3 Profits Units until such time as holders of Class A-1 Units have received an aggregate amount per Unit equal to $20.00;

Eleventh, pro rata to holders of Class I Units, Classes A-1, A-3, B-1, and B-3 Units and Classes A-2, A-4, B-2 and B-3 Profits Units until such time as holders of Class A-1 Units have received an aggregate amount per Unit equal to $30.00;

Twelfth, pro rata to holders of Class I Units, Classes A-1, A-3, B-1 and B-3 Units and Classes A-2, A-4, B-2, B-3 and B-4 Profits Units until such time as holders of Class A-1 Units have received an aggregate amount per Unit equal to $45.00; and

Finally, thereafter, pro rata to holders of Class I Units, Classes A-1, A-3, B-1, B-3 and B-5 Units and Classes A-2, A-4, B-2, B-3, B-4 and B-5 Profits Units.

(c) The foregoing notwithstanding, in the event of the liquidation, dissolution or winding up of the Company or the consummation of a Drag Along Transaction that results in payment of aggregate net proceeds to the Members having a value that is less than all capital investments made in the Company and its Subsidiaries prior to the consummation of such Drag Along Transaction, the Company's assets shall be applied and distributed in the manner specified in *Section 6.1(b)* above, *provided, however,* that a new clause *First* shall be added to *Section 6.1(b)* to reflect a priority distribution (for the avoidance of doubt, prior to, and not instead of, the existing clause "*First*" and the existing clauses "*First*" through "*Finally*" shall remain in effect thereafter) whereby (i) amounts shall be distributed first to Class I-4 Members until such Class I-4 Members have received an amount with respect to each Class I-4 Unit equal to the Class I-4 Purchase Price and (ii) subclause (iii) of existing clause "*Second*" shall be deleted in its entirety.

(d) The foregoing notwithstanding, holders of Class A-3 Units shall not be entitled to any distribution pursuant to this *Section 6.1* or otherwise until such time as holders of Class I-1 Units have received cumulative cash distributions per Class I-1 Unit equal to the sum of (i) the amounts to which

such holders are entitled to pursuant to clause "*Second,*" clause "*Third*" and clause "*Fifth*" with respect thereto and (ii)(A) in the event a Liquidation Event occurs on or prior to October 17, 2011, an amount per Unit equal to $10.00; (B) in the event of a Liquidation Event occurs after October 17, 2011 but on or prior to October 17, 2012, $12.50; (C) in the event of a Liquidation Event occurs after October 17, 2012, but on or prior to October 17, 2013, $15.00; (D) in the event of a Liquidation Event occurs after October 17, 2013, but on or prior to October 17, 2014, $17.50; and (v) in the event of a Liquidation Event occurs after October 17, 2014, $20.00.

(e) The foregoing notwithstanding, holders of Class A-4 Profits Units shall not be entitled to any distribution pursuant to this *Section 6.1* or otherwise until such time as holders of Class I-1 Units have received cumulative cash distributions per Class I-1 Unit equal to the sum of (i) the amounts to which such holders are entitled pursuant to clause "*Second,*" clause "*Third*" and clause "*Fifth*" with respect thereto and (ii)(A) in the event a Liquidation Event occurs on or prior to October 17, 2011, an amount per Unit equal to $20.00; (B) in the event of a Liquidation Event occurs after October 17, 2011 but on or prior to October 17, 2012, $22.50; (C) in the event of a Liquidation Event occurs after October 17, 2012, but on or prior to October 17, 2013, $25.00; (D) in the event of a Liquidation Event occurs after October 17, 2013, but on or prior to October 17, 2014, $27.50; and (v) in the event of a Liquidation Event occurs after October 17, 2014, $30.00.

(f) If, at any time that the Board of Directors authorizes a distribution that results in a distribution pursuant to any of clause "*Seventh*" through "*Finally*" and at such time any Employee Bonus Advance Amount with respect to any Employee is greater than zero, (i) for each Employee with an Employee Bonus Advance Amount greater than zero, the Company shall be entitled to not make a distribution to (A) the holder of the Incentive Units and (B) any Management Units held by such Employee or its Affiliates, and redirect any portion of such distribution from the holder of the Incentive Units and such Employee or its Affiliates (with respect to any Management Units held by such Employee or its Affiliates) up to an amount equal to the lesser of such Employee's Employee Bonus Advance Amount or such Employee's Employee Distribution Hypothetical Amount with respect to such distribution (such lesser amount, the "***Employee Redirected Amount***") and (ii) the Company shall be entitled to distribute the aggregate Employee Redirected Amount of all such Employees to the Members in accordance with the then applicable tier or tiers of the waterfall contained in *Section 6.1(b)* as though such Employee Redirected Amount was a new distribution and was the next dollar in the applicable tier of the waterfall to be distributed pursuant to *Section 6.1(b)* and the Employee Redirected Amount had actually been distributed to the applicable Employees. Such redistribution cycle shall continue and shall remain subject to this *Section 6.1(f)* until such time as the earlier to occur of (i) the amount available for distribution is $0 or (ii) the Employee Bonus Advance Amount for all Employees is $0. Notwithstanding the foregoing, in connection with any distribution, any amount redirected from an Employee as a result of the operation of this *Section 6.1(f)* shall be redirected first from, and to the maximum extent possible from, any distributions that would have been made to such Employee by Employee Holdings through the Incentive Units and then, only to the extent an Employee's Employee Bonus Advance Amount cannot be fully reduced to $0 by redirecting from the Incentive Units, will the Company redirect from distributions otherwise payable with respect to any Management Units held by such Employee.

(g) Notwithstanding any other provision of this Agreement, distributions shall be made only to the extent of available cash of the Company and in compliance with the Act and other applicable law.

(h) In the event of a forfeiture of an Incentive Unit, the Tax Matters Member may, in its sole discretion, unilaterally cause this Agreement to be amended to provide for the allocation of items of income, gain, loss, and deduction in the manner and to the extent required by the final Treasury Regulations similar to Prop. Treasury Regulation Sections 1.704-1(b)(4)(xii)(b) and (c).

(i) Any distribution by the Company to the person shown on the Company's records as a Member or to such person's legal representatives, or to the transferee of such person's right to receive such distributions as provided herein, shall constitute a release of the Company and any Covered Person of all liability to any other person that may be interested in such distribution by reason of any Disposition of such person's Membership Interest for any reason (including a Disposition of such Membership Interest by reason of the dissolution, bankruptcy or liquidation of such person).

(j) Without prior Required Member Approval, the Company shall not make any distribution of securities or other assets in kind at any time prior to dissolution of the Company. Upon dissolution of the Company, in kind distributions of marketable securities, restricted securities and assets may be made by the Company to Members.

(k) Unless otherwise agreed to by Required Member Approval, all payments or distributions to the holders of Class I Units shall be in cash or Marketable Securities; *provided,* that the proportion of such Marketable Securities to cash paid or distributed to the holders of the Class I Units shall not be greater than the proportion of all such Marketable Securities to the aggregate cash available for payment or distribution upon the occurrence of such Liquidation Event or Antero Subsidiary Dispositions.

Section 6.2 ***Special Allocations with respect to Class I Units***. The amount distributable to holders of Class I Units made pursuant to clauses *Fourth* and *Fifth* under *Section 6.1(b)* will increase by an amount equal to the Special Allocation Rate applied to the Invested Capital Balance with respect to each Unit commencing (x) in the case of Classes I-1, I-2 or I-3, as of the first day immediately following the Effective Date and (y) in the case of Class I-4 Units, as of the date of issuance of such Units (such adjusted amount per Unit, the "***Special Allocation Amount***"). For purposes hereof: (a) the "***Special Allocation Rate***" means a rate equal to 8% per annum, compounding quarterly in arrears on each March 31, June 30, September 30, and December 31 of each year, calculated using a 365-day year and accruing on a daily basis and (b) the "***Invested Capital Balance***" means, with respect to any holder, an amount equal to: (i) in the case of Class I-1 Units, the amount opposite such holder's name on *Schedule 6.2(a)* per Class I-1 Unit, (ii) in the case of Class I-2 Units, the amount opposite such holder's name on *Schedule 6.2(b)* per Class I-2 Unit, (iii) in the case of the Class I-3 Units, $13.37 per Class I-3 Unit and (iv) in the case of the Class I-4 Units, the Class I-4 Purchase Price per Class I-4 Unit. The Invested Capital Balance reflects the accreted value as of September 30, 2009 of the preferred stock Equity Interests of the Antero Subsidiaries that were contributed to the Company on the Effective Date in exchange for the Class I-1 Units, Class I-2 and Class I-3 Units. For purposes of determining the amount to be compounded as of December 31, 2009 in connection with the calculation of the Special Allocation Amount, such calculation shall be made as though the Special Allocation Rate was applied commencing as of October 1, 2009 (though the actual Special Allocation Amount for purposes of determining the amount of distributions for the three months ending December 31, 2009 pursuant to clause "*Fifth*" of *Section 6.1(b)* shall include the only portion of the period from the day immediately following the Effective Date to December 31, 2009). Notwithstanding the foregoing, for purposes of calculating the Special Allocation Amount, the Invested Capital Balance applicable to the Class I-1 Units, the Class I-2 Units, the Class I-3 Units and the Class I-4 Units shall be reduced by the amount of any distributions made to such units pursuant to clauses *Second* through (and including) *Fifth* under *Section 6.1(b)*. Similarly, the Invested Capital Balance applicable to the Class I-3 Units shall be reduced by the amount of any distributions made to the Class I-3 Units pursuant to clauses *Third* and *Fifth* under *Section 6.1(b)*.

Section 6.3 ***Tax Distributions***.

(a) Within 45 days after the end of each quarter of the taxable year of the Company, and (i) assuming (A) the Company has taxable income for such quarter of the taxable year and (B) the Company has sufficient working capital (as determined by the Board of Directors), after taking into

account payments contemplated by the budget approved by the Board of Directors to make the distributions contemplated hereby, and (ii) subject to limitations on such distributions contained in any credit facility or other agreement to which the Company or any Subsidiary is a party, cash distributions shall be made to each Member in the positive amount equal to such Member's tax liability arising solely in respect of its ownership of a Membership Interest for such quarter (which tax liability, for the purposes of this *Section 6.3*, shall be calculated to equal the product of (1) such Member's share of the Company's taxable income for such quarter, as estimated by the Company (including for such purpose such Member's share of any separately stated items), and (2) the combined maximum federal and applicable state income tax rates applicable to individual taxpayers in the State of Colorado for such quarter, taking into account, if applicable, the deduction of state and local income taxes for federal income tax purposes and whether any portion of such taxable income qualifies for the reduced rates applicable to long term capital gains). Notwithstanding *Section 6.8*, if a Member is allocated losses or deductions pursuant to *Section 6.5* during any quarter of the taxable year, such losses or deductions shall be carried forward and shall reduce the taxable income (as calculated in *Section 6.5*) of such Member in each succeeding quarter, until such allocated losses have been reduced to zero.

(b) The aggregate amount of distributions made by the Company to a Member pursuant to *Section 6.3(a)* (as reduced pursuant to the other provisions of this *Section 6.3*) shall be deemed the "***Tax Distribution Advance Amount***". If, at any time that the Board of Directors authorizes a distribution to the Members pursuant to *Section 6.1* and at such time a Member's Tax Distribution Advance Amount is positive, (i) the Company shall be entitled to withhold such Member's distribution up to an amount equal to the Tax Distribution Advance Amount (with such Tax Distribution Advance Amount being reduced by the amount so withheld) and (ii) the Company shall be entitled to distribute such withheld amount to the Members (after also applying clause (i) to those Members having positive Tax Distribution Advance Amounts) so that, to the maximum extent possible, each Member shall have received the amount of distributions that such Member would have received since formation of the Company if distributions had been made solely in accordance with *Section 6.2* and *Section 6.1*.

Section 6.4 **Liquidation Notice**. The Company shall give written notice of any Liquidation Event or Antero Subsidiary Disposition (or any transaction which might reasonably be deemed to give rise to a Liquidation Event or Antero Subsidiary Disposition) to each holder of Class I Units not less than 20 days prior to the date stated in such notice for the distribution and payment of the amounts provided in *Section 6.1*.

Section 6.5 **Allocation of Profits and Losses**. After giving effect to the other allocations set forth in *Section 6.7*, Profits and Losses (and, to the extent necessary to achieve the resulting Capital Account balances described below, any allocable items of gross income, gain, loss and expense includible in the computation of net Profit and net Loss) for any Allocation Year shall be allocated to the Members in such amounts as may be necessary or appropriate to cause the Capital Accounts of the Members (as adjusted through the end of such Allocation Year) to equal, as nearly as possible, (a) the amount such Members would receive if all assets of the Company on hand at the end of such Allocation Year were sold for cash equal to their book values, all liabilities of the Company were satisfied in cash in accordance with their terms (limited in the case of Company Nonrecourse Liabilities and Member Nonrecourse Debt to the book value of the property securing such liabilities), and all remaining and resulting cash was distributed to the Members pursuant to this *Article VI*, minus (b) such Member's share of Company Minimum Gain and Member Nonrecourse Debt Minimum Gain, computed immediately prior to the hypothetical sale of assets.

Section 6.6 **Allocation Method**. The Tax Matters Member shall make the foregoing allocations set forth in *Section 6.5* as of the last day of each Allocation Year; *provided, however*, that if during any fiscal year there is a change in any Member's Membership Interest, the Tax Matters Member shall make the foregoing allocations as of the date of each such change in a manner which takes into account the varying interests of the Members and in a manner the Tax Matters Member reasonably

deems appropriate; *provided further, however*, that in the case of a Disposition of a Membership Interest, *Section 8.12* shall apply.

Section 6.7 **Other Allocations**. Except as otherwise provided herein, for purposes of any applicable federal, state or local income tax law, rule or regulation items of income, gain, deduction, loss, credit and amount realized shall be allocated to the Members as follows:

(a) All recapture of income tax deductions resulting from the Disposition of Company property shall, to the maximum extent possible, be allocated to the Member to whom the deduction that gave rise to such recapture was allocated hereunder to the extent that such Member is allocated any gain from the Disposition of such property.

(b) Notwithstanding any of the foregoing provisions of this *Section 6.7* to the contrary:

(i) If there is a net decrease in Company Minimum Gain for an Allocation Year, then there shall be allocated to each Member items of income and gain for that year equal to that Member's share of the net decrease in Company Minimum Gain (within the meaning of Regulation Section 1.704-2(g)(2)), subject to the exceptions set forth in Regulations Section 1.704-2(f)(2), (3), and (5). In the event that the application of the minimum gain chargeback requirement would cause a distortion in the economic arrangement between the Members, the Tax Matters Member may request that the Commissioner of the Internal Revenue Service waive the minimum gain chargeback requirement pursuant to Regulation Section 1.704-2(f)(4). The foregoing is intended to be a "minimum gain chargeback" provision as described in Regulation Section 1.704-2(f) and shall be interpreted and applied in all respects in accordance with that Regulation.

(ii) If during an Allocation Year there is a net decrease in Member Nonrecourse Debt Minimum Gain, then, in addition to the amounts, if any, allocated pursuant to the preceding paragraph, any Member with a share of that Member Nonrecourse Debt Minimum Gain (determined in accordance with Regulations Section 1.704-2(i)(5)) shall, subject to the exceptions in Regulation Section 1.704-2(i)(4), be allocated items of income and gain for the year (and, if necessary, for succeeding years) equal to that Member's share of the net decrease in the Member Nonrecourse Debt Minimum Gain. In the event that the application of the Member Nonrecourse Debt Minimum Gain chargeback requirement would cause a distortion in the economic arrangement among the Members, the Tax Matters Member may request that the Commissioner of the Internal Revenue Service waive the minimum gain chargeback requirement pursuant to Regulations Section 1.704-2(f)(4) and 1.704-2(i)(4). The foregoing is intended to be the "chargeback of Member nonrecourse debt minimum gain" required by Regulation Section 1.704-2(i)(4) and shall be interpreted and applied in all respects in accordance with that Regulation.

(iii) Any Nonrecourse Deductions for any Allocation Year or other period shall be allocated between the Members in accordance with their Capital Contribution Percentages.

(iv) Any Member Nonrecourse Deductions for any Allocation Year or other period shall be specially allocated to the Member who bears (or is deemed to bear) the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(2).

(c) The losses and deductions allocated pursuant to this *Section 6.7* shall not exceed the maximum amount of losses and deductions that can be allocated to a Member without causing or increasing a deficit balance in the Member's Adjusted Capital Account. If, at the end of any Allocation Year, as a result of the allocations otherwise provided for in this *Section 6.7*, the Adjusted Capital Account balance of any Member shall become negative, items of deduction and loss otherwise allocable to such Member for such year, to the extent such items would have caused such negative balance, shall instead

be allocated to Members having positive Adjusted Capital Account balances remaining at such time in proportion to such balances.

(d) If any Member receives any adjustments, allocations or distributions described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate the deficit in such Member's Capital Account (as determined in accordance with Treasury Regulation Section 1.704-1(b)(2)(ii)(d)) created by such adjustments, allocations or distributions as promptly as possible; *provided* that an allocation pursuant to this paragraph shall be made only to the extent that a Member would have a deficit Capital Account balance (as determined as provided in the prior clause), after all other allocations provided for in this *Section 6.7* have been tentatively made as if this paragraph were not in the Agreement. This paragraph is intended to satisfy the "qualified income offset" requirement in the Treasury Regulations.

(e) The allocations set forth in subsections (b), (c) (last sentence), and (d) of this *Section 6.7* (collectively, the "***Regulatory Allocations***") are intended to comply with certain requirements of the Treasury Regulations. The Members intend that, to the extent possible, all Regulatory Allocations that are made be offset either with other Regulatory Allocations or with other allocations pursuant to this *Section 6.7*. Therefore, notwithstanding any other provisions of this *Section 6.7* (other than the Regulatory Allocations), the Board shall make such offsetting other allocations in whatever manner they determine appropriate so that, after such offsetting allocations are made, each Member's Adjusted Capital Account balance is, to the extent possible, equal to the Adjusted Capital Account balance such Member would have had if the Regulatory Allocations were not part of this Agreement and all Company items were allocated pursuant to the remaining sections of this *Section 6.7*.

(f) In accordance with Section 704(c) of the Internal Revenue Code and the Treasury Regulations thereunder, income and deductions with respect to any property carried on the books of the Company at an amount that differs from such property's adjusted tax basis shall, solely for federal income tax purposes, be allocated among the Members in a manner to take into account any variation between the adjusted tax basis of such property to the Company and such book value. In making such allocations, the Board shall use such method or methods authorized under Treasury Regulations Section 1.704-3 as the Board shall determine to be appropriate, consistent with other provisions of this *Section 6.7*.

(g) All items of income, gain, loss, deduction, and credit allocable to any Membership Interest that may have been transferred shall be allocated between the transferor and the transferee as agreed by the transferor and the transferee and based on the portion of the calendar year during which each was recognized as owning such interest, without regard to whether cash distributions were made to the transferor or the transferee during that calendar year; *provided, however,* that this allocation must be made in accordance with a method permissible under Section 706 of the Internal Revenue Code and the applicable Treasury Regulations. If no such agreement has been made, the allocation shall be determined by the Board of Directors in its reasonable discretion in accordance with such Treasury Regulations.

Section 6.8 ***Acknowledgement of Allocation Rules***. The Members are aware of the income tax consequences of the allocations and distributions made by this *Article VI* and hereby agree to be bound by the provisions of this *Article VI* in reporting their shares of Company income and loss for income tax purposes.

ARTICLE VII.
ACCOUNTING AND BANKING MATTERS; CAPITAL ACCOUNTS; TAX MATTERS

Section 7.1 ***Books and Records; Reports***.

(a) The Company shall keep and maintain full and accurate books of account for the Company in accordance with GAAP consistently applied in accordance with the terms of this Agreement. Such books shall be maintained at the principal office of the Company or offsite so long as they are easily accessible. To the extent reasonably requested, each of the Investor Members and their respective Affiliates and designated representatives shall have full and complete access at all reasonable times to review, inspect and copy the books and records of the Company.

(b) The Company shall furnish (A) each of the following to each Investor Member who holds more than 7.5% of the outstanding Voting Units and (B) each of (iii), (iv) and (v) below to each Investor Member regardless of its level of ownership of Voting Units:

(i) Within 30 days after the end of each month, a report estimating oil and gas production of each Antero Subsidiary for such month, which report is used by the Company or such Antero Subsidiary for internal control purposes, and a balance sheet, statement of income, Members' (or stockholder's) equity and cash flows for such month prepared in accordance with GAAP, together with a comparison of such statements to the Approved Annual Budget for such periods;

(ii) Within 45 days after the end of each quarter, an unaudited consolidated balance sheet as of the end of such quarter and an unaudited related consolidated income statement and statement of cash flows for such quarter including any footnotes thereto (if any) prepared in accordance with GAAP, consistently applied, together with a comparison of such statements to the Approved Annual Budget for such periods;

(iii) Within 90 days after the end of each year, an audited consolidated balance sheet as of the end of such fiscal year and the related consolidated income statement, statement of Members' equity and statement of cash flows for such fiscal year prepared in accordance with GAAP, consistently applied and a signed audit letter from the Independent Auditors;

(iv) Within 90 days after the end of each fiscal year, a reserve report prepared by one or more reservoir engineers acceptable to the Board of Directors;

(v) Within 30 days before the end of each fiscal year, a consolidated annual budget approved by the Board of Directors (an "***Approved Annual Budget***");

(vi) Prompt notice after the occurrence of any material event, together with a summary describing the nature of the event and its impact on the Company; and

(vii) Such other information to the Members entitled to receive information pursuant to this *Section 7.1(b)* as such Members or their advisors may reasonably request.

(c) The obligations of the Company to furnish information pursuant to *Section 7.1(b)* shall cease upon the consummation of a Qualified IPO.

(d) Prior to the consummation of a Qualified IPO, the Company shall permit any Investor Member, and after the consummation of a Qualified IPO, any Investor Member owning at least 7.5% of the outstanding Equity Interests of the IPO Issuer, or their respective representatives, to visit and inspect any of the properties of the Company or any Subsidiaries, including its books of account and other records (and make copies of and take extracts from such books and records), and to discuss all aspects of its business, affairs, finances, and accounts with the Company's officers and the Independent Auditor, all at such reasonable times during the Company's usual business hours and as often as any such person may reasonably request and to consult with and advise management of the Company, upon reasonable notice at reasonable times from time to time, on all matters relating to the operation of the Company; and, to the extent the Company is required by law or pursuant to the terms of any outstanding Indebtedness of the Company to prepare the reports described in *Section 7.1(b)(i)*, *(ii)* and *(iii)*, the Company shall deliver or make available to each such person any annual reports, quarterly reports, and other periodic reports pursuant to Section 13 or 15(d) of the Exchange Act actually

prepared by the Company as soon as publicly available; *provided, however*, that any such reports filed with the Securities and Exchange Commission via the EDGAR database or, until such time as the Company is subject to reporting under the Exchange Act, reports available to an Investor Member on the Company's website shall be deemed to have been made available by the Company; *provided further, however*, that at the Company's request, such person shall execute and deliver to the Company a confidentiality agreement relating to any or all of the matters described in this *Section 7.1(d)* in a form reasonably acceptable to the Company (in addition to such person's obligations under *Section 11.15*).

Section 7.2 ***Fiscal Year***. The calendar year shall be selected as the accounting year of the Company and the books of account shall be maintained on an accrual basis.

Section 7.3 ***Capital Accounts***.

(a) A capital account shall be established and maintained for each Member in accordance with the terms of this *Section 7.3* (a "***Capital Account***"). Each Member's Capital Account (a) shall be increased by (i) the amount of money contributed by that Member to the Company, (ii) the fair market value of property contributed by that Member to the Company (net of liabilities secured by the contributed property that the Company is considered to assume or take subject to under Section 752 of the Internal Revenue Code), and (iii) the amount of any item of taxable income or gain and the amount of any item of income and gain exempt from tax allocated to such Member for federal income tax purposes, and (b) shall be decreased by (i) the amount of money distributed to that Member of the Company, (ii) the fair market value of property distributed to that Member by the Company (net of liabilities secured by the distributed property that the Member is considered to assume or take subject to under Section 752 of the Internal Revenue Code), (iii) allocations to that Member of expenditures of the Company described in Section 705(a)(2)(B) of the Code, and (iv) allocations to that Member of Company loss and deduction (or items thereof).

(b) The Board of Directors shall have the discretion to increase or decrease the Members' Capital Accounts to reflect a revaluation of Company property on the books of the Company upon the occurrence of the events specified in Treasury Regulation Section 1.704-1(b)(2)(iv)(f). In the case of property carried on the books of the Company at an amount which differs from its adjusted basis, the Members' Capital Accounts shall be debited or credited for items of depreciation, cost recovery, amortization and gain or loss with respect to such property computed in the same manner as such items would be computed if the adjusted tax basis of such property were equal to such book value, in lieu of the capital account adjustments provided above for such items, all in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(g).

(c) It is the intention of the Members that the Capital Accounts of each Member be kept in the manner required under Treasury Regulation Section 1.704-1(b)(2)(iv). To the extent any additional adjustment to the Capital Accounts is required by such regulation, the Board of Directors is hereby authorized to make such adjustment.

(d) On the Disposition of all or part of a Membership Interest, the Capital Account of the transferor that is attributable to the transferred Membership Interests shall carry over to the transferee Member in accordance with the provisions of Treasury Regulation Section 1.704-1(b)(2)(iv)(l).

Section 7.4 ***Tax Partnership***. The Members agree to classify the Company as a partnership for federal tax purposes. Neither the Company, any Member nor any officer or other representative of any of the foregoing shall file an election to classify the Company as an association taxable as a corporation for federal tax purposes.

Section 7.5 ***Tax Elections***. The Company shall make the following elections:

(a) To elect the calendar year as the Company's fiscal year if permitted by applicable law;

(b) To elect the accrual method of accounting;

(c) If approved by Board of Directors, to elect, in accordance with Sections 734, 743 and 754 of the Internal Revenue Code and applicable regulations and comparable state law provisions, to adjust basis in the event any Membership Interest is transferred in accordance with this Agreement or any Company property is distributed to any Member;

(d) Each Member hereby authorizes and directs the Company to elect to have the "Safe Harbor" contemplated by Proposed Treasury Regulation Section 1.83-3(l) and described in the proposed Revenue Procedure set forth in United States Internal Revenue Service Notice 2005-43 (the "***IRS Notice***") apply to any interest in the Company transferred to a service provider by the Company on or after the effective date of such Revenue Procedure in connection with services provided to the Company. For purposes of making such Safe Harbor election, the Tax Matters Member is hereby designated as the "partner who has responsibility for federal income tax reporting" by the Company and, accordingly, execution of such Safe Harbor election by the Company constitutes execution of a "Safe Harbor Election" in accordance with Section 3.03(1) of the IRS Notice. The Company and each Member hereby agrees to use commercially reasonable efforts to comply with all requirements of the Safe Harbor described in the IRS Notice, and each Member will prepare and file all U.S. federal income tax returns reporting the income tax effects of each Safe Harbor interest issued by the Company in a manner consistent with the requirements of the IRS Notice. A Member's obligations to comply with the requirements of this *Section 7.5(d)* shall survive such Member's ceasing to be a Member of the Company and the termination, dissolution, liquidation and winding up of the Company. Each Member authorizes the Board of Directors to amend this *Section 7.5(d)* to the extent necessary to achieve substantially the same tax treatment with respect to any interest in the Company transferred to a service provider by the Company in connection with services provided to the Company as set forth in Section 4 of the IRS Notice (e.g., to reflect changes from the rules set forth in the IRS Notice in subsequent United States Internal Revenue Service guidance), provided that such amendment is not materially adverse to any Member (as compared with the after tax consequences that would result if the provisions of the IRS Notice applied to all interests in the Company transferred to a service provider by the Company in connection with services provided to the Company); and

(e) To elect with respect to such other federal, state and local tax matters as the Board of Directors shall approve.

Section 7.6 ***Tax Matters Member***. Warburg is hereby designated to act as the "tax matters partner" under Section 6231 of the Internal Revenue Code, subject to replacement by the Board of Directors (such Member, being called the "***Tax Matters Member***"). The Tax Matters Member shall promptly notify the Members if any tax return or report of the Company is audited or if any adjustments are proposed by any governmental body. In addition, the Tax Matters Member shall promptly furnish to the Members all notices concerning administrative or judicial proceedings relating to federal income tax matters as required under the Internal Revenue Code. During the pendency of any such administrative or judicial proceeding, the Tax Matters Member shall furnish to the Members periodic reports, not less often than monthly, concerning the status of any such proceeding. Without the consent of the Members holding a majority of the Class I Units, the Tax Matters Member shall not extend the statute of limitations, file a request for administrative adjustment, file suit concerning any tax refund or deficiency relating to any Company administrative adjustment or enter into any settlement agreement relating to any Company item of income, gain, loss, deduction or credit for any fiscal year of the Company.

Section 7.7 ***Tax Returns***. Management of the Company shall deliver to each of its Members the following schedules and tax returns: (i) within 60 days after the Company's year-end, an estimated Schedule K-1, and (ii) within 90 days of the Company's year-end, a final Schedule K-1, along with copies of all other federal, state, or local income tax returns or reports filed by the Company for the previous year as may be required as a result of the operations of the Company.

Section 7.8 ***Unrelated Business Taxable Income***. Except as otherwise may be approved in advance by Required Board Approval, the Company will not engage in any transactions giving rise to unrelated business taxable income, as such term is defined under Section 512 of the Internal Revenue Code.

ARTICLE VIII.
TRANSFER; REDEMPTION; CONVERSION

Section 8.1 ***Restrictions on Dispositions***.

(a) No Member, any spouse, Personal Representative, legal representative, successor, agent or assignee of any Member shall Dispose of any Membership Interests, directly or indirectly, in whole or in part, other than Dispositions (i) expressly provided in this *Article VIII*, (ii) which are otherwise approved in advance by Required Member Approval, (iii) constituting Permitted Transfers, (iv) constituting repurchases or redemptions by the Company or any Subsidiary made in accordance with this Agreement and approved by the Board of Directors or (v) any Disposition of Incentive Units by or to Employee Holdings, provided that any such Disposition is made in accordance with the terms and provisions of the Employee Holdings LLC Agreement and any assignment made by Employee Holdings in connection therewith. The parties agree that the restrictions contained in this Agreement are fair and reasonable and in the best interests of the Company and the Members.

(b) Anything in this Agreement to the contrary notwithstanding, no Disposition of Membership Interests otherwise permitted or required by this Agreement shall be made unless such Disposition is in compliance with federal and state securities laws, including the Securities Act and the rules and regulations thereunder. If any such Disposition is made pursuant to an exemption from such laws, rules and regulations, if required by the Board of Directors, such Member shall have delivered to the Company a favorable written opinion of counsel, reasonably satisfactory in form and substance to the Company, to the effect that the proposed Disposition is exempt from registration under the Securities Act and any applicable state securities laws; *provided, however*, that no such opinion of counsel shall be required (i) for a Disposition by a Member to a Permitted Transferee if, in each case, the Permitted Transferee agrees in writing to be subject to the terms and conditions hereof to the same extent as if such Permitted Transferee were an original Member hereunder, (ii) for a Disposition duly made in compliance with Rule 144 promulgated under the Securities Act, or any successor or analogous rule to Rule 144 (it being agreed that the Company shall have the right to receive evidence reasonably satisfactory to it regarding compliance with such Rule or any successor or analogous rule prior to the registration of any such transfer), (iii) for a Disposition pursuant to an effective registration statement or (iv) if the Company waives such requirement in its sole and complete discretion.

(c) Dispositions of Membership Interests may only be made in strict compliance with all applicable terms of this Agreement, and any purported Disposition of Membership Interests that does not so comply with all applicable provisions of this Agreement shall be null and void and of no force or effect, and the Company shall not recognize or be bound by any such purported Disposition and shall not effect any such purported Disposition on the books and records of the Company.

(d) All newly issued Membership Interests shall only be issued to persons who are or become a party to this Agreement; *provided, however*, that each purchaser or transferee who (i) is an employee or consultant of the Company shall become a Management Member for all purposes of this Agreement, (ii) is an Investor Member shall remain an Investor Member with respect to such newly acquired Membership Interests and (iii) is not an employee or consultant of the Company shall have such

designation, if any, as shall be determined by the Board of Directors, with the concurrence of holders of a majority of the Investor Units, voting as a single class.

(e) No Disposition of (i) Class A-1 Units and Class A-3 Units by Management Members may be made pursuant to this *Article VIII* by a Management Member prior to October 17, 2010 and (ii) Class B-1 Units, Class B-3 Units and Class B-5 Units or other Membership Interests acquired on or after the date hereof by Management Members may be made pursuant to this *Article VIII* by a Management Member prior to August 10, 2012, in each case except in accordance with *Section 8.8*, *Section 8.9* or *Section 8.14*.

Section 8.2 ***Substitution***.

(a) Unless an assignee of any Membership Interests becomes a Member in accordance with the provisions of *Section 8.2(b)*, such assignee shall not be entitled to any of the rights granted to a Member hereunder in respect of such Membership Interests, other than the right to receive allocations of income, gain, loss, deduction, credit and similar items and distributions to which the assignor would otherwise be entitled, to the extent such items are assigned. In connection with any Disposition of Class I Units, the amount allocated to the holder of such Class I Units pursuant to *Schedules 6.1(b)(i)*, *6.1(b)(ii)* and *6.1(b)(iii)* and the Invested Capital Balance applicable to such Class I Units will continue to be applicable to such Class I Units and the assignee thereof following any such Disposition.

(b) An assignee of the Membership Interests of a Member, or any portion thereof, shall become a Member entitled to all of the rights of a Member in respect of such Membership Interests if, and only if (i) the assignment to such person was a Permitted Transfer, or (ii) (A) the assignor gives the assignee such right, (B) the Board of Directors, consents in writing to such substitution (which consent shall not be unreasonably withheld) and (C) the assignee executes and delivers such instruments, in form and substance reasonably satisfactory to the Board of Directors, to effect such substitution and to confirm the agreement of the assignee to be bound by all of the terms and provisions of this Agreement.

(c) The transferee of any Membership Interests permitted pursuant to this *Article VIII*, shall be admitted to the Company as a Member upon the execution by the transferee (and such transferee's spouse, if applicable) and the Company of an agreement (a "***Joinder Agreement***"), in the form attached as *Exhibit C* hereto with such changes as the Board of Directors shall reasonably approve, pursuant to which (i) the transferee (and such transferee's spouse, if applicable) agrees to be bound by all of the provisions of this Agreement, (ii) the transferee makes the representations and warranties to the Company and the Members set forth in *Exhibit B* and (iii) the transferee is admitted as a Member of the Company.

(d) Such transferee or substituted assignee (pursuant to *Section 8.2(b))* shall become a Management Member if the transferor was a Management Member and shall become an Investor Member if the transferor was an Investor Member; *provided, however*, that each transferee who receives a Disposition of Membership Interests that is a Permitted Transferee of or is then (i) an Investor Member, shall become or remain an Investor Member for all purposes of this Agreement or (ii) a Management Member or spouse thereof, shall become or remain a Management Member for all purposes of this Agreement.

Section 8.3 ***Certain Limitations with Respect to Permitted Transfers***.

(a) *Section 8.1* notwithstanding, a Member may not Dispose of any Membership Interests to a Permitted Transferee if such Disposition has as a purpose the avoidance of (or is otherwise undertaken in contemplation of avoiding) the restrictions on Dispositions in this Agreement (it being understood that the purpose of this *Section 8.3* is to prohibit the Disposition of Membership Interests to a Permitted Transferee followed by a change in the relationship between the transferor and the Permitted Transferee after the Disposition (or a Change of Control of such transferor or Permitted Transferee) with the result and effect that the transferor has indirectly made a Disposition of Membership Interests

by using a Permitted Transferee, which Disposition would not have been directly permitted under this *Article VIII* had such change in such relationship occurred prior to such Disposition).

(b) Each Member that is an entity that was formed for the sole or principal purpose of, if any, directly or indirectly acquiring Membership Interests and that has no substantial assets other than Membership Interests or direct or indirect interests in Membership Interests agrees that (i) certificates for shares of its common stock or other instruments reflecting Equity Interests in such entity (and the certificates for shares of common stock or other Equity Interests in any similar entities controlling such entity) will note the restrictions contained in this Agreement on the Disposition of such interests as if such common stock or other Equity Interests were Membership Interests and (ii) no shares of such common stock or other Equity Interests may be Disposed of to any person other than in accordance with the terms and provisions of this Agreement as if such common stock or other Equity Interests were Membership Interests.

Section 8.4 ***Notice of Right of First Refusal***.

(a) If a Member receives a bona fide written offer from any person, including any Member (a "***Third Party Offer***"), for the purchase of all or a part of each class or series of Membership Interests then held by such Member which such Member desires to accept, such Member (the "***Offeror Member***") shall provide written notice of such Third Party Offer (the "***Notice of Right of First Refusal***") to the Secretary of the Company at least 30 days prior to such proposed sale and, within five Business Days after receipt of the Notice of Right of First Refusal by the Company, the Company shall provide a copy of such Notice of Right of First Refusal to all Members (other than the Offeror Member). The notice must set forth the name of the proposed transferee (the "***Third Party***"), the number and class of Membership Interests to be sold to such proposed transferee (the "***Offered Units***"), the price per unit (the "***Offer Price***"), all details of the payment terms and all other material terms and conditions of the proposed Disposition. A Third Party Offer must include an offer to acquire the same percentage of each class or series of Membership Interests then held by the Offeror Member. To the extent the Third Party Offer consists of consideration other than cash (or in addition to cash), the Offer Price shall be equal to the amount of any such cash (in U.S. dollars), plus the fair market value of such non-cash consideration, and the Offer Price shall be expressed only in terms of (i) cash (in U.S. dollars), (ii) an unsecured promissory note (a "***Note***") and/or (iii) Marketable Securities in an amount not in excess of 5% of the outstanding shares of such class of Marketable Securities and which may be immediately resold by the transferee thereof in a manner that would not reasonably be expected to have a material adverse effect on the marketability or liquidity of such Marketable Securities. A Third Party Offer may not contain provisions related to any property of the Offeror Member other than the Membership Interests held by the Offeror Member; *provided, however*, that the Company and any Member, as the case may be, shall always have the right to pay the consideration payable pursuant to this *Section 8.4*, *Section 8.5* or *Section 8.6* (regardless of the form of consideration paid by any other accepting offeree of the Third Party Offer) in the form of U.S. dollars. Any proposed Disposition not satisfying the terms of this *Section 8.4* (e.g., a Third Party Offer in which not all of the proposed consideration is cash, a Note and/or Marketable Securities) may not be made unless otherwise expressly permitted pursuant to the provisions of this *Article VIII* other than this *Section 8.4*, *Section 8.5* or *Section 8.6*.

(b) The earliest date on which the Notice of Right of First Refusal is received by the Company shall constitute the " ***Refusal Notice Date***." The Company shall be obligated to promptly determine the Refusal Notice Date following its receipt of a Notice of Right of First Refusal, and a copy of the Notice of Right of First Refusal together with a letter indicating the Refusal Notice Date shall be promptly given by the Company to all applicable Members within five Business Days after the determination of the Refusal Notice Date.

Section 8.5 ***Rights of First Refusal on Dispositions of Management Units.***

(a) The Company shall have the sole and exclusive option for a period of 10 days following the Refusal Notice Date to purchase, on the terms specified in the Notice of Right of First Refusal, any Offered Management Units. The Company may exercise such option by giving written notice of exercise to the Offeror Member and to all Members (other than the Offeror Member) prior to the termination of the Company's 10-day option period. Such notice of exercise shall refer to the Notice of Right of First Refusal and shall set forth the number of Offered Management Units to be sold to the Company pursuant to this *Section 8.5(a)* and a reasonable place and time within 90 days after the date thereof for the closing of the purchase and sale of the Offered Management Units.

(b) If, pursuant to *Section 8.5(a)*, the Company elects to purchase less than all such Offered Management Units, the Management Members (other than the Offeror Member) shall have the exclusive option from the 11th to the 30th day following the Refusal Notice Date to purchase all or any portion of such Offered Management Units in accordance with the provisions of the Notice of Right of First Refusal. Each such Management Member electing to purchase all or any portion of such Offered Management Units shall be referred to herein as an "***Electing Management Member***." The Electing Management Members may, by agreement, allocate among themselves the right to acquire such part of the Offered Management Units. In the absence of such an agreement among the Electing Management Members, each Electing Management Member will be entitled to give written notice to the Offeror Member, to the Company and to the other Management Members (other than the Offeror Member), from the 11th day to the 30th day following the Refusal Notice Date, of such Electing Management Member's election (each, a "***Management Election Notice***") to acquire all or any part of its Proportionate Percentage (calculated solely with respect to the Electing Management Members) of the Offered Management Units that are not being acquired by the Company or the other Electing Management Members. Each Management Election Notice may include a statement of the maximum number of Offered Management Units that such Electing Management Member is willing to purchase and must include an offer to acquire the same percentage of each class or series of Membership Interests included in the Offered Management Units. Any Offered Management Units not subscribed for pursuant to this *Section 8.5(b)* by the Electing Management Members shall be deemed to be re-offered to and accepted by the Electing Management Members with respect to the lesser of (i) the maximum amount specified in their respective Management Election Notices and (ii) an amount equal to their respective Proportionate Percentages (calculated solely with respect to the Electing Management Members) with respect to such deemed offer. Such deemed offer and acceptance procedures described in the immediately preceding sentence shall be deemed to be repeated until either (x) all of the Offered Management Units are accepted by the Electing Management Members or (y) no Electing Management Member desires to subscribe for more Offered Management Units. The Company shall notify each Electing Management Member and the Offeror Member within five days following the expiration of the 30-day period described in this *Section 8.5(b)* of the class or series and number or amount of Offered Management Units which such Electing Management Member has subscribed to purchase and shall set a reasonable place and time for the closing of the purchase and sale of the Offered Management Units, which shall be not less than 30 days nor more than 60 days after the Refusal Notice Date. The purchase price and terms for the Offered Management Units purchased by the Electing Management Members shall be the price and terms set forth in the applicable Third Party Offer. Upon delivery of the purchase price, the Offeror Member shall have no further rights as the holder of Offered Management Units sold pursuant to this *Section 8.5(b)*.

(c) If the Company and the Electing Management Members elect to purchase less than all such Offered Management Units, the Investor Members shall have the exclusive option from the 31st to the 50th day following the Refusal Notice Date to purchase all or any portion of such Offered Management Units in accordance with the provisions of the Notice of Right of First Refusal. Each such Investor Member electing to purchase all or any portion of such Offered Management Units shall be

referred to herein as an "***Electing Investor Member***." The Electing Investor Members may, by agreement, allocate among themselves the right to acquire such part of the Offered Management Units. In the absence of such an agreement among the Electing Investor Members, each Electing Investor Member will be entitled to give written notice to the Offeror Member, to the Company and to the other Investor Members, from the 31st day to the 50th day following the Refusal Notice Date, of such Electing Investor Member's election (each, an "***Investor Election Notice***") to acquire all or any part of its Proportionate Percentage (calculated solely with respect to the Electing Investor Members) of the Offered Management Units that are not being acquired by the Company, the Electing Management Members or the other Electing Investor Members. Each Investor Election Notice may include a statement of the maximum number of Offered Management Units that such Electing Investor Member is willing to purchase and must include an offer to acquire the same percentage of each class or series of Membership Interests included in the Offered Management Units. Any Offered Management Units not subscribed for pursuant to this *Section 8.5(c)* by the Electing Investor Members shall be deemed to be re-offered to and accepted by the Electing Investor Members with respect to the lesser of (i) the amount specified in their respective Investor Election Notices and (ii) an amount equal to their respective Proportionate Percentages (calculated solely with respect to the Electing Investor Members) with respect to such deemed offer. Such deemed offer and acceptance procedures described in the second preceding sentence shall be deemed to be repeated until either (x) all of the Offered Management Units are accepted by the Electing Investor Members or (y) no Electing Investor Member desires to subscribe for more Offered Management Units. The Company shall notify each Electing Investor Member and the Offeror Member within five days following the expiration of the 50-day period described in this *Section 8.5(c)* of the class or series and number or amount of Offered Management Units which such Electing Investor Member has subscribed to purchase and shall set a reasonable place and time for the closing of the purchase and sale of the Offered Management Units, which shall be not less than 50 days nor more than 80 days after the Refusal Notice Date. The purchase price and terms for the Offered Management Units purchased by the Electing Investor Members shall be the price and terms set forth in the applicable Third Party Offer. Upon delivery of the purchase price, the Offeror Member shall have no further rights as a holder of Offered Management Units sold pursuant to this *Section 8.5(c)*.

(d) If the Company, the Management Members and the Investor Members do not purchase all of such Offered Management Units, the remaining Offered Management Units (or any portion thereof) may be sold by the Offeror Member to the Third Party at any time within 135 days after the date of the Third Party Offer, subject to the provisions of *Section 8.1* and *Section 8.7*. Any such sale may only be made upon terms and conditions in all material respects, including price, which are no more favorable, individually or in the aggregate, to such Third Party, or less favorable, individually or in the aggregate, to the Company and its other Members than those specified in the Third Party Offer. If any remaining Offered Management Units (or any portion thereof) are not so transferred within such 90-day period, such Membership Interests may not be sold by the Offeror Member without complying again in full with the provisions of this Agreement.

Section 8.6 ***Rights of First Refusal on Dispositions of Class I Units***.

(a) All Members holding Class I Units (other than an Offeror Member) (the "***Other Class I Members***") shall have the exclusive option for a period of 20 days following the Refusal Notice Date to acquire, on the terms specified in the Notice of Right of First Refusal, any Offered Class I Units. The Other Class I Members may, by agreement, allocate among themselves the right to acquire such part of the Offered Class I Units. In the absence of such an agreement among the Other Class I Members, each Other Class I Member will be entitled to give a written Election Notice to the Offeror Member, to the Company and to the remaining Other Class I Members, on or before the 20th day following the Refusal Notice Date, of such Other Class I Member's election (each, a "***Class I Election Notice***") to acquire all or any part of its Proportionate Percentage (calculated solely with respect to the Other

Class I Members) of the Offered Class I Units that are not being acquired by the Other Class I Members. Each Class I Election Notice may include a statement of the maximum number of Offered Class I Units that such Other Class I Member is willing to purchase and must include an offer to acquire the same percentage of each class or series of Membership Interests included in the Offered Class I Units. Any Offered Class I Units not subscribed for pursuant to this *Section 8.6(a)* by the Other Class I Members shall be deemed to be re-offered to and accepted by the Other Class I Members exercising their rights to purchase Offered Class I Units with respect to the lesser of (i) the maximum amount specified in their respective Class I Election Notices and (ii) an amount equal to their respective Proportionate Percentages (calculated solely with respect to the Other Class I Members) with respect to such deemed offer. Such deemed offer and acceptance procedures described in the immediately preceding sentence shall be deemed to be repeated until either (x) all of the Offered Class I Units are accepted by the Other Class I Members or (y) no Other Class I Member desires to subscribe for more Offered Class I Units. If the Other Class I Members have elected to purchase all or any portion of the Offered Class I Units, the Company shall notify each Other Class I Member and the Offeror Member within five days following the expiration of the period described in this *Section 8.6(a)* of the number or amount of Offered Class I Units which such Other Class I Member has subscribed to purchase and shall set a reasonable place and time for the closing of the purchase and sale of the Offered Class I Units, which shall be not less than 30 days nor more than 60 days after the Refusal Notice Date. The purchase price and terms for the Offered Class I Units purchased by the Other Class I Members shall be the price and terms set forth in the applicable Third Party Offer. Upon delivery of the purchase price, the Offeror Member shall have no further rights as holder of the Offered Class I Units so purchased.

(b) If the Other Class I Members elect to purchase less than all of such Offered Class I Units, then the Company shall have the exclusive option from the 21st to the 30th day following the Refusal Notice Date to purchase all or any portion of such Offered Class I Units in accordance with the provisions of the Notice of Right of First Refusal. The Company may exercise such option by giving written notice of exercise to the Offeror Member prior to the termination of the Company's 10-day option period. Such notice of exercise shall refer to the Notice of Right of First Refusal and shall set forth the number of Offered Class I Units to be acquired by the Company and a reasonable place and time within 90 days after the date thereof for the closing of the purchase and sale of the Offered Class I Units.

(c) If the Other Class I Members and the Company have not elected to purchase all of the Offered Class I Units, then the remaining Offered Class I Units (or any portion thereof) may be sold by the Offeror Member to the applicable Third Party at any time within 90 days after the date of the Third Party Offer, subject to the provisions of *Section 8.1* and *Section 8.7*. Any such sale to a Third Party may only be made upon terms and conditions in all material respects, including price, which are no more favorable, individually or in the aggregate, to such Third Party, or less favorable, individually or in the aggregate, to the Other Class I Members or the Company than those specified in the Third Party Offer. If any remaining Offered Class I Units (or any portion thereof) are not so transferred within such 90-day period, such Membership Interests may not be sold by the Offeror Member without complying in full again with the provisions of this Agreement.

Section 8.7 ***Certain Rights of Inclusion***.

(a) A Member shall not sell or otherwise Dispose of Units (in one or a series of transactions) to a third party (excluding for such purpose Dispositions to another Member pursuant to *Section 8.5* and *Section 8.6*, Dispositions subject to *Section 8.8* and Dispositions in connection with a Qualified IPO or a Qualified Merger, but after giving effect to *Section 8.5* and *Section 8.6*, to the extent applicable) unless the terms and conditions of such Disposition include an offer, on the same terms as the offer to the selling Member (the "***Selling Member***"), to each of the other Members (other than the Selling Member) who hold Units of the same class proposed to be Disposed of by the Selling Member (subject to the

restrictions set forth in *Section 8.1(d)* relating to Management Members) (the "***Tag Offerees***"), to include at the option of each Tag Offeree, in the sale or other Disposition to the third party, a number of Tag Offered Units determined in accordance with this *Section 8.7*.

(b) The Selling Member shall cause the third party offer to be reduced to writing (which writing shall include an offer to purchase or otherwise acquire Tag Offered Units from the Tag Offerees as required by this *Section 8.7* and a time and place designated for the closing of such purchase, which time shall not be less than 20 days after delivery of such notice and no more than 60 days after such delivery date) and shall send written notice of such third party offer (the "***Inclusion Notice***") to each of the Tag Offerees in the manner specified in *Article XI*.

(c) Subject to the provisions of *Section 8.7(a)* and *Section 8.7(e),* each Tag Offeree shall have the right (an "***Inclusion Right***"), exercisable by delivery of notice to the Selling Member at any time within 10 calendar days after receipt of the Inclusion Notice, together with the Selling Member, to sell pursuant to such third party offer, and upon the terms and conditions set forth in the Inclusion Notice, that number of Tag Offered Units requested to be included by such Tag Offeree; *provided, however*, that if the proposed third party transferee is unwilling to purchase all of the Tag Offered Units requested to be sold by all exercising Tag Offerees together with the Selling Member, then each Tag Offeree shall have the right to sell pursuant to such third party offer, and upon the terms and conditions set forth in the Inclusion Notice, a number of such Tag Offeree's Tag Offered Units equal to such Tag Offeree's Tag Percentage of each class, series and type of Tag Offered Units proposed to be transferred pursuant to this *Section 8.7* as provided in the next succeeding sentence. If any Tag Offeree has exercised its Inclusion Rights and the proposed third party transferee is unwilling to purchase all of the Tag Offered Units proposed to be transferred by the Selling Member and all exercising Tag Offerees (determined in accordance with the first sentence of this *Section 8.7(c)*), then the Selling Member and each exercising Tag Offeree shall reduce, on a pro rata basis with respect to each series, class and type of such Tag Offered Units, based on their respective Tag Percentages of each such class, series and type of such Tag Offered Units, the amount of such Tag Offered Units that each otherwise would have sold so as to permit the Selling Member and each exercising Tag Offeree to sell the amount of Tag Offered Units (determined in accordance with such Tag Percentages) that the proposed third party transferee is willing to purchase.

(d) The Tag Offerees and the Selling Member shall sell to the proposed transferee all, or at the option of the proposed transferee, any part of the Tag Offered Units proposed to be transferred by them, at not less than the price and upon the terms and conditions, if any, not more favorable, individually and in the aggregate, to the proposed transferee than those in the Inclusion Notice at the time and place provided for the closing in the Inclusion Notice, or at such other time and place as the Tag Offerees, the Selling Member, and the proposed transferee shall agree. The proposed consideration being offered with respect to the Tag Offered Units being transferred by the Selling Member and all exercising Tag Offerees (determined in accordance with *Section 8.7(c)*) shall be allocated among the classes and series of such Tag Offered Units as if such consideration was distributed by the Company to the Selling Member and the exercising Tag Offerees pursuant to the rights and preferences set forth in *Section 6.1(b)* (without giving any effect to *Section 6.1(c)*).

(e) If the proposed third party transferee of Membership Interests proposed to be transferred by a Selling Member is unwilling to purchase any Membership Interests from a Tag Offeree even after any pro rata reduction pursuant to the last sentence of *Section 8.7(c)* (a "***Non-Included Tag Offeree***"), such Non-Included Tag Offeree may elect to require such Selling Member to purchase from such Non-Included Tag Offeree, for cash (in U.S. dollars), Tag Offered Units having a purchase price equal to the aggregate purchase price such Non-Included Tag Offeree would have received in connection with the closing of such sale by the Selling Member if such Non-Included Tag Offeree had been able to exercise its Inclusion Rights (but only to the extent of its Tag Percentage) with respect to such sale. The

closing of such sale to the Selling Member shall occur concurrently with or immediately following such sale by the Selling Member.

Section 8.8 ***Drag Along Rights***.

(a) At any time a Member may propose a Drag Along Transaction with a person or group of persons who are not Members or the Permitted Transferees of any Member. If such proposed Drag Along Transaction has been approved pursuant to a Required Member Approval (any such approved Drag Along Transaction, an "***Approved Sale***"), then all Members shall consent to and raise no objections against the Approved Sale, and if the Approved Sale is structured as (i) a merger, share exchange or consolidation of the Company, or a Disposition of all or substantially all of the assets of the Company, each Member shall vote in favor of the Approved Sale and shall waive any dissenters rights, appraisal rights or similar rights in connection with such merger, consolidation or asset sale, or (ii) a Disposition of all the Membership Interests, the Members shall agree to sell all their Membership Interests which are the subject of the Approved Sale, on the terms and conditions of such Approved Sale. The Members shall promptly take all necessary and desirable actions in connection with the consummation of the Approved Sale, including using their respective reasonable best efforts to obtain Board of Directors' consent to the Approved Sale and the execution of such agreements and such instruments and other actions reasonably necessary to (x) provide customary representations, warranties, indemnities, and escrow arrangements relating to such Approved Sale (subject to *clause (c)(iv)* below) and (y) effectuate the allocation and distribution of the aggregate consideration upon the Approved Sale as set forth in *Section 8.8(b)* below. The Members shall be permitted to sell their Membership Interests pursuant to an Approved Sale without complying with any other provisions of *Article VIII* of this Agreement.

(b) The Members that have initiated an Approved Sale pursuant to this *Section 8.8* shall represent and warrant, severally and not jointly, to the other Members that no additional consideration or benefit has been or is to be paid or provided by such prospective purchaser or any other person to such Member or its Affiliates, pursuant to or in connection with such Approved Sale, directly or indirectly (whether in the form of tangible or intangible assets, money, property, security or other benefits or opportunities), and that the Approved Sale is not made as part of or in connection with any other transaction pursuant to which such Member will receive any additional benefit or consideration, based on such Member's ownership of Membership Interests. The foregoing provision shall not be deemed to prohibit a Drag Along Transaction to any person merely because such person has, is currently having or intends to have a business relationship with one or more Members.

(c) The obligations of the Members pursuant to this *Section 8.8* are subject to the satisfaction of the following conditions:

(i) upon the consummation of the Approved Sale, each Member shall receive the same proportion of the aggregate consideration from such Approved Sale that such holder would have received if such aggregate consideration had been distributed by the Company pursuant to the rights and preferences set forth in *Section 6.1(b)* (without giving any effect to *Section 6.1(c)*) as in effect immediately prior to such Approved Sale (giving effect to applicable orders of priority), and if a Member receives consideration from such Approved Sale in a manner other than as contemplated by such rights and preferences or in excess of the amount to which such Member is entitled in accordance with such rights and preferences (other than customary fees that may be earned by any Affiliate of a Member as a result of such Affiliate arranging financing or providing investment banking services in connection with an Approved Sale), then such Members shall take such action as is necessary so that such consideration shall be immediately reallocated among and distributed to the Members in accordance with such rights and preferences;

(ii) subject to *Section 8.8(c)(v)* below, if any Members of a class are given an option as to the form and amount of consideration to be received, all Members will be given the same option;

(iii) no Member shall be obligated to make any out-of-pocket expenditure prior to the consummation of the Approved Sale (excluding modest expenditures for postage, copies, and the like) and no Member shall be obligated to pay any portion (or, if paid, shall be entitled to be reimbursed by the Company for that portion paid) that is more than its pro rata share (based upon the amount of consideration received) of reasonable expenses incurred in connection with a consummated Approved Sale, to the extent such costs are incurred for the benefit of all Members, and are not otherwise paid by the Company or the acquiring party (costs incurred by or on behalf of a Member for its sole benefit will not be considered costs of the transaction hereunder), *provided,* that a Member's liability for such expenses shall be capped at the total consideration received by such Member for its Membership Interests;

(iv) no Member shall be required to provide any representations, warranties or indemnities (other than pursuant to an escrow of consideration proportionate to the amount receivable under this *Section 8.8*) in connection with the Approved Sale, other than those required to be made pursuant to *Section 8.8(b)* to other Members and those representations, warranties and indemnities concerning each Member's valid ownership of Membership Interests, free of all Liens (excluding those arising under applicable securities laws), and each Member's authority, power, and right to enter into and consummate such purchase or merger agreement without violating any other agreement to which such Member is a party or its assets are bound; and

(v) if some or all of the consideration received in connection with the Approved Sale is other than cash, then such consideration shall be deemed to have a dollar value equal to the fair market value of such consideration as determined by the unanimous resolution of all directors of the Board of Directors; *provided,* that if the Board of Directors does not or is unable to make such a determination of fair market value, such determination of fair market value shall be made by an investment banking firm of recognized national standing selected by a majority of the directors of the Board of Directors, and such firm shall be engaged and paid by the Company. The determination of fair market value by such investment banking firm (or, if such investment bank determines a range of fair market values, the mid-point of such range) shall be final and binding on all parties.

(d) Notwithstanding anything to the contrary in this *Section 8.8*, if the consideration proposed to be paid to the Members in an Approved Sale includes securities with respect to which no registration statement covering the issuance of such securities has been declared effective under the Securities Act, then each Member who is not an accredited investor (as such term is defined in Rule 501 under the Securities Act (without regard to Rule 501(a)(4)) will, at the request and election of the Members which are pursuing an Approved Sale, either (i) appoint a purchaser representative (as such term is defined in Rule 501 under the Securities Act) reasonably acceptable to such Members or (ii) agree to accept cash in lieu of any securities such Member would otherwise receive in an amount equal to the fair market value of such securities as determined in the manner set forth in *clause (c)(v)* above.

(e) The persons initiating an Approved Sale shall have the right to require the Company to cooperate fully with potential acquirors of the Company in a prospective Drag Along Transaction by taking all customary and other actions reasonably requested by such persons or such potential acquirors, including making the Company's properties, books and records, and other assets reasonably available for inspection by such potential acquirors and making its employees reasonably available for interviews.

Section 8.9 ***Involuntary Transfers***. In the event of an Involuntary Transfer of any Membership Interests by a Management Member, such Management Member or his successor or transferee of Membership Interests in such Involuntary Transfer, as applicable, shall give written notice (an "***Involuntary Transfer Notice***") to the Company promptly after the occurrence of the event which caused such Involuntary Transfer. After receipt of an Involuntary Transfer Notice, the Company shall have the

option for a period of 90 days from the date of receipt of the Involuntary Transfer Notice to elect to purchase all such Membership Interests (other than any Membership Interests which may be then unvested) within such 90-day period at their fair market value. As used herein, "fair market value" means such reasonable and fair value as determined in the manner contemplated by *Section 8.8(c)(v)*.

Section 8.10 ***Specific Performance.*** Each of the parties to this Agreement acknowledges that it shall be impossible to measure in money the damage to the Company or the Member(s) if any of them or any transferee or any legal representative of any party hereto fails to comply with any of the restrictions or obligations imposed by this *Article VIII*, that every such restriction and obligation is material, and that in the event of any such failure, the Company or the Member(s) shall not have an adequate remedy at law or in damages. Therefore, each party hereto consents to the issuance of an injunction or the enforcement of other equitable remedies against him at the suit of an aggrieved party without the posting of any bond or other security, to compel specific performance of all of the terms of this *Article VIII*, and to prevent any Disposition of Membership Interests in contravention of any terms of this *Article VIII*, and waives any defenses thereto, including the defenses of failure of consideration, breach of any other provision of this Agreement, and availability of relief in damages.

Section 8.11 ***Government Compliance.***

In connection with any closing of a Disposition pursuant to this *Article VIII*, each of the parties to this Agreement shall use all reasonable efforts to take all steps necessary and desirable to obtain all required third-party, governmental and regulatory consents and approvals to facilitate the consummation of such Disposition, and shall use reasonable efforts to delay any closing dates pursuant to this *Article VIII*, to the extent required to allow any party to take such actions.

Section 8.12 ***Allocations Between Transferor and Transferee.*** If any Disposition of a Membership Interest occurs during a Fiscal Year, Article VI shall be applied to the transferor and transferee on the basis of an interim closing of the books of the Company as of the date of such Disposition.

Section 8.13 ***Conversion***.

(a) In connection with any proposed Qualified IPO approved in accordance with this Agreement, the outstanding Units will be converted in accordance with this *Section 8.13* into equity securities of the IPO Issuer ("***IPO Securities***") of the same class or series as the securities of the IPO Issuer proposed to be offered to the public in the Qualified IPO (the "***Publicly Offered Securities***"). In connection therewith, each outstanding Unit will be converted into or exchanged for IPO Securities in a transaction or series of related transactions that give effect to the provisions of *Section 6.1(b)* (the "***IPO Exchange***") such that each holder of Units will receive IPO Securities having a value equal to the same proportion of the aggregate Pre-IPO Value that such holder would have received if all of the Company's cash and other property had been distributed by the Company in complete liquidation pursuant to the rights and preferences set forth in *Section 6.1(b)* as in effect immediately prior to such distribution assuming that the value of the IPO Issuer immediately prior to such liquidation distribution was equal to the Pre-IPO Value *provided*, *however*, that if the foregoing provisions would result in the holders of Incentive Units receiving either no or only a nominal amount of IPO Securities, then the Board of Directors, acting in good faith, shall grant to each of such holders of Incentive Units (including holders of Equity Interests of Employee Holdings), options to purchase IPO Securities that are at the time of such grant reasonably equivalent in value in the aggregate to the Incentive Units held by such holders (including holders of Equity Interests of Employee Holdings) and thereupon such Incentive Units shall be automatically canceled. If, in connection with the IPO Exchange, the Board of Directors determines that it is advisable to have all of the Units contributed by the holders thereof in one or a series of transactions to the IPO Issuer pursuant to an agreement that provides for the exchange of Units into IPO Securities of such person (with the amount of IPO Securities to be received by each such holder being determined in accordance with this *Section 8.13*), each holder of Units agrees to participate in such an exchange.

(b) Notwithstanding anything to the contrary in this Agreement, at any time after the approval of a Qualified IPO in accordance with this Agreement, the Board of Directors shall be entitled to approve the transaction or transactions to effect the IPO Exchange in accordance with this *Section 8.13* without the consent or approval of any other person (including any Member). If the Company elects to exercise its rights under this *Section 8.13*, each of the Members shall (i) take such actions as may be reasonably necessary or required in connection with consummating the IPO Exchange and (ii) use commercially reasonable efforts to (x) cooperate with the other Members so that the IPO Exchange is undertaken in a tax-efficient manner and (y) if any Investor Member or its limited partners or investors has a structure involving ownership of all or a portion of its interests in the Company, directly or indirectly, through one or more single purpose entities (a "***Blocker Corporation***"), at the request of any such Investor Member, merge its Blocker Corporation into the IPO Issuer in a tax-free reorganization, utilize such Blocker Corporation as the IPO Issuer or otherwise structure the transaction so that the Blocker Corporation is not subject to a level of corporate tax on the Qualified IPO or subsequent dividend payments or sales of stock, so long as, with respect to each of clauses (x) and (y), the foregoing could not reasonably be expected to result in any costs or liabilities that are not indemnified or reimbursed by the holders of Equity Interests or Affiliates of the Blocker Corporation or other adverse effects (other than de minimis adverse effects) to the Company or any of the Members (other than to (A) the Blocker Corporation in the event that the Blocker Corporation is neither merged nor otherwise combined with the Company or the IPO Issuer nor utilized as the IPO Issuer and (B) the Investor Member or its Affiliates through which the Blocker Corporation directly or indirectly holds its interest in the Company).

(c) Each Member shall sell any fractional IPO Securities owned by such party (after taking into account all IPO Securities held by such party) to the IPO Issuer, upon the request of the Company or the IPO Issuer in connection with or in anticipation of the consummation of a Qualified IPO, for cash consideration equal to the fair value of such fractional securities, as determined by the Board of Directors.

(d) Notwithstanding anything to the contrary in this *Section 8.13*, if no registration statement covering the issuance of the IPO Securities to the Members in the IPO Exchange has been declared effective under the Securities Act, then each of the Members that is not then an Accredited Investor (without regard to Rule 501(a)(4) under the Securities Act) may be required, at the request and election of the Company, to (i) appoint a purchaser representative (as such term is defined in Rule 501 under the Securities Act) reasonably acceptable to the Company or (ii) agree to accept cash in lieu of any IPO Securities such Member would otherwise receive in an amount equal to the fair value of such IPO Securities, as determined by the Board of Directors in its reasonable judgment.

Section 8.14 ***Repurchase and Forfeiture of Units***.

(a) Subject to the remaining provisions of this *Section 8.14*, the Units owned by the Management Members, including both Vested and Unvested Units and including Units transferred to any Management Member's Permitted Transferees (collectively, the "***Available Units***"), are subject to repurchase as follows:

(i) If the Management Member (or, in the case of either of the Management LLCs, Rady or Warren, as applicable) ceases to be employed by the Company and all of its Subsidiaries by reason of death or Disability, then (A) all of such Management Member's Unvested Units shall become Vested Units, and (B) all Vested Units and Class I Units owned by the Management Member shall be retained by such Management Member (or, in the case of the death of such Management Member, by such Management Member's estate).

(ii) If the Management Member (or, in the case of one of the Management LLCs, Rady or Warren, as applicable) ceases to be employed by the Company and all of its Subsidiaries, by reason of termination without Cause, then (A) on the date the Management Member ceases to be employed by Resources and all of its Subsidiaries (the "***Termination Date***"), all of such Management Member's Unvested Units shall be subject to repurchase at the Company's option at a purchase price equal to the Management Member's Original Cost for such Unvested Units, and (B) all of such Management Member's Vested Units and Class I Units owned by the Management Member shall be retained by such Management Member.

(iii) If the Management Member (or, in the case of one of the Management LLCs, Rady or Warren, as applicable) ceases to be employed by the Company and all of its Subsidiaries, by reason of voluntary resignation (for any or no reason), then (A) on the Termination Date, all of such Management Member's Unvested Units shall be subject to repurchase at the Company's option at a purchase price equal to the Management Member's Original Cost for such Unvested Units and (B) all of such Management Member's Vested Units and Class I Units shall be subject to repurchase at the Company's option at a purchase price equal to the Fair Market Value of such Units as of the Termination Date.

(iv) If the Management Member (or, in the case of one of the Management LLCs, Rady or Warren, as applicable) ceases to be employed by the Company and all of its Subsidiaries, by reason of termination for Cause, then on the Termination Date, all of such Management Member's Unvested and Vested Units shall be subject to repurchase at the Company's option at a purchase price equal to the Management Member's Original Cost for such Units.

(b) On or before the ninetieth (90th) day after the effective date of the Termination Date of a Management Member (or, in the case of the Management LLCs, Rady or Warren, as applicable) as described in the preceding subsections of this *Section 8.14*, the Company shall give written notice (a "***Repurchase Notice***") to the holder of the Available Units of the number or amount of Available Units that have been elected to be purchased by the Company, and the Company shall set a reasonable place and time from the date thereof for the closing of the purchase and sale of such Available Units. The number of Available Units to be repurchased shall first be satisfied to the extent possible from the Available Units held by the Management Member at the time of delivery of the Repurchase Notice. If the number of Available Units then held by the Management Member is less than the number of Available Units that the Company has elected to purchase, the Company shall purchase the remaining Available Units elected to be purchased from the Permitted Transferees of such Management Member under this Agreement pro rata, determined in each case according to the number of Available Units held by such Permitted Transferees at the time of delivery of such Repurchase Notice (determined as nearly as practicable to the nearest whole Unit).

(c) The closing of the purchase of Available Units pursuant to this *Section 8.14* shall take place on the date designated by the Company in the Repurchase Notice, which date shall not be more than sixty (60) days nor less than five (5) days after the delivery of the Repurchase Notice (the "***Repurchase Date***"). The Company will pay for Available Units to be purchased pursuant to this *Section 8.14* by delivery of either (i) a check or wire transfer of funds in such aggregate amount or (ii) a subordinated unsecured promissory note or notes payable on commercially reasonable terms; *provided*, *however*, the Board of Directors may structure the note or notes to include the following terms: (A) the principal and accrued interest will be due and payable only at the end of the term of the note or notes, (B) the term of the note or notes may mature only upon an Antero Subsidiary Disposition or a Liquidation Event and (C) the principal amount of the note may be reduced to an amount equal to the lesser of (x) the applicable purchase price for such Available Units determined in accordance with this *Section 8.14* (the "***Purchase Price***") and (y) the distributions, if any, that the Company would have made pursuant to *Section 6.1(b)* with respect to Available Units repurchased (if they had remained outstanding) during the period between the Repurchase Date and the maturity date of the note (such

sum, the "***Reduced Fair Market Value***"), if on the date of maturity of the note, the Reduced Fair Market Value is less than the Purchase Price. In the event the Company is, during such period, prohibited from purchasing such Available Units, including by means of issuing a promissory note, or desires for any reason not to exercise its repurchase right, then the Company shall have the right to assign such repurchase right to the Management Members, pro rata, in accordance with their Proportionate Percentages, or to such other person as the Compensation Committee, in its discretion, determines to be appropriate. The purchasers of any Available Units hereunder will be entitled to require all of the signatures of each seller of such Available Units to be notarized and to receive representations and warranties from each such seller regarding (i) such seller's power, authority and legal capacity to enter into such sale and to transfer valid right, title and interest in such Available Shares, (ii) such seller's ownership of such Available Units and the absence of any liens, pledges, and other encumbrances on such Available Units and (iii) the absence of any violation, default, or acceleration of any agreement or instrument pursuant to which such seller or the assets of such seller are bound as the result of such sale.

(d) Should the Company or any of its assignees elect to exercise the repurchase rights pursuant to this *Section 8.14* and any seller fails to deliver all of such Available Units to be repurchased in accordance with the terms hereof, the purchaser of such Available Units hereunder may, at its option, in addition to all other remedies it may have, deposit the repurchase price in an escrow account administered by the Company or an independent third party (to be held for the benefit of and payment over to such seller in accordance herewith), whereupon the Company shall by written notice to such seller (i) cancel on its books such Available Units by adjusting the number of Units opposite the name of such seller on *Exhibit A* and (ii) issue to the purchaser, in lieu thereof, new Units representing such Available Units and adjust the number of Units opposite such purchaser's name on *Exhibit A*, and all of the seller's right, title, and interest in and to such Available Units shall terminate in all respects.

(e) In the event that Available Units are repurchased pursuant to this *Section 8.14*, the holders of such Available Units will take all steps necessary and desirable to obtain all required third-party, governmental and regulatory consents and approvals and take all other actions necessary and desirable to facilitate consummation of such repurchase(s) in a timely manner.

ARTICLE IX.
DISSOLUTION, LIQUIDATION, AND TERMINATION

Section 9.1 ***Dissolution***. The Company shall dissolve and its affairs shall be wound up on the first to occur of the following:

(a) the approval of the Board of Directors, acting with Required Member Approval, to dissolve the Company; or

(b) entry of a decree of judicial dissolution of the Company under Section 18-802 of the Act.

Section 9.2 ***Liquidation and Termination***. On dissolution of the Company, the liquidator shall be a person selected by the Board of Directors. The liquidator shall proceed diligently to wind up the affairs of the Company at the direction of the Board of Directors and make final distributions as provided herein and in the Act. The costs of liquidation shall be borne as a Company expense. The steps to be accomplished by the liquidator are as follows:

(a) As promptly as possible after dissolution and again after final liquidation, the liquidator shall cause a proper accounting to be made of the Company's assets, liabilities, and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable.

(b) The liquidator shall pay, satisfy or discharge from Company funds all of the debts (including debts owing to any Member), liabilities and obligations of the Company (including all

expenses incurred in liquidation) or otherwise make adequate provision for payment and discharge thereof (including the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine).

(c) To the extent that the Company has any assets remaining:

(i) The liquidator may sell any or all Company property and any resulting gain or loss from each sale shall be computed and allocated to the Capital Accounts of the Members as provided in *Section 6.5*; and

(ii) With respect to all Company property that is not sold, the fair market value of that property shall be determined and the Capital Accounts of the Members shall be adjusted to reflect the manner in which the unrealized income, gain, loss or expense inherent in that property that has not been reflected in the Capital Accounts previously would be allocated among the Members as provided in *Section 6.5* as if there were a taxable Disposition of that property for the fair market value of that property on the date of distribution.

(d) All remaining assets shall be distributed to the Members in accordance with *Section 6.1(c)*; *provided*, *however*, that if the Capital Accounts of the Members who hold Class I-1 or I-2 Units do not correspond to the distributions to be made to the holders of the Class I-1 or I-2 Units pursuant to *Section 6.1(c)* after making the allocations set forth in *Section 9.2(e)* below (including unrealized gains and losses as provided in the definition of Gross Asset Value), then such distributions as between the holders of Class I-1 and I-2 Units shall be made solely in proportion to their positive Capital Account balances but shall not otherwise change the amount to be distributed to any other Member or in respect of any Units held by a Member in addition to his Class I-1 or I-2 Units.

(e) If such distributions do not correspond to the Capital Accounts of the Members immediately prior to such distributions, then Profits and Losses including individual items of income, gain, loss and deduction for the fiscal year in which the liquidation occurs shall be reallocated among the Members to cause, to the extent possible, the Members' Capital Accounts immediately prior to such distribution to correspond to the amounts that would otherwise be distributed under *Section 6.1(c)*.

(f) All distributions in kind to the Members shall be valued for purposes of determining each Member's interest therein at its fair market value at the time of such distribution, and such distributions shall be made subject to the liability of each distributee for costs, expenses, and liabilities theretofore incurred or for which the Company has committed prior to the date of termination, and those costs, expenses, and liabilities shall be allocated to the distributee pursuant to this *Section 9.2.*

(g) Any distribution to the Members in liquidation of the Company shall be made by the later of the end of the taxable year in which the liquidation occurs or 90 days after the date of such liquidation. For purposes of the preceding sentence, the term "liquidation" shall have the same meaning as set forth in Treasury Regulation Section 1.704-1(b)(2)(ii). The distribution of cash and/or property to a Member in accordance with the provisions of this *Section 9.2* constitutes a complete return to the Member of its Capital Contribution and a complete distribution to the Member of its Membership Interest and all the Company's property and constitutes a compromise to which all Members have consented within the meaning of Section 18-502(b) of the Act. To the extent that a Member returns funds to the Company, it has no claim against any other Member for those funds.

(h) If a sale of the Company is structured as a sale of Membership Interests (whether a direct sale, a merger, an exchange of interests, or other similar transaction), the amount of the aggregate purchase price to be allocated among the Members shall be determined in a manner

consistent with the amounts that would have been distributed to the Members if the Company had been liquidated in accordance with this *Section 9.2* and if the total liquidating distributions with respect to all Membership Interests had equaled the aggregate purchase price being paid for all the Membership Interests.

Section 9.3 ***Deficit Capital Accounts***. Notwithstanding anything to the contrary contained in this Agreement, and notwithstanding any custom or rule of law to the contrary, no Member shall be obligated to restore a deficit balance in its Capital Account at any time.

Section 9.4 ***Certificate of Cancellation***. On completion of the distribution of Company assets as provided herein, the Company shall be terminated and the Members shall file a certificate of cancellation with the Secretary of State of Delaware, cancel any other filings made pursuant to *Section 1.5*, and take such other actions as may be necessary to terminate the Company.

ARTICLE X.
INDEMNIFICATION

Section 10.1 ***Exculpation and Power to Indemnify in Actions, Suits or Proceeding Other Than Those by or in the Right of the Company***. To the maximum extent permitted by law, no Covered Person shall have any liability for any act or failure to act in fulfillment of his duties, obligations or responsibilities (other than in an action by or in the right of the Company or if brought by such Covered Person against the Company) unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of such act or omission, and taking into account the acknowledgments and agreements set forth in this Agreement, such Covered Person acted in bad faith, engaged in fraud or willful misconduct, or, in the case of a criminal matter, acted with knowledge that such Covered Person's conduct was unlawful. Subject to *Section 10.3*, the Company shall indemnify any Covered Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company or if brought by such person against the Company) by reason of the fact that he is or was a Covered Person, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding *provided that* such Covered Person shall not be so indemnified and held harmless if such Covered Person acted, except as may be excused by *Section 4.11*or *Section 4.12*, in bad faith, engaged in fraud or willful misconduct or, in the case of a criminal matter, acted with knowledge that such Covered Person's conduct was unlawful.

Section 10.2 ***Exculpation and Power to Indemnify in Actions, Suits or Proceedings by or in the Right of the Company***. To the maximum extent permitted by law, no Covered Person shall have any liability for any act or failure to act in fulfillment of his duties, obligations or responsibilities in an action by or in the right of the Company or if brought by such person against the Company unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of such act or omission, and taking into account the acknowledgments and agreements set forth in this Agreement, such Covered Person acted in bad faith, engaged in fraud or willful misconduct, or, in the case of a criminal matter, acted with knowledge that such Covered Person's conduct was unlawful. Subject to *Section 10.3*, the Company shall indemnify any Covered Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that he is or was a Covered Person against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with such action, suit or proceeding *provided that* such Covered Person shall not be so indemnified and held harmless if such Covered Person acted, except as may be excused by *Section 4.11* or *Section 4.12*, in bad faith, engaged in fraud or willful misconduct or, in the case of a criminal matter, acted with knowledge that such Covered Person's conduct was unlawful.

Section 10.3 ***Authorization of Indemnification***. Any indemnification under this *Article X* (unless ordered by a court) shall be made by the Company only as authorized in the specific case upon a determination that indemnification of the Covered Person is proper in the circumstances because he has met the applicable standard of conduct set forth in *Section 10.1* or *Section 10.2*. Such determination shall be made (i) by the Board of Directors, or (ii) if the Board of Directors so directs, by independent legal counsel in a written opinion, or (iii) by the Members. To the extent that a Covered Person has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in *Section 10.1* or *Section 10.2*, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith, without the necessity of authorization in the specific case.

Section 10.4 ***Good Faith Defined***. For purposes of any determination under *Section 10.3*, a person shall be deemed to have acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe his conduct was unlawful, if his action is based on the records or books of account of the Company or another enterprise, or on information supplied to him by the officers of the Company or any Subsidiary in the course of their duties, or on the advice of legal counsel for the Company or another enterprise or on information or records given or reports made to the Company or another enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Company or any Subsidiary. The provisions of this *Section 10.4* shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in *Section 10.1* or *Section 10.2*, as the case may be.

Section 10.5 ***Indemnification by a Court***. Notwithstanding any contrary determination in the specific case under *Section 10.3*, and notwithstanding the absence of any determination thereunder, any Covered Person may apply to any court of competent jurisdiction in the State of Delaware for indemnification to the extent otherwise permissible under *Section 10.1* and *Section 10.2*. The basis of such indemnification by a court shall be a determination by such court that indemnification of the Covered Person is proper in the circumstances because he has met the applicable standards of conduct set forth in *Section 10.1* or *Section 10.2*, as the case may be. Neither a contrary determination in the specific case under *Section 10.3* nor the absence of any determination thereunder shall be a defense to such application or create a presumption that the Covered Person seeking indemnification has not met any applicable standard of conduct. Notice of any application for indemnification pursuant to this *Section 10.5* shall be given to the Company promptly upon the filing of such application. If successful, in whole or in part, the Covered Person seeking indemnification shall also be entitled to be paid the expense of prosecuting such application.

Section 10.6 ***Expenses Payable in Advance***. Expenses incurred by a Covered Person in defending or investigating a threatened or pending action, suit or proceeding shall be paid by the Company in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such Covered Person to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Company as authorized by this *Article X*.

Section 10.7 ***Nonexclusivity of Indemnification and Advancement of Expenses***. The indemnification and advancement of expenses provided by or granted pursuant to this *Article X* shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any agreement, contract, vote of Members or Board of Directors, or pursuant to the direction (howsoever embodied) of any court of competent jurisdiction or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, it being the policy of the Company that indemnification of the persons specified in *Section 10.1* and *Section 10.2* shall be made to the fullest extent permitted by law. The provisions of this *Article X* shall not be deemed to preclude the indemnification of any person who is not specified in *Section 10.1* or *Section 10.2* but

whom the Company has the power or obligation to indemnify under the provisions of the Act or otherwise.

Section 10.8 ***Insurance***. The Company may, at the election of the Board of Directors, purchase and maintain insurance on behalf of any person who is or was a Director or officer of the Company, or is or was serving at the request of the Company as a Director or officer of any Subsidiary against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Company would have the power or the obligation to indemnify him against such liability under the provisions of this *Article X*. The amount of such insurance shall be determined by the Board of Directors as necessary to cover adequately the liabilities described above. The Board of Directors may increase such amount is it deems necessary or appropriate.

Section 10.9 ***Certain Definitions***. For purposes of this *Article X*, references to "the Company" shall include, in addition to the resulting entity, any constituent entity (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its members, directors, officers, and employees or agents, so that any person who is or was a member, director, officer, employee or agent of such constituent entity, or is or was serving at the request of such constituent entity as a member, director, officer, employee or agent of another limited liability company, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this *Article X* with respect to the resulting or surviving entity as he would have with respect to such constituent entity if its separate existence had continued. For purposes of this *Article X*, references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "Covered Person" shall include any person serving as a Member, Director, officer, employee or agent of the Company which imposes duties on, or involves services by, such Member, Director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries.

Section 10.10 ***Survival of Indemnification and Advancement of Expenses***. The indemnification and advancement of expenses provided by, or granted pursuant to, this *Article X* shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a Member, Director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person and shall survive the dissolution, liquidation and termination of the Company.

Section 10.11 ***Limitation on Indemnification***. Notwithstanding anything contained in this *Article X* to the contrary, except for proceedings to enforce rights to indemnification (which shall be governed by *Section 10.5*), the Company shall not be obligated to indemnify any Covered Person in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors.

Section 10.12 ***Indemnification of Employees and Agents***. The Company may, to the extent authorized from time to time by the Board of Directors, provide rights to indemnification and the advancement of expenses to employees and agents of the Company similar to those conferred in this *Article X* to Members, Directors and officers of the Company.

Section 10.13 ***Severability***. The provisions of this *Article X* are intended to comply with the Act. To the extent that any provision of this *Article X* authorizes or requires indemnification or the advancement of expenses contrary to the Act, the Company's power to indemnify or advance expenses under such provision shall be limited to that permitted by the Act and any limitation required by the Act shall not affect the validity of any other provision of this *Article X*.

Section 10.14 ***Exoneration of Liability for Unlawful Distribution, Membership Interests Repurchase or Redemption*** . To the extent any liability is imposed upon a Director of the Company based on an unlawful distribution by the Company or an unlawful repurchase or redemption by the Company of any Units, the Director may be exonerated from such liability if such Director was absent from the meeting

in which the unlawful act was approved or if such Director dissented from the authorization of such unlawful act and caused such dissent to be entered into the minutes of the meeting. If exonerated under this *Section 10.14*, the Director shall be entitled to contribution from the other Directors who voted for the unlawful dividend, repurchase, or redemption.

ARTICLE XI.
GENERAL PROVISIONS

Section 11.1 ***Notice***

(a) All notices required to be given hereunder shall be in writing and shall be deemed to be duly given if personally delivered or mailed by certified mail, return receipt requested, or by nationally recognized overnight delivery service with proof of receipt maintained, to the following addresses (or any other address that any such party may designate by written notice to the other parties):

If to the Company:
Antero Resources LLC
1625 17th Street, Suite 300
Denver, Colorado 80202
Attn: Chief Executive Officer

If to any Member:
At his, her or its address as set forth on *Exhibit A* of this Agreement.

Any such notice shall, if delivered personally, be deemed received upon delivery; shall, if delivered by nationally recognized overnight delivery service, be deemed received the first Business Day after being sent; and shall, if delivered by mail, be deemed received upon the earlier of actual receipt thereof or five Business Days after the date of deposit in the United States mail.

(b) Whenever any notice is required to be given to any Member of the Company under the provisions of this Agreement, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance of a Member at a meeting of the Members shall constitute a waiver of notice of such meeting, except where a Member attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 11.2 ***Joinder of Spouses.*** The spouses of all married Members have joined in the execution of this Agreement in order to evidence their agreement and consent to be bound by the terms and conditions hereof as to their interest, whether as community property or otherwise, if any, in the Units owned by their respective spouses.

Section 11.3 ***Adjustments for Unit Splits, Etc***. Wherever in this Agreement there is a reference to a specific number of Units of the Company of any class or series, or a price per Unit, or consideration received in respect of such Unit, then, upon the occurrence of any subdivision, combination, or Unit distribution of such class or series of Units, the specific number of Units or the price so referenced in this Agreement shall automatically be proportionally adjusted to reflect the effect on the outstanding Units of such class or series of Units by such subdivision, combination, or Unit distribution.

Section 11.4 ***Certain Tax Considerations***. THE IMPOSITION OF THE RIGHTS OF REPURCHASE UNDER THIS AGREEMENT MAY RESULT IN ADVERSE TAX CONSEQUENCES THAT MAY BE AVOIDED OR MITIGATED BY FILING AN ELECTION UNDER CODE SECTION 83(B). SUCH ELECTION MAY BE FILED ONLY WITHIN THIRTY (30) DAYS AFTER THE DATE THE SUBJECT PROPERTY IS TRANSFERRED. THE MEMBERS SHOULD CONSULT WITH HIS OR HER TAX ADVISOR TO DETERMINE THE TAX CONSEQUENCES OF EXECUTING THIS AGREEMENT AND THE ADVANTAGES AND

DISADVANTAGES OF FILING THE CODE SECTION 83(B) ELECTION. EACH OF THE MEMBERS ACKNOWLEDGES THAT IT IS HIS OR HER SOLE RESPONSIBILITY, AND NOT THE COMPANY'S, TO FILE A TIMELY ELECTION UNDER CODE SECTION 83(B), EVEN IF THE MEMBER REQUESTS THE COMPANY OR ITS REPRESENTATIVES TO MAKE THIS FILING ON HIS OR HER BEHALF.

Section 11.5 ***Entire Agreement; Amendments; Agreement Controls***.

(a) This Agreement, including the exhibits or schedules thereto and any agreements or documents specifically referenced herein, constitute the full and complete agreement of the parties hereto with respect to the subject matter hereof. This Agreement together with the agreements referred to herein supersede all prior agreements among the parties with respect to the subject matter hereof. The provisions of this Agreement may only be amended, modified, waived or terminated, whether by merger, consolidation or otherwise, with the written consent of the Company and Required Member Approval; *provided, however*, that:

(i) any such amendment, modification, or waiver (but not any termination) that would adversely affect the rights hereunder of any Member, in its capacity as a Member, without similarly affecting the rights hereunder of all Members of the same class, in their capacities as Members of such class, that would affect a Member's right to exercise its preemptive rights pursuant to *Section 3.4* or that would impose any material obligation on any Member, shall not be effective as to such Member without its prior written consent;

(ii) any provisions of this Agreement setting forth any rights, preferences, restrictions and limitations applicable to the Management Units may be amended, modified or waived only with the prior written consent of Management Members holding at least 67% of the Management Units;

(iii) *Section 4.2(b)*, *(c)* and *(d)* may be amended, modified or waived with the prior written consent of each Investor Member that owns Units representing 7.5% or more of the outstanding Voting Units; and

(iv) *Exhibit A* to this Agreement shall be deemed to be automatically amended from time to time to reflect issuances and transfers of Units made in compliance with this Agreement and the Subscription Agreement without requiring the consent of any party, and the Company will, from time to time, distribute to the Members a revised *Exhibit A* to reflect any such changes.

(b) No waiver of any provision hereof by any party shall be deemed a waiver by any other party nor shall any such waiver by any party be deemed a continuing waiver of any matter by such party.

(c) No amendment, modification, supplement, discharge or waiver hereof or hereunder shall require the consent of any person not a party to this Agreement.

Section 11.6 ***Effect of Waiver or Consent***. The failure of any person to insist upon strict performance of a covenant hereunder or of any obligation hereunder, irrespective of the length of time for which such failure continues, shall not be a waiver of such person's right to demand strict compliance in the future. No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation hereunder shall constitute a consent or waiver to or of any other breach or default in the performance of the same or any other obligation hereunder.

Section 11.7 ***Future Actions.*** The Company and the Members shall execute and deliver all such future instruments and take such other and further action as may be reasonably necessary or appropriate to carry out the provisions of this Agreement and the intention of the parties as expressed herein.

Section 11.8 ***Binding Effect; Assignment.*** Subject to *Article VIII*, this Agreement shall be binding upon and shall inure to the benefit of the Company and each Member and his respective heirs, successors, permitted assigns, and legal representatives, and by their signatures hereto, the Company and each Member intends to and does hereby become bound. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person other than the parties hereto and their respective successors and permitted assigns any legal or equitable right, remedy or claim under, in or in respect of this Agreement or any provision herein contained.

Section 11.9 ***Governing Law; Service of Process; Waiver of Jury Trial***.

(a) THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, EXCLUDING ANY CONFLICT-OF-LAWS RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR THE CONSTRUCTION OF THIS AGREEMENT TO THE LAW OF ANOTHER JURISDICTION.

(b) Each of the parties hereto hereby consents to process being served by any party to this Agreement in any suit, action, or proceeding by the mailing of a copy thereof in the manner specified by the provisions of *Section 11.1*.

(c) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

Section 11.10 ***Severability***. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of each such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

Section 11.11 ***Further Assurances***. In connection with this Agreement and the transactions contemplated hereby, each Member shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and those transactions.

Section 11.12 ***Title to Company Property***. All property owned by the Company, whether real or personal, tangible or intangible, shall be deemed to be owned by the Company, and no Member, individually, shall have any ownership of such property. The Company shall hold all of its property in its own name.

Section 11.13 ***No Third Party Beneficiaries***. Except as otherwise provided in *Article X*, it is the intent of the parties hereto that no third-party beneficiary rights be created or deemed to exist in favor of any person not a party to this Agreement, unless otherwise expressly agreed to in writing by the parties.

Section 11.14 ***Merger***. The Board of Directors may cause the Company to merge with or into, or convert into, any other entity or exchange interests with any other entity without the separate vote of the Members, *provided that* if such merger, conversion or exchange results in the distribution of consideration to the Members that such consideration shall be allocated and distributed in accordance with *Section 6.1*. Any merger, conversion, or interest exchange of the Company affected in accordance with this *Section 11.14* shall not be deemed to cause an assignment or other Disposition of the Membership Interests under this Agreement.

Section 11.15 ***Confidentiality***.

(a) The Members shall, and shall direct the directors, officers, directors, constituent partners, employees, attorneys, accountants, fiduciaries, advisers and representatives of the Members and their Affiliates that have access to confidential or proprietary information of the Company to, keep confidential and not disclose any such confidential or proprietary information, including the identities of any other Members, to any other person without the express consent of the Company, unless such (i) disclosure shall be required by applicable law, court order or administrative proceeding, (ii) information shall be generally available and known to the public, (iii) information has been rightfully received by such Member or any of its representatives or Affiliates from any person without restriction on disclosure and without breach of any obligation to the Company, its representatives, or its Affiliates or (iv) disclosure is made to such Member's employees, attorneys, accountants, and fiduciaries who have a need to know such information and agree or have an obligation to comply with the provisions of this paragraph (a). The Company shall not disclose the identity of any Member who has so requested in writing, unless such disclosure is required by applicable law, court order or administrative proceeding or is requested by an issuer, owner, investor or financing source with respect to a particular project; *provided, however*, that the Company shall advise the recipient that such information should be treated confidentially.

(b) The agreement contained in this *Section 11.15* shall survive the withdrawal of any Member or any termination or dissolution of the Company.

Section 11.16 ***Public Announcements***. The Company or any Member shall issue a press release or other public statement with respect to this Agreement or the transactions contemplated hereby only after having provided reasonable advance notice of same to the other Members; *provided that* in no event shall the economic terms of this Agreement or the transactions contemplated hereby be disclosed by any person, unless each Investor Member has consented in advance to such disclosure or such disclosure is required pursuant to applicable law or by order of a court of applicable jurisdiction.

Section 11.17 ***Counterparts***. This Agreement may be executed in any number of counterparts, with each such counterpart constituting an original and all of such counterparts constituting but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Members have executed this Agreement as of the date first written above.

INVESTOR MEMBERS:

WP ANTERO, LLC

By: WP Antero Holdco, LLC, its managing member

By: WP Antero Topco, Inc., its managing member

By: /s/ STEVEN GLENN

Name: Steven Glenn
Title: Authorized Signatory

YORKTOWN ENERGY PARTNERS V, L.P.

By: Yorktown V Company LLC, its General Partner

By: /s/ W. HOWARD KEENAN, JR.

Name: W. Howard Keenan, Jr.
Title: Manager

YORKTOWN ENERGY PARTNERS VI, L.P.

By: Yorktown VI Company LP, its General Partner

By: Yorktown VI Associates LLC, its General Partner

By: /s/ W. HOWARD KEENAN, JR.

Name: W. Howard Keenan, Jr.
Title: Manager

YORKTOWN ENERGY PARTNERS VII, L.P.

By: Yorktown VII Company LP, its General Partner

By: Yorktown VII Associates LLC, its General Partner

By: /s/ W. HOWARD KEENAN, JR.

Name: W. Howard Keenan, Jr.
Title: Manager

YORKTOWN ENERGY PARTNERS VIII, L.P.

By: Yorktown VIII Company LP, its General Partner

By: Yorktown VIII Associates LLC, its General Partner

By: /s/ W. HOWARD KEENAN, JR.

Name: W. Howard Keenan, Jr.
Title: Manager

LEHMAN BROTHERS DIVERSIFIED PRIVATE EQUITY FUND 2004 PARTNERS

By: Lehman Brothers Private Equity Advisers L.L.C., its Attorney-In-Fact

By: /s/ ASHVIN RAO

Name: Ashvin Rao
Title: Vice President

TRILANTIC CAPITAL PARTNERS FUND III ONSHORE ROLLOVER L.P.

By: LB TCP Associates III L.P., its General Partner

By: Lehman Brothers Merchant Banking Associates III L.L.C., its General Partner

By: /s/ ASHVIN RAO

Name: Ashvin Rao
Title: Authorized Signatory

TRILANTIC CAPITAL PARTNERS AIV I L.P.

By: Trilantic Capital Management LLC, its Investment Advisor, u/p/a dated 4/10/09

By: /s/ ELLIOT ATTIE

Name: Elliot Attie
Title: Chief Financial Officer

TRILANTIC CAPITAL PARTNERS FUND AIV I L.P.

By: Trilantic Capital Management LLC, its Investment Advisor, u/p/a dated 4/10/09

By: /s/ ELLIOT ATTIE

Name: Elliot Attie
Title: Chief Financial Officer

TRILANTIC CAPITAL PARTNERS FUND (B) AIV I L.P.

By: Trilantic Capital Management LLC, its Investment Advisor, u/p/a dated 4/10/09

By: /s/ ELLIOT ATTIE

Name: Elliot Attie
Title: Chief Financial Officer

TCP CAPITAL PARTNERS V AIV I L.P.

By: Trilantic Capital Management LLC, its Subadvisor, u/p/a dated 4/10/09

By: /s/ ELLIOT ATTIE

Name: Elliot Attie
Title: Chief Financial Officer

TRILANTIC CAPITAL PARTNERS IV L.P.

By: Trilantic Capital Partners Associates IV L.P., its General Partner

By: Trilantic Capital Partners Associates MGP IV LLC, its General Partner

By: /s/ ELLIOT ATTIE

Name: Elliot Attie
Title: Chief Financial Officer

TCP CAPITAL PARTNERS VI L.P.

By: Trilantic Capital Management LLC, its Subadvisor u/p/a 4/10/09

By: /s/ ELLIOT ATTIE

Name: Elliot Attie
Title: Chief Financial Officer

TRILANTIC CAPITAL PARTNERS GROUP VI L.P.

By: Trilantic Capital Partners Group VI GP L.P., its General Partner

By: Trilantic Capital Partners Associates IV (Parallel GP) L.P., its General Partner

By: Trilantic Capital Partners Associates MGP IV LLC, its General Partner

By: /s/ ELLIOT ATTIE

Name: Elliot Attie
Title: Chief Financial Officer

TRILANTIC CAPITAL PARTNERS FUND IV FUNDED ROLLOVER L.P.

By: Trilantic Capital Partners Associates IV (Parallel GP) L.P., its General Partner

By: Trilantic Capital Partners Associates MGP IV LLC, its General Partner

By: /s/ ELLIOT ATTIE

Name: Elliot Attie
Title: Chief Financial Officer

COLEMAN ANDREWS SP TRUST

By: Trilantic Capital Management LLC, u/p/a dated 10/30/09

By: /s/ ELLIOT ATTIE

Name: Elliot Attie
Title: Chief Financial Officer

JOHN BUSH

By: Trilantic Capital Management LLC, u/p/a dated 10/30/09

By: /s/ ELLIOT ATTIE

Name: Elliot Attie
Title: Chief Financial Officer

GARD INVESTMENT COMPANY LLC

By: Trilantic Capital Management LLC, u/p/a dated 10/30/09

By: /s/ ELLIOT ATTIE

Name: Elliot Attie
Title: Chief Financial Officer

HOWARD H. LEACH LIVING TRUST

By: Trilantic Capital Management LLC, u/p/a dated 10/30/09

By: /s/ ELLIOT ATTIE

Name: Elliot Attie
Title: Chief Financial Officer

STEPHEN WOLF

By: Trilantic Capital Management LLC, u/p/a dated 10/30/09

By: /s/ ELLIOT ATTIE

Name: Elliot Attie
Title: Chief Financial Officer

LB I GROUP INC.

By: /s/ ASHVIN RAO

Name: Ashvin Rao
Title: Vice President

SPINDRIFT PARTNERS, L.P.

By: Wellington Management Company, LLP, as Investment Adviser

By: /s/ ROBERT J. TONER

Name: Robert J. Toner
Title: Vice President and Counsel

SPINDRIFT INVESTORS (BERMUDA) L.P.

By: Wellington Management Company, LLP, as Investment Adviser

By: /s/ ROBERT J. TONER

Name: Robert J. Toner
Title: Vice President and Counsel

GENERAL MILLS GROUP TRUST

By: /s/ MARIE PILLAI

Name: Marie Pillai
Title: Executive Secretary, Benefit Finance Committee

GENERAL MILLS BAKERY, CONFECTIONARY, TOBACCO AND GRAIN MILLERS (AFL-CIO) HEALTH AND WELFARE PLAN

By: /s/ MARIE PILLAI

Name: Marie Pillai
Title: Executive Secretary, Benefit Finance Committee

THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY

By: The Stanford Management Company

By: /s/ MARK H. HAYES

Name: Mark H. Hayes, Ph.D.
Title: Director, Natural Resources Investments

YALE UNIVERSITY

By: /s/ DAVID F. SWENSEN

Name: David F. Swensen
Title: Chief Investment Officer

CLTR

By: /s/ STEPHANE BAILLY

Name: Stephane Bailly
Title: Director General

MANAGEMENT MEMBERS:

SALISBURY INVESTMENT HOLDINGS, LLC

By: /s/ PAUL M. RADY

Name: Paul M. Rady
Title: Managing Member

/s/ PAUL M. RADY

Paul M. Rady, Individually

CANTON INVESTMENT HOLDINGS, LLC

By: /s/ GLEN C. WARREN, JR.

Name: Glen C. Warren, Jr.
Title: Managing Member

/s/ GLEN C. WARREN, JR.

Glen C. Warren, Jr., Individually

/s/ STEVEN M. WOODWARD

Steven M. Woodward

/s/ BRIAN A. KUHN

Brian A. Kuhn

/s/ ROBERT E. MUELLER

Robert E. Mueller

/s/ ALVYN A. SCHOPP

Alvyn A. Schopp

/s/ MARK D. MAUZ

Mark D. Mauz

/s/ KEVIN J. KILSTROM

Kevin J. Kilstrom

/s/ JON GRANNIS

Jon Grannis

/s/ ROBERT S. TUCKER

Robert S. Tucker

/s/ TIMOTHY D. CLAWSON

Timothy D. Clawson

/s/ IVAN KAWCAK

Ivan Kawcak

Exhibit 4.1

EXECUTION VERSION

ANTERO RESOURCES FINANCE CORPORATION,

THE GUARANTORS PARTY HERETO

AND

WELLS FARGO BANK, NATIONAL ASSOCIATION,
AS TRUSTEE

INDENTURE

Dated as of November 17, 2009

9.375% Senior Notes due 2017

Table of Contents

CROSS-REFERENCE TABLE

TIA Section	Indenture Section
310(a)(1)	7.10
(a)(2)	7.10
(a)(3)	N.A.
(a)(4)	N.A.
(a)(5)	7.10
(b)	7.8; 7.10
(c)	7.10
311(a)	7.11
(b)	7.11
(c)	N.A.
312(a)	2.5
(b)	12.3
(c)	12.3
313(a)	7.6
(b)(1)	7.6; 11.2
(b)(2)	7.6; 11.2
(c)	7.6; 11.2
(d)	7.6
314(a)	3.11; 3.16; 12.5
(b)	11.2(c)
(c)(1)	12.4
(c)(2)	12.4
(c)(3)	N.A.
(d)	11.2; 11.6(b)
(e)	12.5
315(a)	7.1
(b)	7.5; 12.2
(c)	7.1
(d)	7.1
(e)	6.11
316(a)(last sentence)	12.6
(a)(1)(A)	6.5
(a)(1)(B)	6.4
(a)(2)	N.A.
(b)	6.7
(c)	6.5
317(a)(1)	6.8
(a)(2)	6.9
(b)	2.4
318(a)	12.1

Note: This Cross-Reference Table shall not, for any purpose, be deemed to be part of this Indenture.

This INDENTURE dated as of November 17, 2009, is among ANTERO RESOURCES FINANCE CORPORATION, a Delaware corporation (the "*Issuer*"), ANTERO RESOURCES LLC, a Delaware limited liability company (the "*Parent Guarantor*"), the Subsidiary Guarantors (as defined herein) listed on the signature page hereto and WELLS FARGO BANK, NATIONAL ASSOCIATION (the "*Trustee*"), as trustee.

Each party agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the Holders of (i) the Issuer's 9.375% Senior Notes, Series A, due 2017, issued on the date hereof and the guarantees thereof by the Parent Guarantor and the Subsidiary Guarantors (the "*Initial Securities*"), (ii) if and when issued, an unlimited principal amount of additional 9.375% Senior Notes, Series A, due 2017 in a non-registered offering or 9.375% Senior Notes, Series B, due 2017 in a registered offering of the Issuer, and the guarantees thereof by the Parent Guarantor and the Subsidiary Guarantors that may be offered from time to time subsequent to the Issue Date, in each case subject to *Section 2.1* (the "*Additional Securities*") as provided in *Section 2.1(a)* and (iii) if and when issued, the Issuer's 9.375% Senior Notes, Series B, due 2017 and the guarantees thereof by Parent Guarantor and the Subsidiary Guarantors that may be issued from time to time in exchange for Initial Securities or any Additional Securities in an offer registered under the Securities Act as provided in a Registration Rights Agreement, as hereinafter defined (the "*Exchange Securities*," and together with the Initial Securities and Additional Securities, the "*Securities*"):

ARTICLE I

DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.1. Definitions.

"*Acquired Indebtedness*" means, Indebtedness (i) of a Person or any of its Subsidiaries existing at the time such Person becomes or is merged with and into a Restricted Subsidiary or (ii) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with, or in anticipation or contemplation of, such Person becoming a Restricted Subsidiary or such acquisition. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (i) of the preceding sentence, on the date such Person becomes or is merged with and into a Restricted Subsidiary and, with respect to clause (ii) of the preceding sentence, on the date of consummation of such acquisition of assets.

"*Additional Assets*" means:

(1) any properties or assets to be used by the Parent Guarantor or a Restricted Subsidiary in the Oil and Gas Business;

(2) capital expenditures by the Parent Guarantor or a Restricted Subsidiary in the Oil and Gas Business;

(3) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Parent Guarantor or a Restricted Subsidiary; or

(4) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary;

provided, *however*, that, in the case of clauses (3) and (4), such Restricted Subsidiary is primarily engaged in the Oil and Gas Business.

"*Additional Interest*" means the interest payable as a consequence of the failure to effectuate in a timely manner the exchange offer and/or shelf registration procedures set forth in the Registration Rights Agreement.

"*Adjusted Consolidated Net Tangible Assets*" of the Parent Guarantor means (without duplication), as of the date of determination, the remainder of:

(a) the sum of:

(i) discounted future net revenues from proved oil and gas reserves of the Parent Guarantor and its Restricted Subsidiaries calculated in accordance with SEC guidelines before any state or federal income taxes, as estimated by the Parent Guarantor in a reserve report prepared as of the end of the Parent Guarantor's most recently completed fiscal year for which audited financial statements are available, as increased by, as of the date of determination, the estimated discounted future net revenues from

(A) estimated proved oil and gas reserves acquired since such year end, which reserves were not reflected in such year end reserve report, and

(B) estimated oil and gas reserves attributable to extensions, discoveries and other additions and upward revisions of estimates of proved oil and gas reserves since such year end due to exploration, development or exploitation, production or other activities, which would, in accordance with standard industry practice, cause such revisions (including the impact to proved reserves and future net revenues from estimated development costs incurred and the accretion of discount since such year end),

and decreased by, as of the date of determination, the estimated discounted future net revenues from

(C) estimated proved oil and gas reserves produced or disposed of since such year end, and

(D) estimated oil and gas reserves attributable to downward revisions of estimates of proved oil and gas reserves since such year end due to changes in geological conditions or other factors which would, in accordance with standard industry practice, cause such revisions, in each case calculated on a pre-tax basis and substantially in accordance with SEC guidelines,

in the case of clauses (A) through (D) utilizing prices and costs calculated in accordance with SEC guidelines as if the end of the most recent fiscal quarter preceding the date of determination for which such information is available to the Parent Guarantor were year end; *provided*, *however*, that in the case of each of the determinations made pursuant to clauses (A) through (D), such increases and decreases shall be as estimated by the Parent Guarantor's petroleum engineers;

(ii) the capitalized costs that are attributable to Oil and Gas Properties of the Parent Guarantor and its Restricted Subsidiaries to which no proved oil and gas reserves are attributable, based on the Parent Guarantor's books and records as of a date no earlier than the date of the Parent Guarantor's latest available annual or quarterly financial statements;

(iii) the Net Working Capital of the Parent Guarantor and its Restricted Subsidiaries on a date no earlier than the date of the Parent Guarantor's latest annual or quarterly financial statements; and

(iv) the greater of

(A) the net book value of other tangible assets of the Parent Guarantor and its Restricted Subsidiaries, as of a date no earlier than the date of the Parent Guarantor's latest annual or quarterly financial statements, and

(B) the appraised value, as estimated by independent appraisers, of other tangible assets of the Parent Guarantor and its Restricted Subsidiaries, as of a date no earlier than the date

of the Parent Guarantor's latest audited financial statements; *provided*, that, if no such appraisal has been performed the Parent Guarantor shall not be required to obtain such an appraisal and only clause (iv)(A) of this definition shall apply;

minus

(b) the sum of:

(i) Minority Interests;

(ii) any net gas balancing liabilities of the Parent Guarantor and its Restricted Subsidiaries reflected in the Parent Guarantor's latest annual or quarterly balance sheet (to the extent not deducted in calculating Net Working Capital of the Parent Guarantor in accordance with clause (a)(iii) above of this definition);

(iii) to the extent included in (a)(i) above, the discounted future net revenues, calculated in accordance with SEC guidelines (but utilizing prices and costs calculated in accordance with SEC guidelines as if the end of the most recent fiscal quarter preceding the date of determination for which such information is available to the Parent Guarantor were year end), attributable to reserves which are required to be delivered to third parties to fully satisfy the obligations of the Parent Guarantor and its Restricted Subsidiaries with respect to Volumetric Production Payments (determined, if applicable, using the schedules specified with respect thereto); and

(iv) the discounted future net revenues, calculated in accordance with SEC guidelines, attributable to reserves subject to Dollar-Denominated Production Payments which, based on the estimates of production and price assumptions included in determining the discounted future net revenues specified in (a)(i) above, would be necessary to fully satisfy the payment obligations of the Parent Guarantor and its Subsidiaries with respect to Dollar-Denominated Production Payments (determined, if applicable, using the schedules specified with respect thereto).

If the Parent Guarantor changes its method of accounting from the successful efforts method of accounting to the full cost or a similar method, "Adjusted Consolidated Net Tangible Assets" will continue to be calculated as if the Parent Guarantor were still using the successful efforts method of accounting.

"*Additional Securities*" has the meaning ascribed to it in the second introductory paragraph of this Indenture.

"*Affiliate*" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"*Asset Disposition*" means any direct or indirect sale, lease (including by means of Production Payments and Reserve Sales and a Sale/Leaseback Transaction but excluding an operating lease entered into in the ordinary course of the Oil and Gas Business), transfer, issuance or other disposition, or a series of related sales, leases, transfers, issuances or dispositions that are part of a common plan, of (A) shares of Capital Stock of a Restricted Subsidiary (other than Preferred Stock of Restricted Subsidiaries issued in compliance with *Section 3.2* and directors' qualifying shares or shares required by applicable law to be held by a Person other than the Parent Guarantor or a Restricted Subsidiary), (B) all or substantially all the assets of any division or line of business of the Parent Guarantor or any Restricted Subsidiary (excluding any division or line of business the assets of which are owned by an Unrestricted Subsidiary) or (C) any other assets of the Parent Guarantor or any Restricted Subsidiary outside of the ordinary course of business of the Parent Guarantor or such Restricted Subsidiary (each

referred to for the purposes of this definition as a "disposition"), in each case by the Parent Guarantor or any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction.

Notwithstanding the preceding, the following items shall not be deemed to be Asset Dispositions:

(1) a disposition by a Restricted Subsidiary to the Parent Guarantor or by the Parent Guarantor or a Restricted Subsidiary to a Restricted Subsidiary;

(2) a disposition of cash, Cash Equivalents or other financial assets in the ordinary course of business;

(3) a disposition of Hydrocarbons or mineral products inventory in the ordinary course of business;

(4) a disposition of damaged, unserviceable, obsolete or worn out equipment or equipment that is no longer necessary for the proper conduct of the business of the Parent Guarantor and its Restricted Subsidiaries and that is disposed of in each case in the ordinary course of business;

(5) transactions in accordance with *Section 4.1*;

(6) an issuance of Capital Stock by a Restricted Subsidiary to the Parent Guarantor or to a Restricted Subsidiary;

(7) the making of a Permitted Investment or a Restricted Payment (or a disposition that would constitute a Restricted Payment but for the exclusions from the definition thereof) permitted by *Section 3.3*;

(8) an Asset Swap;

(9) dispositions of assets with a Fair Market Value of less than $10.0 million;

(10) Permitted Liens;

(11) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(12) the licensing or sublicensing of intellectual property (including, without limitation, the licensing of seismic data) or other general intangibles and licenses, leases or subleases of other property in the ordinary course of business which do not materially interfere with the business of the Parent Guarantor and its Restricted Subsidiaries;

(13) foreclosure on assets;

(14) any Production Payments and Reserve Sales; provided that any such Production Payments and Reserve Sales, other than incentive compensation programs on terms that are reasonably customary in the Oil and Gas Business for geologists, geophysicists and other providers of technical services to the Parent Guarantor or a Restricted Subsidiary, shall have been created, Incurred, issued, assumed or Guaranteed in connection with the financing of, and within 60 days after the acquisition of, the property that is subject thereto;

(15) a disposition of oil and natural gas properties in connection with tax credit transactions complying with Section 29 or any successor or analogous provisions of the Code;

(16) surrender or waiver of contract rights, oil and gas leases, or the settlement, release or surrender of contract, tort or other claims of any kind;

(17) the abandonment, farmout, lease or sublease of developed or undeveloped Oil and Gas Properties in the ordinary course of business; and

(18) a disposition (whether or not in the ordinary course of business) of any Oil and Gas Property or interest therein to which no proved reserves are attributable at the time of such disposition.

"*Asset Swap*" means any substantially contemporaneous (and in any event occurring within 180 days of each other) purchase and sale or exchange of any oil or natural gas properties or assets or interests therein between the Parent Guarantor or any of its Restricted Subsidiaries and another Person; *provided*, that any cash received must be applied in accordance with *Section 3.5* as if the Asset Swap were an Asset Disposition.

"*Average Life*" means, as of the date of determination, with respect to any Indebtedness or Preferred Stock, the quotient obtained by dividing (1) the sum of the products of the numbers of years from the date of determination to the dates of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Preferred Stock multiplied by the amount of such payment by (2) the sum of all such payments.

"*Bankruptcy Law*" means Title 11 of the United States Code or similar federal or state law for the relief of debtors.

"*Beneficial Owner*" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms "Beneficially Owns" and "Beneficially Owned" have a corresponding meaning.

"*Board of Directors*" means, as to any Person that is a corporation, the board of directors of such Person or any duly authorized committee thereof or as to any Person that is not a corporation, the board of managers or such other individual or group serving a similar function.

"*Board Resolution*" means a copy of a resolution certified by the Secretary or an Assistant Secretary of a Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification.

"*Business Day*" means each day that is not a Saturday, Sunday or other day on which commercial banking institutions in New York, New York are authorized or required by law to close.

"*Capital Stock*" of any Person means any and all shares, units, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into, or exchangeable for, such equity.

"*Capitalized Lease Obligations*" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with GAAP, and the amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined in accordance with GAAP, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"*Cash Equivalents*" means:

(1) securities issued or directly and fully guaranteed or insured by the United States Government or any agency or instrumentality of the United States (provided that the full faith and credit of the United States is pledged in support thereof), having maturities of not more than one year from the date of acquisition;

(2) marketable general obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition and, at the time of acquisition, having a credit rating of "A" (or the equivalent thereof) or better from either S&P or Moody's;

(3) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances having maturities of not more than one year from the date of acquisition thereof issued by any commercial bank the short-term deposit of which is rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by S&P, or "P-2" or the equivalent thereof by Moody's, and having combined capital and surplus in excess of $100.0 million;

(4) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (1), (2) and (3) entered into with any bank meeting the qualifications specified in clause (3) above;

(5) commercial paper rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by S&P or "P-2" or the equivalent thereof by Moody's, or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named Rating Agencies cease publishing ratings of investments, and in any case maturing within one year after the date of acquisition thereof; and

(6) interests in any investment company or money market fund which invests 95% or more of its assets in instruments of the type specified in clauses (1) through (5) above.

"*Cash Management Obligations*" means, with respect to the Issuer or any Guarantor, any obligations of such Person to U.S. Bank National Association or any other lender in respect of treasury management arrangements, depositary or other cash management services, including any treasury management line of credit.

"*Change of Control*" means:

(1) any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than a Permitted Holder, is or becomes the Beneficial Owner, directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Parent Guarantor (or its successor by merger, consolidation or purchase of all or substantially all of its assets) (for the purposes of this clause (1), such person or group shall be deemed to Beneficially Own any Voting Stock of the Parent Guarantor held by a parent entity, if such person or group Beneficially Owns, directly or indirectly, more than 50% of the total voting power of the Voting Stock of such parent entity);

(2) the first day on which a majority of the members of the Board of Directors of the Parent Guarantor are not Continuing Directors;

(3) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Parent Guarantor and its Restricted Subsidiaries taken as a whole to any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act); or

(4) the adoption by the members of the Parent Guarantor of a plan or proposal for the liquidation or dissolution of the Parent Guarantor.

Notwithstanding the preceding, a conversion of the Parent Guarantor or any of its Restricted Subsidiaries from a limited liability company, corporation, limited partnership or other form of entity to a limited liability company, corporation, limited partnership or other form of entity or an exchange of all of the outstanding Capital Stock in one form of entity for Capital Stock for another form of entity shall not constitute a Change of Control, so long as following such conversion or exchange the

"persons" (as that term is used in Section 13(d)(3) of the Exchange Act) who Beneficially Owned the Capital Stock of the Parent Guarantor immediately prior to such transactions continue to Beneficially Own in the aggregate more than 50% of the Voting Stock of such entity, or continue to Beneficially Own sufficient Equity Interests in such entity to elect a majority of its directors, managers, trustees or other persons serving in a similar capacity for such entity, and, in either case no "person" Beneficially Owns more than 50% of the Voting Stock of such entity.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Commodity Agreements*" means, in respect of any Person, any forward contract, commodity swap agreement, commodity option agreement or other similar agreement or arrangement in respect of Hydrocarbons used, produced, processed or sold by such Person that are customary in the Oil and Gas Business and designed to protect such Person against fluctuation in Hydrocarbon prices.

"*Common Stock*" means with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or nonvoting) of such Person's common stock whether or not outstanding on the Issue Date, and includes, without limitation, all series and classes of such common stock.

"*Consolidated Coverage Ratio*" means as of any date of determination, the ratio of (x) the aggregate amount of Consolidated EBITDAX of such Person for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which financial statements are in existence to (y) Consolidated Interest Expense for such four fiscal quarters, *provided*, *however*, that:

(1) if the Parent Guarantor or any Restricted Subsidiary:

(a) has Incurred any Indebtedness since the beginning of such period that remains outstanding on such date of determination or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is an Incurrence of Indebtedness, Consolidated EBITDAX and Consolidated Interest Expense for such period will be calculated after giving effect on a pro forma basis to such Indebtedness and the use of proceeds thereof as if such Indebtedness had been Incurred on the first day of such period and such proceeds had been applied as of such date (except that in making such computation, the amount of Indebtedness under any revolving Credit Facility outstanding on the date of such calculation will be deemed to be (i) the average daily balance of such Indebtedness during such four fiscal quarters or such shorter period for which such facility was outstanding or (ii) if such revolving Credit Facility was created after the end of such four fiscal quarters, the average daily balance of such Indebtedness during the period from the date of creation of such revolving Credit Facility to the date of such calculation, in each case, provided that such average daily balance shall take into account any repayment of Indebtedness under such revolving Credit Facility as provided in clause (b)); or

(b) has repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of the period, including with the proceeds of such new Indebtedness, that is no longer outstanding on such date of determination or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio involves a discharge of Indebtedness (in each case other than Indebtedness Incurred under any revolving Credit Facility unless such Indebtedness has been permanently repaid and the related commitment terminated), Consolidated EBITDAX and Consolidated Interest Expense for such period will be calculated after giving effect on a pro forma basis to such discharge of such Indebtedness as if such discharge had occurred on the first day of such period;

(2) if, since the beginning of such period, the Parent Guarantor or any Restricted Subsidiary has made any Asset Disposition or if the transaction giving rise to the need to calculate the

Consolidated Coverage Ratio is such an Asset Disposition, the Consolidated EBITDAX for such period will be reduced by an amount equal to the Consolidated EBITDAX (if positive) directly attributable to the assets which are the subject of such Asset Disposition for such period or increased by an amount equal to the Consolidated EBITDAX (if negative) directly attributable thereto for such period and Consolidated Interest Expense for such period shall be reduced by an amount equal to the Consolidated Interest Expense directly attributable to any Indebtedness of the Parent Guarantor or any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to the Parent Guarantor and its continuing Restricted Subsidiaries in connection with or with the proceeds from such Asset Disposition for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Interest Expense for such period directly attributable to the Indebtedness of such Restricted Subsidiary to the extent the Parent Guarantor and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such sale);

(3) if, since the beginning of such period, the Parent Guarantor or any Restricted Subsidiary (by merger or otherwise) has made an Investment in any Restricted Subsidiary (or any Person which becomes a Restricted Subsidiary or is merged with or into the Parent Guarantor or a Restricted Subsidiary) or an acquisition (or will have received a contribution) of assets, including any acquisition or contribution of assets occurring in connection with a transaction causing a calculation to be made under this Indenture, which constitutes all or substantially all of a Parent Guarantor, division, operating unit, segment, business, group of related assets or line of business, Consolidated EBITDAX and Consolidated Interest Expense for such period will be calculated after giving pro forma effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition or contribution had occurred on the first day of such period; and

(4) if, since the beginning of such period, any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Parent Guarantor or any Restricted Subsidiary since the beginning of such period) made any Asset Disposition or any Investment or acquisition of assets that would have required an adjustment pursuant to clause (2) or (3) above if made by the Parent Guarantor or a Restricted Subsidiary during such period, Consolidated EBITDAX and Consolidated Interest Expense for such period will be calculated after giving pro forma effect thereto as if such Asset Disposition or Investment or acquisition of assets had occurred on the first day of such period.

For purposes of this definition, whenever pro forma effect is to be given to any calculation under this definition, the pro forma calculations will be determined in good faith by a responsible financial or accounting officer of the Parent Guarantor; *provided* that such officer may in his or her discretion include any reasonably identifiable and factually supportable pro forma changes to Consolidated EBITDAX, including any pro forma expenses and cost reductions, that have occurred or in the judgment of such officer are reasonably expected to occur within 12 months of the date of the applicable transaction (regardless of whether such expense or cost reduction or any other operating improvements could then be reflected properly in pro forma financial statements prepared in accordance with Regulation S-X under the Securities Act or any other regulation or policy of the SEC). If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest expense on such Indebtedness will be calculated as if the average rate in effect from the beginning of such period to the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness, but if the remaining term of such Interest Rate Agreement is less than 12 months, then such Interest Rate Agreement shall only be taken into account for that portion of the period equal to the remaining term thereof). If any Indebtedness that is being given pro forma effect bears an interest rate at the option of the Parent Guarantor, the interest rate shall be calculated by applying such optional rate chosen by the Parent Guarantor. Interest on Indebtedness that may optionally be determined at an interest rate based upon

a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Parent Guarantor may designate.

"*Consolidated EBITDAX*" for any period means, without duplication, the Consolidated Net Income for such period, plus the following, without duplication and to the extent deducted (and not added back) in calculating such Consolidated Net Income:

(1) Consolidated Interest Expense;

(2) Consolidated Income Tax Expense;

(3) consolidated depletion and depreciation expense of the Parent Guarantor and its Restricted Subsidiaries;

(4) consolidated amortization expense or impairment charges of the Parent Guarantor and its Restricted Subsidiaries recorded in connection with the application of Statement of Financial Accounting Standard No. 142, "Goodwill and Other Intangibles" and Statement of Financial Accounting Standard No. 144, "Accounting for the Impairment or Disposal of Long Lived Assets";

(5) other non-cash charges of the Parent Guarantor and its Restricted Subsidiaries (excluding any such non-cash charge to the extent it represents an accrual of or reserve for cash charges in any future period or amortization of a prepaid cash expense that was paid in a prior period not included in the calculation); and

(6) consolidated exploration and abandonment expense of the Parent Guarantor and its Restricted Subsidiaries,

if applicable for such period; and less, to the extent included in calculating such Consolidated Net Income and in excess of any costs or expenses attributable thereto that were deducted (and not added back) in calculating such Consolidated Net Income, the sum of (x) the amount of deferred revenues that are amortized during such period and are attributable to reserves that are subject to Volumetric Production Payments, (y) amounts recorded in accordance with GAAP as repayments of principal and interest pursuant to Dollar-Denominated Production Payments and (z) other non-cash gains (excluding any non-cash gain to the extent it represents the reversal of an accrual or reserve for a potential cash item that reduced Consolidated EBITDAX in any prior period).

Notwithstanding the preceding sentence, clauses (2) through (6) relating to amounts of a Restricted Subsidiary of the Parent Guarantor will be added to Consolidated Net Income to compute Consolidated EBITDAX of the Parent Guarantor only to the extent (and in the same proportion) that the net income (loss) of such Restricted Subsidiary was included in calculating the Consolidated Net Income of the Parent Guarantor and, to the extent the amounts set forth in clauses (2) through (6) are in excess of those necessary to offset a net loss of such Restricted Subsidiary or if such Restricted Subsidiary has net income for such period included in Consolidated Net Income, only if a corresponding amount would be permitted at the date of determination to be dividended to the Parent Guarantor by such Restricted Subsidiary (unless it is a Guarantor) without prior approval (that has not been obtained), pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to that Restricted Subsidiary or the holders of its Capital Stock.

"*Consolidated Income Tax Expense*" means, with respect to any period, the provision for federal, state, local and foreign income taxes (including state franchise taxes) of the Parent Guarantor and its Restricted Subsidiaries for such period as determined in accordance with GAAP.

"*Consolidated Interest Expense*" means, for any period, the total consolidated interest expense (less interest income) of the Parent Guarantor and its Restricted Subsidiaries, whether paid or accrued, plus, to the extent not included in such interest expense and without duplication:

(1) interest expense attributable to Capitalized Lease Obligations and the interest component of any deferred payment obligations;

(2) amortization of debt discount and debt issuance cost (provided that any amortization of bond premium will be credited to reduce Consolidated Interest Expense unless, pursuant to GAAP, such amortization of bond premium has otherwise reduced Consolidated Interest Expense);

(3) non-cash interest expense;

(4) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing;

(5) the interest expense on Indebtedness of another Person that is Guaranteed by the Parent Guarantor or one of its Restricted Subsidiaries or secured by a Lien on assets of the Parent Guarantor or one of its Restricted Subsidiaries, to the extent such Guarantee becomes payable or such Lien becomes subject to foreclosure;

(6) cash costs associated with Interest Rate Agreements (including amortization of fees); provided, however, that if Interest Rate Agreements result in net cash benefits rather than costs, such benefits shall be credited to reduce Consolidated Interest Expense unless, pursuant to GAAP, such net benefits are otherwise reflected in Consolidated Net Income;

(7) the consolidated interest expense of the Parent Guarantor and its Restricted Subsidiaries that was capitalized during such period; and

(8) all dividends paid or payable in cash, Cash Equivalents or Indebtedness or accrued during such period on any series of Disqualified Stock of the Parent Guarantor or on Preferred Stock of its Restricted Subsidiaries payable to a party other than the Parent Guarantor or a Wholly-Owned Subsidiary,

minus, to the extent included above, any interest attributable to Dollar-Denominated Production Payments.

For the purpose of calculating the Consolidated Coverage Ratio in connection with the Incurrence of any Indebtedness described in the final paragraph of the definition of "Indebtedness," the calculation of Consolidated Interest Expense shall include all interest expense (including any amounts described in clauses (1) through (8) above) relating to any Indebtedness of the Parent Guarantor or any Restricted Subsidiary described in the final paragraph of the definition of "Indebtedness."

"*Consolidated Net Income*" means, for any period, the aggregate net income (loss) of the Parent Guarantor and its consolidated Subsidiaries determined in accordance with GAAP and before any reduction in respect of Preferred Stock dividends of such Person; *provided*, *however*, that there will not be included (to the extent otherwise included therein) in such Consolidated Net Income:

(1) any net income (loss) of any Person (other than the Parent Guarantor) if such Person is not a Restricted Subsidiary, except that:

(a) subject to the limitations contained in clauses (3) and (4) below, the Parent Guarantor's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Parent Guarantor or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution to a Restricted Subsidiary, to the limitations contained in clause (2) below); and

(b) the Parent Guarantor's equity in a net loss of any such Person for such period will be included in determining such Consolidated Net Income to the extent such loss has been funded with cash from the Parent Guarantor or a Restricted Subsidiary during such period;

(2) any net income (but not loss) of any Restricted Subsidiary (other than a Guarantor) if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Parent Guarantor, except that:

(a) subject to the limitations contained in clauses (3), (4) and (5) below, the Parent Guarantor's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash that could have been distributed by such Restricted Subsidiary during such period to the Parent Guarantor or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to another Restricted Subsidiary, to the limitation contained in this clause); and

(b) the Parent Guarantor's equity in a net loss of any such Restricted Subsidiary for such period will be included in determining such Consolidated Net Income;

(3) any gain (loss) realized upon the sale or other disposition of any property, plant or equipment of the Parent Guarantor or its consolidated Subsidiaries (including pursuant to any Sale/Leaseback Transaction) which is not sold or otherwise disposed of in the ordinary course of business and any gain (loss) realized upon the sale or other disposition of any Capital Stock of any Person;

(4) any extraordinary or nonrecurring gains or losses, together with any related provision for taxes on such gains or losses and all related fees and expenses;

(5) the cumulative effect of a change in accounting principles;

(6) any asset impairment writedowns on Oil and Gas Properties under GAAP or SEC guidelines;

(7) any unrealized non-cash gains or losses or charges in respect of Hedging Obligations (including those resulting from the application of Statement of Financial Accounting Standard No. 133);

(8) income or loss attributable to discontinued operations (including, without limitation, operations disposed of during such period whether or not such operations were classified as discontinued);

(9) all deferred financing costs written off, and premiums paid, in connection with any early extinguishment of Indebtedness; and

(10) any non-cash compensation charge arising from any grant of stock, stock options or other equity based awards; provided that the proceeds resulting from any such grant will be excluded from *Section 3.3(c)(ii)*.

"*Continuing Directors*" means, as of any date of determination, any member of the Board of Directors of the Parent Guarantor who: (1) was a member of such Board of Directors on the date of this Indenture; or (2) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination or election.

"*Credit Facility*" means, with respect to the Parent Guarantor or any Restricted Subsidiary, one or more debt facilities (including, without limitation, the Senior Secured Credit Agreement), indentures or

commercial paper facilities providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time (and whether or not with the original administrative agent and lenders or another administrative agent or agents or other lenders and whether provided under the original Senior Secured Credit Agreement or any other credit or other agreement or indenture).

"*Currency Agreement*" means in respect of a Person any foreign exchange contract, currency swap agreement, futures contract, option contract or other similar agreement as to which such Person is a party or a beneficiary.

"*Custodian*" means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

"*Default*" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"*Definitive Securities*" means certificated Securities.

"*Disqualified Stock*" means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) at the option of the holder of the Capital Stock or upon the happening of any event:

(1) matures or is mandatorily redeemable (other than redeemable only for Capital Stock of such Person which is not itself Disqualified Stock) pursuant to a sinking fund obligation or otherwise;

(2) is convertible or exchangeable for Disqualified Stock or other Indebtedness (excluding Capital Stock which is convertible or exchangeable solely at the option of the Parent Guarantor or a Restricted Subsidiary); or

(3) is redeemable at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the date that is 91 days after the earlier of the date (a) of the Stated Maturity of the Securities or (b) on which there are no Securities outstanding; *provided* that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock; *provided further*, that any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Parent Guarantor to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (each defined in a substantially identical manner to the corresponding definitions in this Indenture) shall not constitute Disqualified Stock if the terms of such Capital Stock (and all such securities into which it is convertible or for which it is exchangeable) provide that (i) the Parent Guarantor may not repurchase or redeem any such Capital Stock (and all such securities into which it is convertible or for which it is ratable or exchangeable) pursuant to such provision prior to compliance by the Parent Guarantor with *Section 3.9* and *Section 3.5* and (ii) such repurchase or redemption will be permitted solely to the extent also permitted in accordance with *Section 3.3*.

"*Dollar-Denominated Production Payments*" means production payment obligations recorded as liabilities in accordance with GAAP, together with all undertakings and obligations in connection therewith.

"*Domestic Subsidiary*" means any Restricted Subsidiary that is organized under the laws of the United States of America or any state thereof or the District of Columbia.

"*DTC*" means The Depository Trust Company, its nominees and their respective successors and assigns, or such other depository institution hereinafter appointed by the Issuer.

"*Equity Offering*" means a public or private offering for cash by the Parent Guarantor of Capital Stock (other than Disqualified Stock), other than public offerings registered on Form S-8.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Exchange Securities*" has the meaning ascribed to it in the second introductory paragraph of this Indenture.

"*Fair Market Value*" means, with respect to any asset or property, the sale value that would be obtained in an arm's-length free market transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy. Fair Market Value of an asset or property in excess of $10.0 million shall be determined by the Board of Directors of the Parent Guarantor acting in good faith, whose determination shall be conclusive and evidenced by a resolution of such Board of Directors, and any lesser Fair Market Value may be determined by an officer of the Parent Guarantor acting in good faith.

"*Foreign Subsidiary*" means any Restricted Subsidiary that is not organized under the laws of the United States of America or any state thereof or the District of Columbia.

"*GAAP*" means generally accepted accounting principles in the United States of America as in effect from time to time. All ratios and computations based on GAAP contained in this Indenture will be computed in conformity with GAAP.

"*guarantee*" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

(i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise); or

(ii) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, *however*, that the term "guarantee" will not include endorsements for collection or deposit in the ordinary course of business or any obligation to the extent it is payable only in Capital Stock of the guarantor that is not Disqualified Stock. The term "guarantee" used as a verb has a corresponding meaning.

"*Guarantees*" means the Parent Guarantee and the Subsidiary Guarantees collectively.

"*Guarantors*" means the Parent Guarantor and the Subsidiary Guarantors collectively.

"*Guarantor Subordinated Obligation*" means, with respect to a Guarantor, any Indebtedness of such Guarantor (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the obligations of such Guarantor under its Guarantee pursuant to a written agreement.

"*Hedging Obligations*" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Agreement.

"*Holder*" or "*Securityholder*" means a Person in whose name a Security is registered in the Securities Register.

"*Hydrocarbons*" means oil, natural gas, casing head gas, drip gasoline, natural gasoline, condensate, distillate, liquid hydrocarbons, gaseous hydrocarbons and all constituents, elements or compounds thereof and products refined or processed therefrom.

"*IAI*" means an institutional "accredited investor" as described in Rule 501(a)(1), (2), (3) or (7) under the Securities Act.

"*Immaterial Subsidiary*" means, as of any date, any Restricted Subsidiary whose total assets, as of the end of the most recent month for which financial statements are available, are less than $1,000,000 and whose total revenues for the most recent 12-month period for which financial statements are available do not exceed $1,000,000; *provided* that a Restricted Subsidiary will not be considered to be an Immaterial Subsidiary if it, directly or indirectly, guarantees or otherwise provides direct credit support for any Indebtedness of the Parent Guarantor.

"*Incur*" means issue, create, assume, Guarantee, incur or otherwise become directly or indirectly liable for, contingently or otherwise; *provided*, *however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary; and the terms "Incurred" and "Incurrence" have meanings correlative to the foregoing.

"*Indebtedness*" means, with respect to any Person on any date of determination (without duplication, whether or not contingent):

(1) the principal of and premium (if any) in respect of indebtedness of such Person for borrowed money;

(2) the principal of and premium (if any) in respect of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) the principal component of all obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (including reimbursement obligations with respect thereto except to the extent such reimbursement obligation relates to a trade payable, to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such obligation is satisfied within 30 days of payment on the letter of credit);

(4) the principal component of all obligations of such Person (other than obligations payable solely in Capital Stock that is not Disqualified Stock) to pay the deferred and unpaid purchase price of property (except as described in clause (8) of the penultimate paragraph of this definition of "*Indebtedness*"), which purchase price is due more than six months after the date of placing such property in service or taking delivery and title thereto to the extent such obligations would appear as a liabilities upon the consolidated balance sheet of such Person in accordance with GAAP;

(5) Capitalized Lease Obligations of such Person to the extent such Capitalized Lease Obligations would appear as liabilities on the consolidated balance sheet of such Person in accordance with GAAP;

(6) the principal component or liquidation preference of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock or, with respect to any Subsidiary that is not a Subsidiary Guarantor, any Preferred Stock (but excluding, in each case, any accrued dividends);

(7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided, however, that the amount of such Indebtedness will be the lesser of (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness of such other Persons;

(8) the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person; and

(9) to the extent not otherwise included in this definition, net obligations of such Person under Commodity Agreements, Currency Agreements and Interest Rate Agreements (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time);

provided, *however*, that any indebtedness which has been defeased in accordance with GAAP or defeased pursuant to the deposit of cash or Cash Equivalents (in an amount sufficient to satisfy all such indebtedness obligations at maturity or redemption, as applicable, and all payments of interest and premium, if any) in a trust or account created or pledged for the sole benefit of the holders of such indebtedness, and subject to no other Liens, shall not constitute "Indebtedness."

The amount of Indebtedness of any Person at any date will be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date.

Notwithstanding the preceding, "Indebtedness" shall not include:

(1) Production Payments and Reserve Sales;

(2) any obligation of a Person in respect of a farm-in agreement or similar arrangement whereby such Person agrees to pay all or a share of the drilling, completion or other expenses of an exploratory or development well (which agreement may be subject to a maximum payment obligation, after which expenses are shared in accordance with the working or participation interest therein or in accordance with the agreement of the parties) or perform the drilling, completion or other operation on such well in exchange for an ownership interest in an oil or gas property;

(3) any obligations under Currency Agreements, Commodity Agreements and Interest Rate Agreements; provided that such Agreements are entered into for bona fide hedging purposes of the Parent Guarantor or its Restricted Subsidiaries (as determined in good faith by the Board of Directors or senior management of the Parent Guarantor, whether or not accounted for as a hedge in accordance with GAAP) and, in the case of Currency Agreements or Commodity Agreements, such Currency Agreements or Commodity Agreements are related to business transactions of the Parent Guarantor or its Restricted Subsidiaries entered into in the ordinary course of business and, in the case of Interest Rate Agreements, such Interest Rate Agreements substantially correspond in terms of notional amount, duration and interest rates, as applicable, to Indebtedness of the Parent Guarantor or its Restricted Subsidiaries Incurred without violation of this Indenture;

(4) any obligation arising from agreements of the Parent Guarantor or a Restricted Subsidiary providing for indemnification, guarantees, adjustment of purchase price, holdbacks, contingency payment obligations or similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business, assets or Capital Stock of a Restricted Subsidiary, provided that such Indebtedness is not reflected on the face of the balance sheet of the Parent Guarantor or any Restricted Subsidiary;

(5) any obligation arising from the honoring by a bank or other financial institution of a check, draft or similar instrument (including daylight overdrafts) drawn against insufficient funds in

the ordinary course of business, provided that such Indebtedness is extinguished within five Business Days of Incurrence;

(6) in-kind obligations relating to net oil or natural gas balancing positions arising in the ordinary course of business;

(7) all contracts and other obligations, agreements, instruments or arrangements described in clauses (19), (20), (21) or (28)(a) of the definition of "*Permitted Liens*;" and

(8) accrued expenses and trade payables and other accrued liabilities arising in the ordinary course of business that are not overdue by 90 days past the invoice or billing date or more or are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted.

In addition, "*Indebtedness*" of any Person shall include Indebtedness described in the first paragraph of this definition of "*Indebtedness*" that would not appear as a liability on the balance sheet of such Person if:

(1) such Indebtedness is the obligation of a partnership or joint venture that is not a Restricted Subsidiary (a "*Joint Venture*");

(2) such Person or a Restricted Subsidiary of such Person is a general partner of the Joint Venture or otherwise liable for all or a portion of the Joint Venture's liabilities (a "*General Partner*"); and

(3) there is recourse, by contract or operation of law, with respect to the payment of such Indebtedness to property or assets of such Person or a Restricted Subsidiary of such Person; and then such Indebtedness shall be included in an amount not to exceed:

(a) the lesser of (i) the net assets of the General Partner and (ii) the amount of such obligations to the extent that there is recourse, by contract or operation of law, to the property or assets of such Person or a Restricted Subsidiary of such Person; or

(b) if less than the amount determined pursuant to clause (a) immediately above, the actual amount of such Indebtedness that is with recourse to such Person or a Restricted Subsidiary of such Person, if the Indebtedness is evidenced by a writing and is for a determinable amount and the related interest expense shall be included in Consolidated Interest Expense to the extent actually paid by such Person and its Restricted Subsidiaries.

"*Indenture*" means this Indenture as amended or supplemented from time to time.

"*Initial Purchasers*" means the several initial purchasers listed in Schedule 1 of the Purchase Agreement dated November 12, 2009 among the Issuer, the Guarantors and such initial purchasers relating to the Initial Securities.

"*Initial Securities*" has the meaning ascribed to it in the second introductory paragraph of this Indenture.

"*Interest Rate Agreement*" means with respect to any Person any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement as to which such Person is party or a beneficiary.

"*Investment*" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan or other extensions of credit (including by way of guarantee or similar arrangement, but excluding any debt or extension of credit represented by a bank deposit other than a time deposit and advances or extensions of credit to customers in the ordinary course of business) or capital contribution to (by means of any transfer of

cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments (excluding any interest in a crude oil or natural gas leasehold to the extent constituting a security under applicable law) issued by, such other Person and all other items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP; *provided* that none of the following will be deemed to be an Investment:

(1) Hedging Obligations entered into in the ordinary course of business and in compliance with this Indenture;

(2) endorsements of negotiable instruments and documents in the ordinary course of business; and

(3) an acquisition of assets, Capital Stock or other securities by the Parent Guarantor or a Subsidiary for consideration to the extent such consideration consists of Common Stock of the Parent Guarantor.

The amount of any Investment shall not be adjusted for increases or decreases in value, write-ups, write-downs or write-offs with respect to such Investment.

For purposes of the definition of " *Unrestricted Subsidiary*" and *Section 3.3*,

(1) "*Investment*" will include the portion (proportionate to the Parent Guarantor's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the Fair Market Value of the net assets of such Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Parent Guarantor will be deemed to continue to have a permanent "*Investment*" in an Unrestricted Subsidiary in an amount (if positive) equal to

(a) the Parent Guarantor's "*Investment*" in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to the Parent Guarantor's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted Subsidiary; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its Fair Market Value at the time of such transfer.

"*Investment Grade Rating*" means a rating equal to or higher than:

(1) Baa3 (or the equivalent) with a stable or better outlook by Moody's; and

(2) BBB- (or the equivalent) with a stable or better outlook by S&P,

or, if either such entity ceases to make a rating on the Securities publicly available for reasons outside of the Parent Guarantor's control, the equivalent investment grade credit rating from any other Rating Agency.

"*Investment Grade Rating Event*" means the first day on which the Securities have an Investment Grade Rating from each Rating Agency, and no Default has occurred and is then continuing under this Indenture.

"*Issue Date*" means the first date on which the Securities are issued under this Indenture.

"*Issuer*" means the Person named as the "Issuer" in the first introductory paragraph of this instrument until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Issuer" shall mean such successor Person.

"*Lien*" means, with respect to any asset, any mortgage, lien (statutory or otherwise), pledge, hypothecation, charge, security interest, preference, priority or encumbrance of any kind in respect of

such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction; *provided* that in no event shall an operating lease be deemed to constitute a Lien.

"*Minority Interest*" means the percentage interest represented by any class of Capital Stock of a Restricted Subsidiary that are not owned by the Parent Guarantor or a Restricted Subsidiary.

"*Moody's*" means Moody's Investors Service, Inc., or any successor to the rating agency business thereof.

"*Net Available Cash*" from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

(1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all federal, state, provincial, foreign and local taxes required to be paid or accrued as a liability under GAAP (after taking into account any available tax credits or deductions and any tax sharing agreements), as a consequence of such Asset Disposition;

(2) all payments made on any Indebtedness or Hedging Obligation which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law be repaid out of the proceeds from such Asset Disposition;

(3) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures or to holders of royalty or similar interests as a result of such Asset Disposition;

(4) the deduction of appropriate amounts to be provided by the seller as a reserve, in accordance with GAAP, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Parent Guarantor or any Restricted Subsidiary after such Asset Disposition; and

(5) all relocation expenses incurred as a result thereof and all related severance and associated costs, expenses and charges of personnel related to assets and related operations disposed of;

provided, however, that if any consideration for an Asset Disposition (that would otherwise constitute Net Available Cash) is required to be held in escrow pending determination of whether or not a purchase price adjustment will be made, such consideration (or any portion thereof) shall become Net Available Cash only at such time as it is released to the Parent Guarantor or any of its Restricted Subsidiaries from escrow.

"*Net Cash Proceeds*" with respect to any issuance or sale of Capital Stock or any contribution to equity capital, means the cash proceeds of such issuance, sale or contribution net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance, sale or contribution and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing arrangements).

"*Net Working Capital*" means (a) the sum of (i) all current assets of the Parent Guarantor and its Restricted Subsidiaries, except current assets from commodity price risk management activities arising in the ordinary course of the Oil and Gas Business, plus (ii) the amount of revolving credit borrowings available to be Incurred under the Senior Secured Credit Agreement, less (b) all current liabilities of the Parent Guarantor and its Restricted Subsidiaries, except current liabilities (i) associated with asset retirement obligations relating to Oil and Gas Properties, (ii) included in Indebtedness and (iii) any current liabilities from commodity price risk management activities arising in the ordinary course of the Oil and Gas Business, in each case as set forth in the consolidated financial statements of the Parent Guarantor prepared in accordance with GAAP.

"*Non-Recourse Debt*" means Indebtedness of a Person:

(1) as to which neither the Parent Guarantor nor any Restricted Subsidiary (a) provides any Guarantee or credit support of any kind (including any undertaking, guarantee, indemnity, agreement or instrument that would constitute Indebtedness) or (b) is directly or indirectly liable (as a guarantor or otherwise);

(2) no default with respect to which (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit (upon notice, lapse of time or both) any holder of any other Indebtedness of the Parent Guarantor or any Restricted Subsidiary to declare a default under such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity; and

(3) the explicit terms of which provide there is no recourse against any of the assets of the Parent Guarantor or its Restricted Subsidiaries.

"*Non-U.S. Person*" means a Person who is not a U.S. Person (as defined in Regulation S).

"*Obligations*" means any principal, interest (including any interest accruing subsequent to the filing of a petition in bankruptcy, reorganization or similar proceeding at the rate provided for in the documentation with respect thereto, whether or not such interest is an allowed claim under applicable state, federal or foreign law), other monetary obligations, penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and banker's acceptances), damages and other liabilities, and guarantees of payment of such principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Indebtedness.

"*Offering Memorandum*" means the offering memorandum, dated November 12, 2009, relating to the offering by the Issuer of the Initial Securities.

"*Officer*" means the Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer or the Secretary of the Issuer. Officer of any Guarantor has a correlative meaning.

"*Officers' Certificate*" means a certificate signed by two Officers of the Issuer.

"*Oil and Gas Business*" means:

(1) the business of acquiring, exploring, exploiting, developing, producing, operating and disposing of interests in oil, natural gas, liquefied natural gas and other Hydrocarbon and mineral properties or products produced in association with any of the foregoing;

(2) the business of gathering, marketing, distributing, treating, processing, storing, refining, selling and transporting of any production from such interests or properties and products produced in association therewith and the marketing of oil, natural gas, other Hydrocarbons and minerals obtained from unrelated Persons;

(3) any other related energy business, including power generation and electrical transmission business, directly or indirectly, from oil, natural gas and other Hydrocarbons and minerals produced substantially from properties in which the Parent Guarantor or its Restricted Subsidiaries, directly or indirectly, participate;

(4) any business relating to oil field sales and service; and

(5) any business or activity relating to, arising from, or necessary, appropriate or incidental to the activities described in the foregoing clauses (1) through (4) of this definition.

"*Oil and Gas Properties*" means all properties, including equity or other ownership interests therein, owned by a Person which contain or are believed to contain oil and gas reserves.

"*Opinion of Counsel*" means a written opinion from legal counsel who is acceptable to the Trustee. The counsel may be an employee of or counsel to the Issuer, a Guarantor or the Trustee.

"*Parent Guarantee*" means the guarantee of payment of the Securities by the Parent Guarantor pursuant to the terms of this Indenture.

"*Pari Passu Indebtedness*" means any Indebtedness of the Issuer or any Guarantor that ranks equally in right of payment to the Securities or the Guarantees, as the case may be.

"*Patriot Act*" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56, as amended, and signed into law October 26, 2001.

"*Permitted Acquisition Indebtedness*" means Indebtedness (including Disqualified Stock) of the Parent Guarantor or any of the Restricted Subsidiaries to the extent such Indebtedness was Indebtedness:

(1) of an acquired Person prior to the date on which such Person became a Restricted Subsidiary as a result of having been acquired and not incurred in contemplation of such acquisition; or

(2) of a Person that was merged, consolidated or amalgamated with or into the Parent Guarantor or a Restricted Subsidiary that was not incurred in contemplation of such merger, consolidation or amalgamation,

provided that on the date such Person became a Restricted Subsidiary or the date such Person was merged, consolidated and amalgamated with or into the Parent Guarantor or a Restricted Subsidiary, as applicable, after giving pro forma effect thereto,

(a) the Restricted Subsidiary or the Parent Guarantor, as applicable, would be permitted to incur at least $1.00 of additional Indebtedness pursuant to *Section 3.2(a)* or

(b) the Consolidated Coverage Ratio for the Parent Guarantor would be greater than the Consolidated Coverage Ratio for the Parent Guarantor immediately prior to such transaction.

"*Permitted Business Investment*" means any Investment made in the ordinary course of, and of a nature that is or shall have become customary in, the Oil and Gas Business including investments or expenditures for actively exploiting, exploring for, acquiring, developing, producing, processing, gathering, marketing or transporting oil, natural gas or other Hydrocarbons and minerals through agreements, transactions, interests or arrangements which permit one to share risks or costs, comply

with regulatory requirements regarding local ownership or satisfy other objectives customarily achieved through the conduct of the Oil and Gas Business jointly with third parties including:

(1) ownership interests in oil, natural gas, other Hydrocarbons and minerals properties, liquefied natural gas facilities, processing facilities, gathering systems, pipelines, storage facilities or related systems or ancillary real property interests;

(2) Investments in the form of or pursuant to operating agreements, working interests, royalty interests, mineral leases, processing agreements, farm-in agreements, farm-out agreements, contracts for the sale, transportation or exchange of oil, natural gas, other Hydrocarbons and minerals, production sharing agreements, participation agreements, development agreements, area of mutual interest agreements, unitization agreements, pooling agreements, joint bidding agreements, service contracts, joint venture agreements, partnership agreements (whether general or limited), subscription agreements, stock purchase agreements, stockholder agreements and other similar agreements (including for limited liability companies) with third parties; and

(3) direct or indirect ownership interests in drilling rigs and related equipment, including, without limitation, transportation equipment.

"*Permitted Holder*" means each of (i) Warburg Pincus & Co.; (ii) Paul M. Rady ("Rady"); (iii) Glen C. Warren, Jr. ("Warren"); (iv) Rady's wife or Warren's wife; (v) any lineal descendant of either Rady or Warren; (vi) the guardian or other legal representative of either Rady or Warren; (vii) the estate of either Rady or Warren; (viii) any trust of which at least one of the trustees is either Rady or Warren, or the principal beneficiaries of which are any one or more of the Persons referred to in the preceding clauses (ii) through (vii); (ix) any Person that is controlled by any one or more of the Persons in the preceding clauses (i) through (viii); and (x) any group (within the meaning of the Exchange Act) that includes one or more of the Persons described in the preceding clauses (i) through (ix), *provided* that such Persons described in the preceding clauses (i) through (ix) control more than 50% of the total voting power of such group.

"*Permitted Investment*" means an Investment by the Parent Guarantor or any Restricted Subsidiary in:

(1) the Parent Guarantor, a Restricted Subsidiary or a Person which will, upon the making of such Investment, become a Restricted Subsidiary; *provided*, *however*, that the primary business of such Restricted Subsidiary is the Oil and Gas Business;

(2) another Person whose primary business is the Oil and Gas Business if as a result of such Investment such other Person becomes a Restricted Subsidiary or is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, the Parent Guarantor or a Restricted Subsidiary and, in each case, any Investment held by such Person; *provided* that such Investment was not acquired by such Person in contemplation of such acquisition, merger, consolidation or transfer;

(3) cash and Cash Equivalents;

(4) receivables owing to the Parent Guarantor or any Restricted Subsidiary created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; *provided*, *however*, that such trade terms may include such concessionary trade terms as the Parent Guarantor or any such Restricted Subsidiary deems reasonable under the circumstances;

(5) payroll, commission, travel, relocation and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(6) loans or advances to employees (other than executive officers) made in the ordinary course of business consistent with past practices of the Parent Guarantor or such Restricted Subsidiary;

(7) Capital Stock, obligations or securities received in settlement of debts (x) created in the ordinary course of business and owing to the Parent Guarantor or any Restricted Subsidiary or in satisfaction of judgments or (y) pursuant to any plan of reorganization or similar arrangement in a bankruptcy or insolvency proceeding;

(8) any Person as a result of the receipt of non-cash consideration from an Asset Disposition that was made pursuant to and in compliance with *Section 3.5*;

(9) Investments in existence on the Issue Date;

(10) Commodity Agreements, Currency Agreements, Interest Rate Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with *Section 3.2*;

(11) Guarantees issued in accordance with *Section 3.2*;

(12) Permitted Business Investments;

(13) any Person where such Investment was acquired by the Parent Guarantor or any of its Restricted Subsidiaries (a) in exchange for any other Investment or accounts receivable held by the Parent Guarantor or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable or (b) as a result of a foreclosure by the Parent Guarantor or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(14) any Person to the extent such Investments consist of prepaid expenses, negotiable instruments held for collection and lease, utility and workers' compensation, performance and other similar deposits made in the ordinary course of business by the Parent Guarantor or any Restricted Subsidiary;

(15) Guarantees of performance or other obligations (other than Indebtedness) arising in the ordinary course in the Oil and Gas Business, including obligations under oil and natural gas exploration, development, joint operating, and related agreements and licenses, concessions or operating leases related to the Oil and Gas Business;

(16) Investments in the Securities; and

(17) Investments by the Parent Guarantor or any of its Restricted Subsidiaries, together with all other Investments pursuant to this clause (17), in an aggregate amount outstanding at the time of such Investment not to exceed the greater of $10.0 million and 1.0% of the Parent Guarantor's Adjusted Consolidated Net Tangible Assets (with the Fair Market Value of such Investment being measured at the time such Investment is made and without giving effect to subsequent changes in value).

"*Permitted Liens*" means, with respect to any Person:

(1) Liens securing Indebtedness under a Credit Facility permitted to be Incurred under this Indenture;

(2) pledges or deposits by such Person under workers' compensation laws, unemployment insurance laws, social security or old age pension laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits (which may be secured by a Lien) to secure public or statutory obligations of such Person including letters of credit and bank guarantees required or

requested by the United States, any State thereof or any foreign government or any subdivision, department, agency, organization or instrumentality of any of the foregoing in connection with any contract or statute (including lessee or operator obligations under statutes, governmental regulations, contracts or instruments related to the ownership, exploration and production of oil, natural gas, other hydrocarbons and minerals on State, Federal or foreign lands or waters), or deposits of cash or United States government bonds to secure indemnity performance, surety or appeal bonds or other similar bonds to which such Person is a party, or deposits as security for contested taxes or import or customs duties or for the payment of rent, in each case Incurred in the ordinary course of business;

(3) statutory and contractual Liens of landlords and Liens imposed by law, including carriers', warehousemen's, mechanics', materialmen's and repairmen's Liens, in each case for sums not yet due or being contested in good faith by appropriate proceedings if a reserve or other appropriate provisions, if any, as shall be required by GAAP shall have been made in respect thereof;

(4) Liens for taxes, assessments or other governmental charges or claims not yet subject to penalties for non-payment or which are being contested in good faith by appropriate proceedings; provided that appropriate reserves, if any, required pursuant to GAAP have been made in respect thereof;

(5) Liens in favor of issuers of surety or performance bonds or bankers' acceptances issued pursuant to the request of and for the account of such Person in the ordinary course of its business;

(6) survey exceptions, encumbrances, ground leases, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties which do not in the aggregate materially adversely affect the value of the assets of such Person and its Restricted Subsidiaries, taken as a whole, or materially impair their use in the operation of the business of such Person;

(7) Liens securing Hedging Obligations;

(8) leases, licenses, subleases and sublicenses of assets (including, without limitation, real property and intellectual property rights) which do not materially interfere with the ordinary conduct of the business of the Parent Guarantor or any of its Restricted Subsidiaries;

(9) prejudgment Liens and judgment Liens not giving rise to an Event of Default so long as such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(10) Liens for the purpose of securing the payment of all or a part of the purchase price of, or Capitalized Lease Obligations, purchase money obligations or other payments Incurred to finance the acquisition, lease, improvement or construction of or repairs or additions to, assets or property acquired or constructed in the ordinary course of business; *provided* that:

(a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under this Indenture and does not exceed the cost of the assets or property so acquired or constructed; and

(b) such Liens are created within 360 days of the later of the acquisition, lease, completion of improvements, construction, repairs or additions or commencement of full operation of the assets or property subject to such Lien and do not encumber any other assets or property of the Parent Guarantor or any Restricted Subsidiary other than such assets or property and assets affixed or appurtenant thereto;

(11) Liens arising solely by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary institution; *provided* that:

(a) such deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by the Parent Guarantor in excess of those set forth by regulations promulgated by the Federal Reserve Board; and

(b) such deposit account is not intended by the Parent Guarantor or any Restricted Subsidiary to provide collateral to the depository institution;

(12) Liens arising from Uniform Commercial Code financing statement filings regarding operating leases entered into by the Parent Guarantor and its Restricted Subsidiaries in the ordinary course of business;

(13) Liens existing on the Issue Date;

(14) Liens on property or shares of Capital Stock of a Person at the time such Person becomes a Subsidiary; provided, *however*, that such Liens are not created or Incurred in connection with, or in contemplation of, such other Person becoming a Subsidiary; *provided further*, however, that any such Lien may not extend to any other property owned by the Parent Guarantor or any Restricted Subsidiary (other than assets or property affixed or appurtenant thereto);

(15) Liens on property at the time the Parent Guarantor or any of its Subsidiaries acquired the property, including any acquisition by means of a merger or consolidation with or into the Parent Guarantor or any of its Subsidiaries; *provided*, *however*, that such Liens are not created or Incurred in connection with, or in contemplation of, such acquisition; *provided further*, *however*, that such Liens may not extend to any other property owned by the Parent Guarantor or any Restricted Subsidiary (other than assets or property affixed or appurtenant thereto);

(16) Liens securing the Securities, Subsidiary Guarantees and other obligations under this Indenture;

(17) Liens securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, provided that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property or assets that is the security for a Permitted Lien hereunder;

(18) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease;

(19) Liens in respect of Production Payments and Reserve Sales, which Liens shall be limited to the property that is the subject of such Production Payments and Reserve Sales;

(20) Liens arising under farm-out agreements, farm-in agreements, division orders, contracts for the sale, purchase, exchange, transportation, gathering or processing of Hydrocarbons, unitizations and pooling designations, declarations, orders and agreements, development agreements, joint venture agreements, partnership agreements, operating agreements, royalties, working interests, net profits interests, joint interest billing arrangements, participation agreements, production sales contracts, area of mutual interest agreements, gas balancing or deferred production agreements, injection, repressuring and recycling agreements, salt water or other disposal agreements, seismic or geophysical permits or agreements, and other agreements which are customary in the Oil and Gas Business; provided, however, in all instances that such Liens are limited to the assets that are the subject of the relevant agreement, program, order or contract;

(21) Liens on pipelines or pipeline facilities that arise by operation of law;

(22) Liens securing Indebtedness in an aggregate principal amount outstanding at any one time, added together with all other Indebtedness secured by Liens Incurred pursuant to this clause (22), not to exceed the greater of $10.0 million and 1.0% of the Parent Guarantor's Adjusted Consolidated Net Tangible Assets, as determined on the date of Incurrence of such Indebtedness after giving pro forma effect to such Incurrence and the application of the proceeds therefrom;

(23) Liens in favor of the Parent Guarantor, the Issuer or any Subsidiary Guarantor;

(24) deposits made in the ordinary course of business to secure liability to insurance carriers;

(25) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(26) Liens deemed to exist in connection with Investments in repurchase agreements permitted under *Section 3.3*; provided that such Liens do not extend to any assets other than those that are the subject of such repurchase agreement;

(27) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(28) any (a) interest or title of a lessor or sublessor under any lease, liens reserved in oil, gas or other Hydrocarbons, minerals, leases for bonus, royalty or rental payments and for compliance with the terms of such leases; (b) restriction or encumbrance that the interest or title of such lessor or sublessor may be subject to (including, without limitation, ground leases or other prior leases of the demised premises, mortgages, mechanics' liens, tax liens, and easements); or (c) subordination of the interest of the lessee or sublessee under such lease to any restrictions or encumbrance referred to in the preceding clause (b);

(29) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(30) Liens arising under this Indenture in favor of the Trustee for its own benefit and similar Liens in favor of other trustees, agents and representatives arising under instruments governing Indebtedness permitted to be incurred under this Indenture, provided, however, that such Liens are solely for the benefit of the trustees, agents or representatives in their capacities as such and not for the benefit of the holders of such Indebtedness;

(31) Liens arising from the deposit of funds or securities in trust for the purpose of decreasing or defeasing Indebtedness so long as such deposit of funds or securities and such decreasing or defeasing of Indebtedness are permitted under Section 3.3; and

(32) Liens in favor of collecting or payer banks having a right of setoff, revocation, or charge back with respect to money or instruments of the Parent Guarantor or any Subsidiary of the Parent Guarantor on deposit with or in possession of such bank.

In each case set forth above, notwithstanding any stated limitation on the assets that may be subject to such Lien, a Permitted Lien on a specified asset or group or type of assets may include Liens on all improvements, additions and accessions thereto and all products and proceeds thereof (including dividends, distributions and increases in respect thereof).

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

"*Preferred Stock*" as applied to the Capital Stock of any corporation, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such corporation, over shares of Capital Stock of any other class of such corporation.

"*Production Payments and Reserve Sales*" means the grant or transfer by the Parent Guarantor or a Restricted Subsidiary to any Person of a royalty, overriding royalty, net profits interest, production payment (whether volumetric or dollar denominated), partnership or other interest in Oil and Gas Properties, reserves or the right to receive all or a portion of the production or the proceeds from the sale of production attributable to such properties where the holder of such interest has recourse solely to such production or proceeds of production, subject to the obligation of the grantor or transferor to operate and maintain, or cause the subject interests to be operated and maintained, in a reasonably prudent manner or other customary standard or subject to the obligation of the grantor or transferor to indemnify for environmental, title or other matters customary in the Oil and Gas Business, including any such grants or transfers pursuant to incentive compensation programs on terms that are reasonably customary in the Oil and Gas Business for geologists, geophysicists or other providers of technical services to the Parent Guarantor or a Restricted Subsidiary.

"*QIB*" means any "qualified institutional buyer" as such term is defined in Rule 144A.

"*Rating Agency*" means each of S&P and Moody's, or if S&P or Moody's or both shall not make a rating on the Securities publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by the Parent Guarantor (as certified by a Board Resolution) which shall be substituted for S&P or Moody's, or both, as the case may be.

"*Redemption Date*" means, with respect to any redemption of Securities, the date of redemption with respect thereto.

"*Refinancing Indebtedness*" means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay, extend, prepay, redeem or retire (including pursuant to any defeasance or discharge mechanism) (collectively, "refinance" and "refinances" and "refinanced" shall have correlative meanings) any Indebtedness (including Indebtedness of the Parent Guarantor that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of another Restricted Subsidiary, but excluding Indebtedness of a Subsidiary that is not a Restricted Subsidiary that refinances Indebtedness of the Parent Guarantor or a Restricted Subsidiary), including Indebtedness that refinances Refinancing Indebtedness, *provided*, *however*, that:

(1) (a) if the Stated Maturity of the Indebtedness being Refinanced is earlier than the Stated Maturity of the Securities, the Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being refinanced or (b) if the Stated Maturity of the Indebtedness being refinanced is later than the Stated Maturity of the Securities, the Refinancing Indebtedness has a Stated Maturity at least 91 days later than the Stated Maturity of the Securities;

(2) the Refinancing Indebtedness has an Average Life at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Average Life of the Indebtedness being refinanced;

(3) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value)

then outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest, premiums or defeasance costs required by the instruments governing such existing Indebtedness and fees and expenses Incurred in connection therewith); and

(4) if the Indebtedness being Refinanced is subordinated in right of payment to the Securities or the Subsidiary Guarantee, such Refinancing Indebtedness is subordinated in right of payment to the Securities or the Subsidiary Guarantee on terms at least as favorable to the holders as those contained in the documentation governing the Indebtedness being Refinanced.

"*Registration Rights Agreement*" means that certain registration rights agreement dated as of the Issue Date by and among the Issuer, the Guarantors and the Initial Purchasers and, with respect to any Additional Securities, one or more substantially similar registration rights agreements among the Issuer and the other parties thereto, as any such agreement may be amended from time to time.

"*Reporting Failure*" means the failure of the Parent Guarantor to file with the SEC and make available or otherwise deliver to the Trustee and each Holder of Securities, within the time periods specified in *Section 3.10* (after giving effect to any grace period specified under Rule 12b-25 under the Exchange Act), the periodic reports, information, documents or other reports which the Parent Guarantor may be required to file with the SEC pursuant to such provision.

"*Regulation S*" means Regulation S under the Securities Act.

"*Restricted Investment*" means any Investment other than a Permitted Investment.

"*Restricted Securities*" means Initial Securities and Additional Securities bearing one of the restrictive legends described in *Section 2.1(d)*.

"*Restricted Securities Legend*" means the legend set forth in *Section 2.1(d)(1)* and, in the case of the Temporary Regulation S Global Note, the legend set forth in *Section 2.1(d)(2)*.

"*Restricted Subsidiary*" means any Subsidiary of the Parent Guarantor other than an Unrestricted Subsidiary.

"*Rule 144A*" means Rule 144A under the Securities Act.

"*S&P*" means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., or any successor to the rating agency business thereof.

"*Sale/Leaseback Transaction*" means an arrangement relating to property now owned or hereafter acquired whereby the Parent Guarantor or a Restricted Subsidiary transfers such property to a Person and the Parent Guarantor or a Restricted Subsidiary leases it from such Person.

"*SEC*" means the United States Securities and Exchange Commission.

"*Securities*" has the meaning ascribed to it in the second introductory paragraph of this Indenture.

"*Securities Act*" means the Securities Act of 1933 (15 *U.S.C.* §§ 77a-77aa), as amended, and the rules and regulations of the SEC promulgated thereunder.

"*Securities Custodian*" means the custodian with respect to the Global Security (as appointed by DTC), or any successor Person thereto and shall initially be the Trustee.

"*Senior Secured Credit Agreement*" means the Third Amended and Restated Credit Agreement dated as of January 14, 2009 among Antero Resources Corporation, Antero Resources Midstream Corporation, Antero Resources Piceance Corporation, Antero Resources Pipeline Corporation and Antero Resources Appalachian Corporation, as borrowers and guarantors, Antero Resources Finance Corporation, as guarantor, JPMorgan Chase Bank, N.A., as administrative agent, BNP Paribas and Bank of Scotland plc, as co-syndication agents, Union Bank, N.A., as documentation agent, and the lenders parties thereto from time to time, including any guarantees, collateral documents, instruments

and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements, refundings or refinancings thereof and any indentures or credit facilities or commercial paper facilities with banks or other institutional lenders or investors that replace, refund or refinance any part of the loans, notes, other credit facilities or commitments thereunder, including any such replacement, refunding or refinancing facility or indenture that increases the amount borrowable thereunder or alters the maturity thereof (*provided* that such increase in borrowings is permitted under Section 3.2).

"*Shelf Registration Statement*" shall have the meaning set forth in the applicable Registration Rights Agreement.

"*Significant Subsidiary*" means any Restricted Subsidiary that would be a "Significant Subsidiary" of the Parent Guarantor within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC, as in effect on the Issue Date.

"*Stated Maturity*" means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"*Subordinated Obligation*" means any Indebtedness of the Issuer (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the Securities pursuant to a written agreement.

"*Subsidiary*" of any Person means (a) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total ordinary voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof (or Persons performing similar functions) or (b) any partnership, joint venture, limited liability company or similar entity of which more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, is, in the case of clauses (a) and (b), at the time owned or controlled, directly or indirectly, by (1) such Person, (2) such Person and one or more Subsidiaries of such Person or (3) one or more Subsidiaries of such Person. Unless otherwise specified herein, each reference to a Subsidiary (other than in this definition) will refer to a Subsidiary of the Parent Guarantor.

"*Subsidiary Guarantee*" means, individually, any guarantee of payment of the Securities by a Subsidiary Guarantor pursuant to the terms of this Indenture and any supplemental indenture thereto, and, collectively, all such guarantees.

"*Subsidiary Guarantor*" means any Subsidiary of the Parent Guarantor that is a guarantor of the Securities, including any Person that is required after the Issue Date to guarantee the Securities pursuant to *Section 3.11*, in each case until a successor replaces such Person pursuant to the applicable provisions of this Indenture and, thereafter, means such successor; *provided, however*, that the Issuer shall not be a Subsidiary Guarantor.

"*TIA*" or "*Trust Indenture Act*" means the Trust Indenture Act of 1939 (15 *U.S.C.* §§ 77aaa-77bbbb), as in effect on the date of this Indenture.

"*Trustee*" means the party named as such in this Indenture until a successor replaces it and, thereafter, means the successor.

"*Trust Officer*" means, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, secretary, assistant treasurer, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any

corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

"*Unrestricted Subsidiary*" means:

(1) any Subsidiary of the Parent Guarantor (other than the Issuer) that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors of the Parent Guarantor in the manner provided below; and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Parent Guarantor may designate any Subsidiary of the Parent Guarantor (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger or consolidation or Investment therein) to be an Unrestricted Subsidiary only if:

(1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of or have any Investment in, or own or hold any Lien on any property of, any other Subsidiary of the Parent Guarantor which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary;

(2) all the Indebtedness of such Subsidiary and its Subsidiaries shall, at the date of designation, and will at all times thereafter, consist of Non-Recourse Debt;

(3) on the date of such designation, such designation and the Investment of the Parent Guarantor or a Restricted Subsidiary in such Subsidiary complies with *Section 3.3*;

(4) such Subsidiary is a Person with respect to which neither the Parent Guarantor nor any of its Restricted Subsidiaries has any direct or indirect obligation to subscribe for additional Capital Stock of such Person;

(5) such Subsidiary, either alone or in the aggregate with all other Unrestricted Subsidiaries, does not operate, directly or indirectly, all or substantially all of the business of the Parent Guarantor and its Subsidiaries; and

(6) on the date such Subsidiary is designated an Unrestricted Subsidiary, such Subsidiary is not a party to any agreement, contract, arrangement or understanding with the Parent Guarantor or any Restricted Subsidiary with terms substantially less favorable to the Parent Guarantor or such Restricted Subsidiary than those that might have been obtained from Persons who are not Affiliates of the Parent Guarantor.

Any such designation by the Board of Directors of the Parent Guarantor shall be evidenced to the Trustee by filing with the Trustee a Board Resolution of the Parent Guarantor giving effect to such designation and an Officers' Certificate certifying that such designation complies with the foregoing conditions. If, at any time, any Unrestricted Subsidiary would fail to meet the foregoing requirements as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes of this Indenture and any Indebtedness of such Subsidiary shall be deemed to be Incurred as of such date.

The Board of Directors of the Parent Guarantor may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that immediately after giving effect to such designation, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof and the Parent Guarantor could Incur at least $1.00 of additional Indebtedness under *Section 3.2(a)* on a pro forma basis taking into account such designation.

"*U.S. Government Obligations*" means securities that are (a) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged or (b) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of

America the timely payment of which is unconditionally guaranteed as a full faith and credit obligation of the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such U.S. Government Obligations or a specific payment of principal of or interest on any such U.S. Government Obligations held by such custodian for the account of the holder of such depositary receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the U.S. Government Obligations or the specific payment of principal of or interest on the U.S. Government Obligations evidenced by such depositary receipt.

"*Volumetric Production Payments*" means production payment obligations recorded as deferred revenue in accordance with GAAP, together with all undertakings and obligations in connection therewith.

"*Voting Stock*" of an entity means all classes of Capital Stock of such entity then outstanding and normally entitled to vote in the election of members of such entity's Board of Directors.

"*Wholly-Owned Subsidiary*" means a Restricted Subsidiary, all of the Capital Stock of which (other than directors' qualifying shares) is owned by the Parent Guarantor or another Wholly-Owned Subsidiary.

SECTION 1.2. Other Definitions.

Term	Defined in Section
"Additional Restricted Securities"	2.1(b)
"Affiliate Transaction"	3.8
"Agent Members"	2.1(e)(iii)
"Asset Disposition Offer Amount"	3.5
"Asset Disposition Offer Period"	3.5
"Asset Disposition Offer"	3.5
"Asset Disposition Purchase Date"	3.5
"Authenticating Agent"	2.2
"Change of Control Offer"	3.9
"Change of Control Payment"	3.9(1)
"Change of Control Payment Date"	3.9(2)
"Clearstream"	2.1(b)
"covenant defeasance option"	8.1(b)
"cross acceleration provision"	6.1(6)(b)
"Defaulted Interest"	2.14
"Euroclear"	2.1(b)
"Event of Default"	6.1
"Excess Proceeds"	3.5

Term	Defined in Section
"Exchange Global Note"	2.1(b)
"General Partner"	1.1
"Global Securities"	2.1(b)
"Institutional Accredited Investor Global Notes"	2.1(b)
"Institutional Accredited Investor Note"	2.1(b)
"Issuer Order"	2.2
"Joint Venture"	1.1
"judgment default provision"	6.1(9)
"legal defeasance option"	8.1(b)
"Legal Holiday"	12.8
"Notice of Default"	6.1(4); 6.1(5)
"Pari Passu Securities"	3.5
"Paying Agent"	2.3
"payment default"	6.1(6)(a)
"Permanent Regulation S Global Note"	2.1(b)
"protected purchaser"	2.10
"Registrar"	2.3
"Regulation S Global Note"	2.1(b)
"Regulation S Notes"	2.1(b)
"Resale Restriction Termination Date"	2.6(b)
"Restricted Payment"	3.3(4)
"Restricted Period"	2.1(b)
"Rule 144A Global Note"	2.1(b)
"Rule 144A Notes"	2.1(b)
"Securities Register"	2.3
"Special Interest Payment Date"	2.14(a)
"Special Record Date"	2.14(a)
"Successor Company"	4.1(a)(1)
"Temporary Regulation S Global Note"	2.1(b)

SECTION 1.3. Incorporation by Reference of Trust Indenture Act. This Indenture is subject to the mandatory provisions of the TIA which are incorporated by reference in and made a part of this Indenture. The following TIA terms have the following meanings:

"Commission" means the SEC.

"indenture securities" means the Securities and the Guarantees.

"indenture security holder" means a Securityholder.

"indenture to be qualified" means this Indenture.

"indenture trustee" or "institutional trustee" means the Trustee.

"obligor" on the indenture securities means the Issuer, the Guarantors and any other obligor on the indenture securities.

All other TIA terms used in this Indenture that are defined by the TIA, defined in the TIA by reference to another statute or defined by SEC rule have the meanings assigned to them by such definitions.

SECTION 1.4. Rules of Construction. Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(3) "or" is not exclusive;

(4) "including" means including without limitation;

(5) words in the singular include the plural and words in the plural include the singular;

(6) all amounts expressed in this Indenture or in any of the Securities in terms of money refer to the lawful currency of the United States of America; and

(7) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

ARTICLE II

THE SECURITIES

SECTION 2.1. Form, Dating and Terms.

(a) The aggregate principal amount of Securities that may be authenticated and delivered under this Indenture is unlimited. The Initial Securities issued on the date hereof shall be in an aggregate principal amount of $375,000,000. In addition, the Issuer may issue, from time to time in accordance with the provisions of this Indenture, Additional Securities (as provided herein) and Exchange Securities. Furthermore, Securities may be authenticated and delivered upon registration of transfer, exchange or in lieu of, other Securities pursuant to *Section 2.2*, *2.6*, *2.10*, *2.12*, *5.8* or *9.5*, in connection with an Asset Disposition Offer pursuant to *Section 3.5* or in connection with a Change of Control Offer pursuant to *Section 3.9*.

The Initial Securities shall be known and designated as "9.375% Senior Notes, Series A, due 2017" of the Issuer. Additional Securities issued as Restricted Securities shall be known and designated as "9.375% Senior Notes, Series A, due 2017" of the Issuer. Additional Securities issued other than as Restricted Securities shall be known and designated as "9.375% Senior Notes, Series B, due 2017" of the Issuer, and Exchange Securities shall be known and designated as "9.375% Senior Notes, Series B, due 2017" of the Issuer.

With respect to any Additional Securities, the Issuer shall set forth in (a) a Board Resolution and (b) (i) an Officers' Certificate or (ii) one or more indentures supplemental hereto, the following information:

(1) the aggregate principal amount of such Additional Securities to be authenticated and delivered pursuant to this Indenture;

(2) the issue price and the issue date of such Additional Securities, including the date from which interest shall accrue; and

(3) whether such Additional Securities shall be Restricted Securities issued in the form of *Exhibit A* hereto and/or shall be issued in the form of *Exhibit B* hereto.

In authenticating and delivering Additional Securities, the Trustee shall be entitled to receive and shall be fully protected in relying upon, in addition to the Opinion of Counsel and Officers' Certificate required by *Section 12.4*, an Opinion of Counsel as to the due authorization, execution, delivery, validity and enforceability of such Additional Securities.

The Initial Securities, the Additional Securities and the Exchange Securities shall be considered collectively as a single class for all purposes of this Indenture. Holders of the Initial Securities, the Additional Securities and the Exchange Securities will vote and consent together on all matters to which such Holders are entitled to vote or consent as one class, and none of the Holders of the Initial Securities, the Additional Securities or the Exchange Securities shall have the right to vote or consent as a separate class on any matter to which such Holders are entitled to vote or consent.

If any of the terms of any Additional Securities are established by action taken pursuant to Board Resolutions of the Issuer, a copy of an appropriate record of such action shall be certified by the Secretary or any Assistant Secretary of the Issuer and delivered to the Trustee at or prior to the delivery of the Officers' Certificate or the indenture supplemental hereto setting forth the terms of the Additional Securities.

(b) The Initial Securities are being offered and sold by the Issuer pursuant to a Purchase Agreement, dated November 12, 2009, among the Issuer, the Guarantors and the Initial Purchasers. The Initial Securities and any Additional Securities (if issued as Restricted Securities) (the "*Additional Restricted Securities*") shall be resold initially only to (A) QIBs in reliance on Rule 144A and (B) Non-U.S. Persons in reliance on Regulation S. Such Initial Securities and Additional Restricted Securities may thereafter be transferred to, among others, QIBs, purchasers in reliance on Regulation S and IAIs in accordance with Rule 501 of the Securities Act, in each case, in accordance with the procedure described herein. Additional Securities offered after the date hereof may be offered and sold by the Issuer from time to time pursuant to one or more purchase agreements in accordance with applicable law.

Initial Securities and Additional Restricted Securities offered and sold to QIBs in the United States of America in reliance on Rule 144A (the "*Rule 144A Notes*") shall be issued in the form of a permanent global Security substantially in the form of *Exhibit A*, which is hereby incorporated by reference and made a part of this Indenture, including appropriate legends as set forth in *Section 2.1(d)* (the "*Rule 144A Global Note*"), deposited with the Trustee, as Securities Custodian, duly executed by the Issuer and authenticated by the Trustee as hereinafter provided. The Rule 144A Global Note may be represented by more than one certificate, if so required by DTC's rules regarding the maximum principal amount to be represented by a single certificate. The aggregate principal amount of the Rule 144A Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee, as Securities Custodian, as hereinafter provided.

Initial Securities and any Additional Restricted Securities offered and sold outside the United States of America (the "*Regulation S Notes*") in reliance on Regulation S shall initially be issued in the

form of a temporary global Security (the "*Temporary Regulation S Global Note*"), without interest coupons. Beneficial interests in the Temporary Regulation S Global Note will be exchanged for beneficial interests in a corresponding permanent global Security, without interest coupons, substantially in the form of *Exhibit A* including appropriate legends as set forth in *Section 2.1(d)* (the "*Permanent Regulation S Global Note*" and, together with the Temporary Regulation S Global Note, each a "*Regulation S Global Note*") within a reasonable period after the expiration of the Restricted Period (as defined below) upon delivery of the certification contemplated by *Section 2.7*. Each Regulation S Global Note will be deposited upon issuance with, or on behalf of, the Trustee as Securities Custodian in the manner described in this *Article II* for credit to the respective accounts of the purchasers (or to such other accounts as they may direct), including, but not limited to, accounts at Euroclear Bank S.A./N.V. ("*Euroclear*") or Clearstream Banking, société anonyme ("*Clearstream*"). Prior to the 40th day after the later of the commencement of the offering of the Initial Securities and the Issue Date (such period through and including such 40th day, the "*Restricted Period*"), interests in the Temporary Regulation S Global Note may only be transferred to Non-U.S. Persons pursuant to Regulation S, unless exchanged for interests in another Global Security in accordance with the transfer and certification requirements described herein.

Following the Restricted Period, Investors may hold their interests in the Regulation S Global Note through organizations other than Euroclear or Clearstream that are participants in DTC's system or directly through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations which are participants in such systems.

The Regulation S Global Note may be represented by more than one certificate, if so required by DTC's rules regarding the maximum principal amount to be represented by a single certificate. The aggregate principal amount of the Regulation S Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for DTC or its nominee, as hereinafter provided.

Initial Securities and Additional Restricted Securities resold to IAIs (the "*Institutional Accredited Investor Notes*") in the United States of America shall be issued in the form of a permanent global Security substantially in the form of *Exhibit A* including appropriate legends as set forth in *Section 2.1(d)* (the "*Institutional Accredited Investor Global Note*") deposited with the Trustee, as Securities Custodian, duly executed by the Issuer and authenticated by the Trustee as hereinafter provided. The Institutional Accredited Investor Global Note may be represented by more than one certificate, if so required by DTC's rules regarding the maximum principal amount to be represented by a single certificate. The aggregate principal amount of the Institutional Accredited Investor Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for DTC or its nominee, as hereinafter provided.

Exchange Securities exchanged for interests in the Rule 144A Notes, the Regulation S Notes and the Institutional Accredited Investor Notes shall be issued in the form of a permanent global Security, substantially in the form of *Exhibit B*, which is hereby incorporated by reference and made a part of this Indenture, deposited with the Trustee as hereinafter provided, including the appropriate legend set forth in *Section 2.1(d)* (the "*Exchange Global Note*"). The Exchange Global Note shall be deposited upon issuance with, or on behalf of, the Trustee as Securities Custodian, duly executed by the Issuer and authenticated by the Trustee as hereinafter provided. The Exchange Global Note may be represented by more than one certificate, if so required by DTC's rules regarding the maximum principal amount to be represented by a single certificate.

The Rule 144A Global Note, the Regulation S Global Note, the Institutional Accredited Investor Global Note and the Exchange Global Note are sometimes collectively herein referred to as the "*Global Securities.*"

The principal of (and premium, if any) and interest (including Additional Interest, if any) on the Securities shall be payable at the office or agency of the Issuer maintained for such purpose in The City of New York, and at such other office or agency of the Issuer as may be maintained for such purpose pursuant to *Section 2.3*; *provided, however,* that, at the option of the Issuer, each installment of interest may be paid by (i) check mailed to addresses of the Persons entitled thereto as such addresses shall appear on the Securities Register or (ii) wire transfer to an account located in the United States maintained by the payee, subject to the last sentence of this paragraph. Payments in respect of Securities represented by a Global Security (including principal, premium, if any, and interest) will be made by wire transfer of immediately available funds to the accounts specified by DTC. At the Issuer's option, payments in respect of Securities represented by Definitive Securities (including principal, premium, if any, and interest) may be made by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if the Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 15 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

The Securities may have notations, legends or endorsements required by law, stock exchange rule or usage, in addition to those set forth on *Exhibit A* and *Exhibit B* and in *Section 2.1(d)*. The Issuer shall approve any notation, endorsement or legend on the Securities. Each Security shall be dated the date of its authentication, and the Trustee's certificate of authentication shall be substantially in the form set forth on *Exhibit A* and *Exhibit B*. The terms of the Securities set forth in *Exhibit A* and *Exhibit B* are part of the terms of this Indenture and, to the extent applicable, the Issuer, the Guarantors and the Trustee, by their execution and delivery of this Indenture, expressly agree to be bound by such terms.

(c) *Denominations.* The Securities shall be issuable only in fully registered form, without coupons, and only in denominations of $2,000 and any integral multiple of $1,000 in excess thereof.

(d) *Restrictive Legends.* Unless and until (i) an Initial Security or an Additional Security issued as a Restricted Security is sold under an effective registration statement or (ii) an Initial Security or an Additional Security issued as a Restricted Security is exchanged for an Exchange Security in connection with an effective registration statement, in each case pursuant to a Registration Rights Agreement or a similar agreement:

(1) the Rule 144A Global Note, the Regulation S Global Note and the Institutional Accredited Investor Global Note shall bear the following legend on the face thereof:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED, OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL, OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") THAT IS ONE YEAR (IN THE CASE OF RULE 144A SECURITIES) AFTER THE LATER OF THE ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY) OR 40 DAYS (IN THE CASE OF REGULATION S SECURITIES), ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION

STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, (E) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(a)(1), (2), (3), OR (7) UNDER THE SECURITIES ACT THAT IS AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT OF THE SECURITIES OF $250,000, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO OR FOR OFFER OR SALE IN CONNECTION WITH ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, OR (F) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE, OR TRANSFER PURSUANT TO CLAUSE (D), (E), OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION, AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THE HOLDER AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY OR AN INTEREST HEREIN IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER OR THE ISSUER ON OR AFTER THE RESALE RESTRICTION TERMINATION DATE.

IN THE CASE OF REGULATION S NOTES: BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS NOT A U.S. PERSON NOR IS IT PURCHASING FOR THE ACCOUNT OF A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT.

(2) the Temporary Regulation S Global Note shall bear the following additional legend on the face thereof:

THIS GLOBAL SECURITY IS A TEMPORARY GLOBAL NOTE FOR PURPOSES OF REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). NEITHER THIS TEMPORARY GLOBAL NOTE NOR ANY INTEREST HEREIN MAY BE OFFERED, SOLD OR DELIVERED, EXCEPT AS PERMITTED UNDER THE INDENTURE REFERRED TO BELOW.

NO BENEFICIAL OWNERS OF THIS TEMPORARY GLOBAL NOTE SHALL BE ENTITLED TO RECEIVE PAYMENT OF PRINCIPAL OR INTEREST HEREON UNLESS THE REQUIRED CERTIFICATIONS HAVE BEEN DELIVERED PURSUANT TO THE TERMS OF THE INDENTURE.

(3) Each Global Security, whether or not an Initial Security, shall bear the following legend on the face thereof:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), NEW YORK, NEW YORK, TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS

REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO DTC, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

(4) Each Security issued hereunder that has more than a de minimis amount of original issue discount for U.S. federal income tax purposes shall bear a legend in substantially the following form:

THE FOLLOWING INFORMATION IS SUPPLIED SOLELY FOR U.S. FEDERAL INCOME TAX PURPOSES. THIS SECURITY IS ISSUED WITH ORIGINAL ISSUE DISCOUNT UNDER SECTIONS 1272, 1273 AND 1275 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. A HOLDER MAY OBTAIN THE ISSUE PRICE, AMOUNT OF ORIGINAL ISSUE DISCOUNT, ISSUE DATE AND YIELD TO MATURITY FOR THIS SECURITY BY SUBMITTING A REQUEST FOR SUCH INFORMATION TO THE ISSUER AT THE FOLLOWING ADDRESS: ANTERO RESOURCES LLC, 1625 17TH STREET, 3RD FLOOR, DENVER, COLORADO 80202, ATTENTION: CHIEF FINANCIAL OFFICER.

(e) *Book-Entry Provisions.* (i) This *Section 2.1(e)* shall apply only to Global Securities deposited with the Trustee, as Securities Custodian.

(ii) Each Global Security initially shall (x) be registered in the name of Cede & Co. as the nominee of DTC, (y) be delivered to the Trustee as Securities Custodian and (z) bear legends as set forth in *Section 2.1(d)*. Transfers of a Global Security (but not a beneficial interest therein) will be limited to transfers thereof in whole, but not in part, to the Depositary, its successors or their respective nominees, except as set forth in *Section 2.1(e)(v)* and *2.1(f)*. If a beneficial interest in a Global Security is transferred or exchanged for a beneficial interest in another Global Security, the Trustee will (x) record a decrease in the principal amount of the Global Security being transferred or exchanged equal to the principal amount of such transfer or exchange and (y) record a like increase in the principal amount of the other Global Security. Any beneficial interest in one Global Security that is transferred to a Person who takes delivery in the form of an interest in another Global Security, or exchanged for an interest in another Global Security, will, upon transfer or exchange, cease to be an interest in such Global Security and become an interest in the other Global Security and, accordingly, will thereafter be subject to all transfer and exchange restrictions, if any, and other procedures applicable to beneficial interests in such other Global Security for as long as it remains such an interest.

(iii) Members of, or participants in, DTC ("*Agent Members*") shall have no rights under this Indenture with respect to any Global Security held on their behalf by DTC or by the Trustee as the Securities Custodian or under such Global Security, and DTC may be treated by the Issuer, the Guarantors, the Trustee and any agent of the Issuer, the Guarantors or the Trustee as the absolute owner of such Global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Issuer, the Guarantors, the Trustee or any agent of the Issuer, the Guarantors or the Trustee from giving effect to any written certification, proxy or other authorization furnished by

DTC or impair, as between DTC and its Agent Members, the operation of customary practices of DTC governing the exercise of the rights of a Holder of a beneficial interest in any Global Security.

(iv) In connection with any transfer of a portion of the beneficial interest in a Global Security pursuant to *Section 2.1(f)* to beneficial owners who are required to hold Definitive Securities, the Securities Custodian shall reflect on its books and records the date and a decrease in the principal amount of such Global Security in an amount equal to the principal amount of the beneficial interest in the Global Security to be transferred, and the Issuer shall execute, and the Trustee shall authenticate and make available for delivery, one or more Definitive Securities of like tenor and amount.

(v) In connection with the transfer of an entire Global Security to beneficial owners pursuant to *Section 2.1(f)*, such Global Security shall be deemed to be surrendered to the Trustee for cancellation, and the Issuer shall execute, and the Trustee shall authenticate and make available for delivery, to each beneficial owner identified by DTC in exchange for its beneficial interest in such Global Security, an equal aggregate principal amount of Definitive Securities of authorized denominations.

(vi) The registered Holder of a Global Security may grant proxies and otherwise authorize any person, including Agent Members and persons that may hold interests through Agent Members, to take any action which a Holder is entitled to take under this Indenture or the Securities.

(vii) Any Holder of a Global Security shall, by acceptance of such Global Security, agree that transfers of beneficial interests in such Global Security may be effected only through a book-entry system maintained by (a) the Holder of such Global Security (or its agent) or (b) any holder of a beneficial interest in such Global Security, and that ownership of a beneficial interest in such Global Security shall be required to be reflected in a book entry.

(f) *Definitive Securities.* (i) Except as provided below, owners of beneficial interests in Global Securities will not be entitled to receive Definitive Securities. If required to do so pursuant to any applicable law or regulation, beneficial owners may obtain Definitive Securities in exchange for their beneficial interests in a Global Security upon written request in accordance with DTC's and the Registrar's procedures. In addition, Definitive Securities shall be transferred to all beneficial owners in exchange for their beneficial interests in a Global Security if (A) DTC notifies the Issuer that it is unwilling or unable to continue as depositary for such Global Security or DTC ceases to be a clearing agency registered under the Exchange Act, at a time when DTC is required to be so registered in order to act as depositary, and in each case a successor depositary is not appointed by the Issuer within 90 days of such notice or (B) the Issuer, in its sole discretion, executes and delivers to the Trustee and Registrar an Officers' Certificate stating that such Global Security shall be so exchangeable. In the event of the occurrence of any of the events specified in the preceding sentence or in clause (A) or (B) of the preceding sentence, Definitive Securities delivered in exchange for any Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of DTC (in accordance with its customary procedures).

(ii) Any Definitive Security delivered in exchange for an interest in a Global Security pursuant to *Section 2.1(e)(iv)* shall, except as otherwise provided by *Section 2.6(d)*, bear the applicable legend regarding transfer restrictions applicable to the Definitive Security set forth in *Section 2.1(d)*.

(iii) If a Definitive Security is transferred or exchanged for a beneficial interest in a Global Security, the Trustee will (x) cancel such Definitive Security, (y) record an increase in the principal amount of such Global Security equal to the principal amount of such transfer or exchange and (z) in the event that such transfer or exchange involves less than the entire principal amount of the canceled Definitive Security, the Issuer shall execute, and the Trustee shall authenticate and make available for delivery, to the transferring Holder a new Definitive Security representing the principal amount not so transferred.

(iv) If a Definitive Security is transferred or exchanged for another Definitive Security, (x) the Trustee will cancel the Definitive Security being transferred or exchanged, (y) the Issuer shall execute, and the Trustee shall authenticate and make available for delivery, one or more new Definitive Securities in authorized denominations having an aggregate principal amount equal to the principal amount of such transfer or exchange to the transferee (in the case of a transfer) or the Holder of the canceled Definitive Security (in the case of an exchange), registered in the name of such transferee or Holder, as applicable, and (z) if such transfer or exchange involves less than the entire principal amount of the canceled Definitive Security, the Issuer shall execute, and the Trustee shall authenticate and make available for delivery to the Holder thereof, one or more Definitive Securities in authorized denominations having an aggregate principal amount equal to the untransferred or unexchanged portion of the canceled Definitive Securities, registered in the name of the Holder thereof.

(v) Notwithstanding anything to the contrary in this Indenture, in no event shall a Definitive Security be delivered upon exchange or transfer of a beneficial interest in the Temporary Regulation S Global Note prior to the end of the Restricted Period.

SECTION 2.2. Execution and Authentication. One Officer shall sign the Securities for the Issuer by manual or facsimile signature. If the Officer whose signature is on a Security no longer holds that office at the time the Trustee authenticates the Security, the Security shall be valid nevertheless.

A Security shall not be valid until an authorized officer of the Trustee manually authenticates the Security. The signature of the Trustee on a Security shall be conclusive evidence that such Security has been duly and validly authenticated and issued under this Indenture. A Security shall be dated the date of its authentication.

At any time and from time to time after the execution and delivery of this Indenture, the Trustee shall authenticate and make available for delivery: (1) Initial Securities for original issue on the Issue Date in an aggregate principal amount of $375,000,000, (2) subject to the terms of this Indenture, Additional Securities for original issue in an unlimited principal amount, (3) Exchange Securities for issue only in an exchange offer pursuant to a Registration Rights Agreement or upon resale under an effective Shelf Registration Statement, and only in exchange for Initial Securities or Additional Securities of an equal principal amount and (4) when sold in connection with an effective registration statement, Initial Securities in the form of an Unrestricted Global Note, in each case upon a written order of the Issuer signed by one Officer of the Issuer (the "*Issuer Order*"). Such Issuer Order shall specify whether the Securities will be in the form of Definitive Securities or Global Securities, the amount of the Securities to be authenticated and the date on which the original issue of Securities is to be authenticated and whether the Securities are to be Initial Securities, Additional Securities or Exchange Securities.

The Trustee may appoint an agent (the "*Authenticating Agent*") reasonably acceptable to the Issuer to authenticate the Securities. Any such instrument shall be evidenced by an instrument signed by a Trust Officer, a copy of which shall be furnished to the Issuer. Unless limited by the terms of such appointment, any such Authenticating Agent may authenticate Securities whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by the Authenticating Agent. An Authenticating Agent has the same rights as any Registrar, Paying Agent or agent for service of notices and demands.

In case the Issuer or any Guarantor, pursuant to *Article IV* or *Section 10.2*, as applicable, shall be consolidated or merged with or into any other Person or shall convey, transfer, lease or otherwise dispose of its properties and assets substantially as an entirety to any Person, and the successor Person resulting from such consolidation, or surviving such merger, or into which the Issuer or any Guarantor shall have been merged, or the Person which shall have received a conveyance, transfer, lease or other disposition as aforesaid, shall have executed an indenture supplemental hereto with the Trustee pursuant to *Article IV* or *Section 10.2*, as applicable, any of the Securities authenticated or delivered

prior to such consolidation, merger, conveyance, transfer, lease or other disposition may, from time to time, at the request of the successor Person, be exchanged for other Securities executed in the name of the successor Person with such changes in phraseology and form as may be appropriate, but otherwise in substance of like tenor as the Securities surrendered for such exchange and of like principal amount; and the Trustee, upon Issuer Order of the successor Person, shall authenticate and make available for delivery Securities as specified in such order for the purpose of such exchange. If Securities shall at any time be authenticated and delivered in any new name of a successor Person pursuant to this *Section 2.2* in exchange or substitution for or upon registration of transfer of any Securities, such successor Person, at the option of the Holders but without expense to them, shall provide for the exchange of all Securities at the time outstanding for Securities authenticated and delivered in such new name.

SECTION 2.3. Registrar and Paying Agent. The Issuer shall maintain in the continental United States an office or agency where Securities may be presented for registration of transfer or for exchange (the "*Registrar*"), and the Issuer shall maintain in New York, New York an office or agency where Securities may be presented for payment (the "*Paying Agent*"). The Registrar shall keep a register of the Securities and of their transfer and exchange (the "*Securities Register*"). The Parent Guarantor or any of its Restricted Subsidiaries may act as Registrar or Paying Agent. The Issuer may have one or more co-registrars and one or more additional paying agents. The term "Paying Agent" includes any additional paying agent and the term "Registrar" includes any co-registrar.

The Issuer shall enter into an appropriate agency agreement with any Registrar or Paying Agent not a party to this Indenture, which shall incorporate the terms of the TIA. The agreement shall implement the provisions of this Indenture that relate to such agent. The Issuer shall notify the Trustee of the name and address of each such agent. If the Issuer fails to maintain a Registrar or Paying Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to *Section 7.7*. The Issuer or any of its wholly owned Subsidiaries organized in the United States may act as Paying Agent, Registrar or transfer agent.

The Issuer initially appoints the Trustee as Registrar for the Securities at its corporate trust office in Dallas, Texas, and as Paying Agent for the Securities at its corporate trust office in New York, New York, which, on the date hereof, is located at 45 Broadway, 14th Floor, New York, New York 10006. The Issuer may remove any Registrar or Paying Agent upon written notice to such Registrar or Paying Agent and to the Trustee; *provided, however,* that no such removal shall become effective until (i) acceptance of any appointment by a successor as evidenced by an appropriate agreement entered into by the Issuer and such successor Registrar or Paying Agent, as the case may be, and delivered to the Trustee or (ii) notification to the Trustee that the Trustee shall serve as Registrar or Paying Agent until the appointment of a successor in accordance with clause (i) above. The Registrar or Paying Agent may resign at any time upon written notice to the Issuer and the Trustee.

SECTION 2.4. Paying Agent to Hold Money in Trust. By no later than 11:00 a.m. (New York City time) on the date on which any principal of, premium, if any, or interest on any Security is due and payable, the Issuer shall deposit with the Paying Agent a sum sufficient in immediately available funds to pay such principal, premium or interest when due. The Issuer shall require each Paying Agent (other than the Trustee) to agree in writing that such Paying Agent shall hold in trust for the benefit of Securityholders or the Trustee all money held by such Paying Agent for the payment of principal of, premium, if any, or interest on the Securities (whether such assets have been distributed to it by the Issuer or other obligors on the Securities), shall notify the Trustee in writing of any default by the Issuer or any Guarantor in making any such payment and shall during the continuance of any default by the Issuer (or any other obligor upon the Securities) in the making of any payment in respect of the Securities, upon the written request of the Trustee, forthwith deliver to the Trustee all sums held in trust by such Paying Agent for payment in respect of the Securities together with a full accounting thereof. If the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it as a separate trust fund. The

Issuer at any time may require a Paying Agent (other than the Trustee) to pay all money held by it to the Trustee and to account for any funds or assets disbursed by such Paying Agent. Upon complying with this *Section 2.4*, the Paying Agent (if other than the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor) shall have no further liability for the money delivered to the Trustee. Upon any bankruptcy, reorganization or similar proceeding with respect to the Issuer, the Trustee shall serve as Paying Agent for the Securities.

SECTION 2.5. Securityholder Lists. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Securityholders and shall otherwise comply with TIA § 312(a). If the Trustee is not the Registrar, or to the extent otherwise required under the TIA, the Issuer, on its own behalf and on behalf of each of the Guarantors, shall furnish or cause the Registrar to furnish to the Trustee, in writing at least five Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Securityholders and the Issuer shall otherwise comply with TIA § 312(a).

SECTION 2.6. Transfer and Exchange.

(a) A Holder may transfer a Security (or a beneficial interest therein) to another Person or exchange a Security (or a beneficial interest therein) for another Security or Securities of any authorized denomination by presenting to the Trustee a written request therefor stating the name of the proposed transferee or requesting such an exchange, accompanied by any certification, opinion or other document required by this *Section 2.6*. The Trustee shall promptly register any transfer or exchange that meets the requirements of this *Section 2.6* by noting the same in the register maintained by the Trustee for the purpose, and no transfer or exchange shall be effective until it is registered in such register. The transfer or exchange of any Security (or a beneficial interest therein) may only be made in accordance with this *Section 2.6* and *Section 2.1(e)* and *2.1(f)*, as applicable, and, in the case of a Global Security (or a beneficial interest therein), the applicable rules and procedures of DTC, Euroclear and Clearstream. The Trustee shall refuse to register any requested transfer or exchange that does not comply with this paragraph.

(b) *Transfers of Rule 144A Notes and Institutional Accredited Investor Notes.* The following provisions shall apply with respect to any proposed registration of transfer of a Rule 144A Note or an Institutional Accredited Investor Note prior to the date which is one year after the later of the date of its original issue and the last date on which the Issuer or any Affiliate of Issuer was the owner of such Securities (or any predecessor thereto) (the "*Resale Restriction Termination Date*"):

(i) a registration of transfer of a Rule 144A Note or an Institutional Accredited Investor Note or a beneficial interest therein to a QIB shall be made upon the representation of the transferee in the form as set forth on the reverse of the Security that it is purchasing for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Issuer as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A; *provided* that no such written representation or other written certification shall be required in connection with the transfer of a beneficial interest in the Rule 144A Global Note to a transferee in the form of a beneficial interest in that Rule 144A Global Note in accordance with this Indenture and the applicable procedures of DTC.

(ii) a registration of transfer of a Rule 144A Note or an Institutional Accredited Investor Note or a beneficial interest therein to an IAI shall be made upon receipt by the Trustee or its agent of a certificate substantially in the form set forth in *Section 2.8* from the proposed transferee

and, if requested by the Issuer, the delivery of an opinion of counsel, certification and/or other information satisfactory to it; and

(iii) a registration of transfer of a Rule 144A Note or an Institutional Accredited Investor Note or a beneficial interest therein to a Non-U.S. Person shall be made upon receipt by the Trustee or its agent of a certificate substantially in the form set forth in *Section 2.9* from the proposed transferee and, if requested by the Issuer, the delivery of an opinion of counsel, certification and/or other information satisfactory to it.

(c) *Transfers of Regulations S Notes.* The following provisions shall apply with respect to any proposed transfer of a Regulation S Note prior to the expiration of the Restricted Period:

(i) a transfer of a Regulation S Note or a beneficial interest therein to a QIB shall be made upon the representation of the transferee, in the form of assignment on the reverse of the certificate, that it is purchasing the Security for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A, is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Issuer as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A;

(ii) a transfer of a Regulation S Note or a beneficial interest therein to an IAI shall be made upon receipt by the Trustee or its agent of a certificate substantially in the form set forth in *Section 2.8* from the proposed transferee and, if requested by the Issuer or the Trustee, the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them; and

(iii) a transfer of a Regulation S Note or a beneficial interest therein to a Non-U.S. Person shall be made upon receipt by the Trustee or its agent of a certificate substantially in the form set forth in *Section 2.9* hereof from the proposed transferee and, if requested by the Issuer, receipt by the Trustee or its agent of an opinion of counsel, certification and/or other information satisfactory to the Issuer.

After the expiration of the Restricted Period, interests in the Regulation S Note may be transferred in accordance with applicable law without requiring the certification set forth in *Section 2.8*, *Section 2.9* or any additional certification.

(d) *Restricted Securities Legend.* Upon the transfer, exchange or replacement of Securities not bearing a Restricted Securities Legend, the Registrar shall deliver Securities that do not bear a Restricted Securities Legend. Upon the transfer, exchange or replacement of Securities bearing a Restricted Securities Legend, the Registrar shall deliver only Securities that bear a Restricted Securities Legend unless (i) Initial Securities are being exchanged for Exchange Securities in an exchange offer pursuant to a Registration Rights Agreement, in which case the Exchange Securities shall not bear a Restricted Securities Legend, (ii) an Initial Security is being transferred pursuant to a Shelf Registration Statement or other effective registration statement or (iii) there is delivered to the Registrar an Opinion of Counsel reasonably satisfactory to the Issuer and the Trustee to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act. Any Additional Securities sold in a registered offering shall not be required to bear the Restricted Securities Legend.

(e) *[Reserved].*

(f) *Retention of Written Communications.* The Registrar shall retain copies of all letters, notices and other written communications received pursuant to *Section 2.1* or this *Section 2.6*. The Issuer shall

have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable prior written notice to the Registrar.

(g) *Obligations with Respect to Transfers and Exchanges of Securities.*

(i) To permit registrations of transfers and exchanges, the Issuer shall, subject to the other terms and conditions of this *Article II*, execute and the Trustee shall authenticate Definitive Securities and Global Securities at the Registrar's request.

(ii) No service charge shall be made to a Holder for any registration of transfer or exchange, but the Issuer may require the Holder to pay a sum sufficient to cover any transfer tax assessments or similar governmental charge payable in connection therewith (other than any such transfer taxes, assessments or similar governmental charges payable upon exchange or transfer pursuant to *Sections 2.2*, *2.6*, *2.10*, *2.12*, *3.5*, *3.9*, *5.8* or *9.5*).

(iii) The Issuer (and the Registrar) shall not be required to register the transfer of or exchange of any Security (A) for a period (1) of 15 days before a selection of Securities to be redeemed or (2) beginning 15 days before an interest payment date and ending on such interest payment date or (B) selected for redemption, except the unredeemed portion of any Security being redeemed in part.

(iv) Prior to the due presentation for registration of transfer of any Security, the Issuer, any Guarantor, the Trustee, the Paying Agent or the Registrar may deem and treat the person in whose name a Security is registered as the owner of such Security for the purpose of receiving payment of principal of, premium, if any, and (subject to paragraph 2 of the forms of Securities attached hereto as *Exhibits A* and *B*) interest on such Security and for all other purposes whatsoever, including without limitation the transfer or exchange of such Security, whether or not such Security is overdue, and none of the Issuer, any Guarantor, the Trustee, the Paying Agent or the Registrar shall be affected by notice to the contrary.

(v) Any Definitive Security delivered in exchange for an interest in a Global Security pursuant to *Section 2.1(f)* shall, except as otherwise provided by *Section 2.6(d)*, bear the applicable legend regarding transfer restrictions applicable to the Definitive Security set forth in *Section 2.1(d)*.

(vi) All Securities issued upon any transfer or exchange pursuant to the terms of this Indenture shall evidence the same debt and shall be entitled to the same benefits under this Indenture as the Securities surrendered upon such transfer or exchange.

(h) *No Obligation of the Trustee.* The Trustee shall have no responsibility or obligation to any beneficial owner of a Global Security, Agent Member or other Person with respect to the accuracy of the records of DTC or its nominee or of any participant or member thereof, with respect to any ownership interest in the Securities or with respect to the delivery to any participant, member, beneficial owner or other Person (other than DTC) of any notice (including any notice of redemption or purchase) or the payment of any amount or delivery of any Securities (or other security or property) under or with respect to such Securities. All notices and communications to be given to the Holders and all payments to be made to Holders in respect of the Securities shall be given or made only to or upon the order of the registered Holders (which shall be DTC or its nominee in the case of a Global Security). The rights of beneficial owners in any Global Security shall be exercised only through DTC subject to the applicable rules and procedures of DTC. The Trustee may rely and shall be fully protected in relying upon information furnished by DTC with respect to its Agent Members and any beneficial owners. The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Security (including any transfers between or among Agent Members or beneficial owners in any Global Security) other than to require delivery of such certificates

and other documentation or evidence as are expressly required by, and to do so if and when expressly required by, the terms of this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

(i) *Affiliate Holders.* By accepting a beneficial interest in a Global Security, any Person that is an Affiliate of the Issuer agrees to give notice to the Issuer, the Trustee and the Registrar of the acquisition and its Affiliate status.

SECTION 2.7. Form of Certificate to be Delivered upon Termination of Restricted Period

[Date]

Antero Resources Finance Corporation
c/o Wells Fargo Bank, National Association
1445 Ross Avenue—2nd Floor
Dallas, TX 75202-2812
Attention: Corporate Trust Administrator

Re: Antero Resources Finance Corporation (the "Issuer")
9.375% Senior Notes due 2017 (the "Securities")

Ladies and Gentlemen:

This letter relates to Securities represented by a temporary global note (the "*Temporary Regulation S Global Note*"). Pursuant to Section 2.1 of the Indenture dated as of November 17, 2009 relating to the Securities (the "Indenture"), we hereby certify that the persons who are the beneficial owners of $[ ] principal amount of Securities represented by the Temporary Regulation S Global Note are persons outside the United States to whom beneficial interests in such Securities could be transferred in accordance with Rule 904 of Regulation S promulgated under the Securities Act of 1933, as amended. Accordingly, you are hereby requested to issue a Permanent Regulation S Global Note representing the undersigned's interest in the principal amount of Securities represented by the Temporary Regulation S Global Note, all in the manner provided by the Indenture. We certify that we [are][are not] an Affiliate of the Issuer.

You and the Issuer are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this letter have the meanings set forth in Regulation S.

Very truly yours,

[Name of Transferor]

By: _____

Authorized Signature

SECTION 2.8. Form of Certificate to be Delivered in Connection with Transfers to Institutional Accredited Investors.

[Date]

Antero Resources Finance Corporation
c/o Wells Fargo Bank, National Association
1445 Ross Avenue—2nd Floor
Dallas, TX 75202-2812
Attention: Corporate Trust Administration

Ladies and Gentlemen:

This certificate is delivered to request a transfer of $ [ ] principal amount of the 9.375% Senior Notes due 2017 (the "*Securities*") of Antero Resources Finance Corporation (the "*Issuer*").

Upon transfer, the Securities would be registered in the name of the new beneficial owner as follows:

Name: _____

Address: _____

Taxpayer ID Number: _____

The undersigned represents and warrants to you that:

1. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933, as amended (the "*Securities Act*")) purchasing for our own account or for the account of such an institutional "accredited investor" at least $250,000 principal amount of the Securities, and we are acquiring the Securities not with a view to, or for offer or sale in connection with, any distribution in violation of the Securities Act. We have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risk of our investment in the Securities and we invest in or purchase securities similar to the Securities in the normal course of our business. We and any accounts for which we are acting are each able to bear the economic risk of our or its investment.

2. We understand that the Securities have not been registered under the Securities Act and, unless so registered, may not be sold except as permitted in the following sentence. We agree on our own behalf and on behalf of any investor account for which we are purchasing Securities to offer, sell or otherwise transfer such Securities prior to the date that is one year after the later of the date of original issue and the last date on which the Issuer or any affiliate of the Issuer was the owner of such Securities (or any predecessor thereto) (the "*Resale Restriction Termination Date*") only (a) to the Issuer or any Subsidiary thereof, (b) pursuant to an effective registration statement under the Securities Act, (c) in a transaction complying with the requirements of Rule 144A under the Securities Act, to a person we reasonably believe is a "qualified institutional buyer" under Rule 144A of the Securities Act (a "*QIB*") that is purchasing for its own account or for the account of a QIB and to whom notice is given that the transfer is being made in reliance on Rule 144A, (d) pursuant to offers and sales to non-U.S. persons that occur outside the United States within the meaning of Regulation S under the Securities Act, (e) to an institutional "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act that is purchasing for its own account or for the account of such an institutional "accredited investor," in each case in a minimum principal amount of Securities of $250,000 for investment purposes and not with a view to or for offer or sale in connection with any distribution in violation of the Securities Act or (f) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of our property or the property of such investor account or accounts be at all times within our or their control and in compliance with any applicable state securities laws. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. If any resale or other transfer of the Securities is proposed to be made pursuant to clause (e) above prior to the Resale Restriction Termination Date, the transferor shall deliver a letter from the transferee substantially in the form of this letter to the Issuer and the Trustee, which shall provide, among other things, that the transferee is an institutional "accredited investor" (within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act) and that it is acquiring such

Securities for investment purposes and not for distribution in violation of the Securities Act. Each purchaser acknowledges that the Issuer and the Trustee reserve the right prior to any offer, sale or other transfer prior to the Resale Termination Date of the Securities pursuant to clauses (d), (e) or (f) above to require the delivery of an opinion of counsel, certifications and/or other information satisfactory to the Issuer and the Trustee.

3. We [are][are not] an Affiliate of the Issuer.

TRANSFEREE: _____

BY: _____

SECTION 2.9. Form of Certificate to be Delivered in Connection with Transfers Pursuant to Regulation S.

[Date]

Antero Resources Finance Corporation
c/o Wells Fargo Bank, National Association
1445 Ross Avenue—2nd Floor
Dallas, TX 75202-2812
Attention: Corporate Trust Administration

Re: Antero Resources Finance Corporation (the "Issuer")
9.375% Senior Notes due 2017 (the "Securities")

Ladies and Gentlemen:

In connection with our proposed sale of $[ ] aggregate principal amount of the Securities, we confirm that such sale has been effected pursuant to and in accordance with Regulation S under the United States Securities Act of 1933, as amended (the "*Securities Act*"), and, accordingly, we represent that:

(a) the offer of the Securities was not made to a person in the United States;

(b) either (i) at the time the buy order was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States or (ii) the transaction was executed in, on or through the facilities of a designated off-shore securities market and neither we nor any person acting on our behalf knows that the transaction has been pre-arranged with a buyer in the United States;

(c) no directed selling efforts have been made in the United States in contravention of the requirements of Rule 903(a)(2) or Rule 904(a)(2) of Regulation S, as applicable; and

(d) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

In addition, if the sale is made during a restricted period and the provisions of Rule 903(b)(2), Rule 903(b)(3) or Rule 904(b)(1) of Regulation S are applicable thereto, we confirm that such sale has been made in accordance with the applicable provisions of Rule 903(b)(2), Rule 903(b)(3) or Rule 904(b)(1), as the case may be.

We also hereby certify that we [are][are not] an Affiliate of the Issuer and, to our knowledge, the transferee of the Securities [is][is not] an Affiliate of the Issuer.

You and the Issuer are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official

inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,

[Name of Transferor]

By: _____

Authorized Signature

SECTION 2.10. Mutilated, Destroyed, Lost or Stolen Securities. If a mutilated Security is surrendered to the Registrar or if the Holder of a Security claims that the Security has been lost, destroyed or wrongfully taken, the Issuer shall issue and the Trustee shall authenticate a replacement Security if the requirements of Section 8-405 of the Uniform Commercial Code are met, such that the Securityholder (a) satisfies the Issuer or the Trustee that such Security has been lost, destroyed or wrongfully taken within a reasonable time after such Securityholder has notice of such loss, destruction or wrongful taking and the Registrar has not registered a transfer prior to receiving such notification, (b) makes such request to the Issuer or Trustee prior to the Security being acquired by a protected purchaser as defined in Section 8-303 of the Uniform Commercial Code (a "*protected purchaser*") and (c) satisfies any other reasonable requirements of the Trustee; *provided, however,* if after the delivery of such replacement Security, a protected purchaser of the Security for which such replacement Security was issued presents for payment or registration such replaced Security, the Trustee or the Issuer shall be entitled to recover such replacement Security from the Person to whom it was issued and delivered or any Person taking therefrom, except a protected purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Issuer or the Trustee in connection therewith. If required by the Trustee or the Issuer, such Holder shall furnish an indemnity bond sufficient in the judgment of the Issuer and the Trustee to protect the Issuer, the Trustee, the Paying Agent and the Registrar from any loss which any of them may suffer if a Security is replaced, and, in the absence of notice to the Issuer, any Guarantor or the Trustee that such Security has been acquired by a protected purchaser, the Issuer shall execute, and upon receipt of an Issuer Order the Trustee shall authenticate and make available for delivery, in exchange for any such mutilated Security or in lieu of any such destroyed, lost or wrongfully taken Security, a new Security of like tenor and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or wrongfully taken Security has become or is about to become due and payable, the Issuer in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this *Section 2.10*, the Issuer may require that such Holder pay a sum sufficient to cover any transfer tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of counsel and of the Trustee) in connection therewith.

Subject to the proviso in the initial paragraph of this *Section 2.10*, every new Security issued pursuant to this Section in lieu of any mutilated, destroyed, lost or wrongfully taken Security shall constitute an original additional contractual obligation of the Issuer, any Guarantor and any other obligor upon the Securities, whether or not the mutilated, destroyed, lost or wrongfully taken Security shall be at any time enforceable by anyone, and shall be entitled to all benefits of this Indenture equally and proportionately with any and all other Securities duly issued hereunder.

The provisions of this *Section 2.10* are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or wrongfully taken Securities.

SECTION 2.11. Outstanding Securities. Securities outstanding at any time are all Securities authenticated by the Trustee except for those cancelled by it, those delivered to it for cancellation and those described in this Section as not outstanding. A Security does not cease to be outstanding in the event the Issuer or an Affiliate of the Issuer holds the Security; *provided, however,* that (i) for purposes of determining which are outstanding for consent or voting purposes hereunder, the provisions of *Section 12.6* shall apply and (ii) in determining whether the Trustee shall be protected in making a determination whether the Holders of the requisite principal amount of outstanding Securities are present at a meeting of Holders of Securities for quorum purposes or have consented to or voted in favor of any request, demand, authorization, direction, notice, consent, waiver, amendment or modification hereunder, or relying upon any such quorum, consent or vote, only Securities which a Trust Officer of the Trustee actually knows to be held by the Issuer or an Affiliate of the Issuer shall not be considered outstanding.

If a Security is replaced pursuant to *Section 2.10* (other than a mutilated Security surrendered for replacement), it ceases to be outstanding unless the Trustee and the Issuer receive proof satisfactory to them that the replaced Security is held by a protected purchaser. A mutilated Security ceases to be outstanding upon surrender of such Security and replacement pursuant to *Section 2.10*.

If the Paying Agent segregates and holds in trust, in accordance with this Indenture, by 11:00 a.m. (New York City time) on a Redemption Date or other maturity date money sufficient to pay all principal, premium, if any, and accrued interest payable on that date with respect to the Securities (or portions thereof) to be redeemed or otherwise maturing, as the case may be, then on and after that date such Securities (or portions thereof) cease to be outstanding and interest on them ceases to accrue.

SECTION 2.12. Temporary Securities. In the event that Definitive Securities are to be issued under the terms of this Indenture, until such Definitive Securities are ready for delivery, the Issuer may prepare and the Trustee shall authenticate temporary Securities. Temporary Securities shall be substantially in the form, and shall carry all rights, of Definitive Securities but may have variations that the Issuer consider appropriate for temporary Securities. Without unreasonable delay, the Issuer shall prepare and the Trustee shall authenticate Definitive Securities. After the preparation of Definitive Securities, the temporary Securities shall be exchangeable for Definitive Securities upon surrender of the temporary Securities at any office or agency maintained by the Issuer for that purpose and such exchange shall be without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities, the Issuer shall execute, and the Trustee shall authenticate and make available for delivery in exchange therefor, one or more Definitive Securities representing an equal principal amount of Securities. Until so exchanged, the Holder of temporary Securities shall in all respects be entitled to the same benefits under this Indenture as a Holder of Definitive Securities.

SECTION 2.13. Cancellation. The Issuer at any time may deliver Securities to the Trustee for cancellation. The Registrar and the Paying Agent shall forward to the Trustee any Securities surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel all Securities surrendered for registration of transfer, exchange, payment or cancellation and dispose of such Securities in accordance with its internal policies and customary procedures including delivery of a certificate describing such Securities disposed (subject to the record retention requirements of the Exchange Act) or deliver canceled Securities to the Issuer pursuant to written direction by one Officer of the Issuer. If the Issuer or any Guarantor acquires any of the Securities, such acquisition shall not operate as a redemption or satisfaction of the Indebtedness represented by such Securities unless and until the same are surrendered to the Trustee for cancellation pursuant to this *Section 2.13*. The Issuer may not issue new Securities to replace Securities they have paid or delivered to the Trustee for cancellation for any reason other than in connection with a transfer or exchange.

At such time as all beneficial interests in a Global Security have either been exchanged for Definitive Securities, transferred, redeemed, repurchased or canceled, such Global Security shall be returned by DTC or the Securities Custodian to the Trustee for cancellation or retained and canceled by the Trustee. At any time prior to such cancellation, if any beneficial interest in a Global Security is exchanged for Definitive Securities, transferred in exchange for an interest in another Global Security, redeemed, repurchased or canceled, the principal amount of Securities represented by such Global Security shall be reduced and an adjustment shall be made on the books and records of the Trustee (if it is then the Securities Custodian for such Global Security) with respect to such Global Security, by the Trustee or the Securities Custodian, to reflect such reduction.

SECTION 2.14. Payment of Interest; Defaulted Interest. Interest on any Security which is payable, and is punctually paid or duly provided for, on any interest payment date shall be paid to the Person in whose name such Security (or one or more predecessor Securities) is registered at the close of business on the regular record date for such payment at the office or agency of the Issuer maintained for such purpose pursuant to *Section 2.3*.

Any interest on any Security which is payable, but is not paid when the same becomes due and payable and such nonpayment continues for a period of 30 days shall forthwith cease to be payable to the Holder on the regular record date, and such defaulted interest and (to the extent lawful) interest on such defaulted interest at the rate borne by the Securities (such defaulted interest and interest thereon herein collectively called "*Defaulted Interest*") shall be paid by the Issuer, at its election in each case, as provided in clause (a) or (b) below:

(a) The Issuer may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities (or their respective predecessor Securities) are registered at the close of business on a Special Record Date (as defined below) for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Issuer shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security and the date of the proposed payment (the "*Special Interest Payment Date*"), and at the same time the Issuer shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Issuer shall fix a record date (the "*Special Record Date*") for the payment of such Defaulted Interest, which date shall be not more than 15 days and not less than 10 days prior to the Special Interest Payment Date and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Issuer shall promptly notify the Trustee of such Special Record Date, and in the name and at the expense of the Issuer, the Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date and Special Interest Payment Date therefor to be given in the manner provided for in *Section 12.2*, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date and Special Interest Payment Date therefor having been so given, such Defaulted Interest shall be paid on the Special Interest Payment Date to the Persons in whose names the Securities (or their respective predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following clause (b).

(b) The Issuer may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Issuer to the Trustee of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this *Section 2.14*, each Security delivered under this Indenture upon registration of, transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

SECTION 2.15. Computation of Interest. Interest on the Securities shall be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 2.16. CUSIP, Common Code and ISIN Numbers. The Issuer in issuing the Securities may use "CUSIP", "Common Code" and "ISIN" numbers and, if so, the Trustee shall use "CUSIP", "Common Code" and "ISIN" numbers in notices of redemption or purchase as a convenience to Holders; *provided, however*, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption or purchase and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption or purchase shall not be affected by any defect in or omission of such CUSIP, Common Code and ISIN numbers. The Issuer shall promptly notify the Trustee in writing of any change in the CUSIP, Common Code and ISIN numbers.

ARTICLE III

COVENANTS

SECTION 3.1. Payment of Securities. The Issuer shall promptly pay the principal of, premium, if any, and interest (including Additional Interest, if any) on the Securities on the dates and in the manner provided in the Securities and in this Indenture. Principal, premium, if any, and interest (including Additional Interest, if any) shall be considered paid on the date due if by 11:00 a.m. (New York City time) on such date the Trustee or the Paying Agent holds in accordance with this Indenture money sufficient to pay all principal, premium, if any, and interest (including Additional Interest) then due and the Trustee or the Paying Agent, as the case may be, is not prohibited from paying such money to the Securityholders on that date pursuant to the terms of this Indenture.

The Issuer shall pay interest on overdue principal at the rate specified therefor in the Securities, and it shall pay interest on overdue installments of interest (including Additional Interest) at the same rate to the extent lawful.

Notwithstanding anything to the contrary contained in this Indenture, the Issuer may, to the extent it are required to do so by law, deduct or withhold income or other similar taxes imposed by the United States of America from principal or interest payments hereunder.

SECTION 3.2. Limitation on Indebtedness and Preferred Stock

(a) The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness (including Acquired Indebtedness) and the Parent Guarantor will not permit any of its Restricted Subsidiaries to issue Preferred Stock; *provided*, *however*, that the Parent Guarantor may Incur Indebtedness and any of the Subsidiary Guarantors may Incur Indebtedness and issue Preferred Stock if on the date thereof:

(1) the Consolidated Coverage Ratio for the Parent Guarantor and its Restricted Subsidiaries is at least 2.25 to 1.00, determined on a pro forma basis (including a pro forma application of proceeds); and

(2) no Default would occur as a consequence of, and no Event of Default would be continuing following, Incurring the Indebtedness or its application.

(b) *Section 3.2(a)* will not prohibit the Incurrence of the following Indebtedness:

(1) Indebtedness under one or more Credit Facilities of (a) the Parent Guarantor, the Issuer or any Subsidiary Guarantor Incurred pursuant to this *Section 3.2(b)(1)* in an aggregate amount not to exceed the greater of (i) $500.0 million or (ii) the sum of $250.0 million and 30.0% of the Parent Guarantor's Adjusted Consolidated Net Tangible Assets determined as of the date of the Incurrence of such Indebtedness after giving effect to the application of the proceeds therefrom and (b) any Foreign Subsidiary Incurred pursuant to this *Section 3.2(b)(1)* in an aggregate amount not to exceed $30.0 million, in each case outstanding at any one time;

(2) guarantees of Indebtedness Incurred in accordance with the provisions of this Indenture; *provided* that in the event such Indebtedness that is being guaranteed is a Subordinated Obligation or a Guarantor Subordinated Obligation, then the related guarantee shall be subordinated in right of payment to the Securities or the Guarantee to at least the same extent as the Indebtedness being guaranteed, as the case may be;

(3) Indebtedness of the Parent Guarantor owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Parent Guarantor or any Restricted Subsidiary; *provided*, *however*, that (a)(i) if the Parent Guarantor is the obligor on such Indebtedness and the obligee is not a Subsidiary Guarantor, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all obligations with respect to the Securities and (ii) if a Subsidiary Guarantor is the obligor of such Indebtedness and the obligee is neither the Parent Guarantor nor a Subsidiary Guarantor, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all obligations of such Subsidiary Guarantor with respect to its Subsidiary Guarantee and (b)(i) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being held by a Person other than the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor and (ii) any sale or other transfer of any such Indebtedness to a Person other than the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor shall be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Parent Guarantor or such Subsidiary, as the case may be, that was not permitted by this *Section 3.2(b)(3)*;

(4) Indebtedness represented by (a) the Securities issued on the Issue Date and all Guarantees, (b) any Indebtedness (other than the Indebtedness described in *Section 3.2(b)(1)*, *(2)* and *4(a)*) outstanding on the Issue Date, (c) any Exchange Securities and related guarantees issued pursuant to a Registration Rights Agreement and (d) any Refinancing Indebtedness Incurred in respect of any Indebtedness described in this *Section 3.2(b)(4)* or *Section 3.2(b)(5)* or *(7)* or Incurred pursuant to *Section 3.2(a)*;

(5) Permitted Acquisition Indebtedness;

(6) Indebtedness Incurred in respect of (a) self-insurance obligations, bid, appeal, reimbursement, performance, surety and similar bonds and completion guarantees provided by the Parent Guarantor or a Restricted Subsidiary in the ordinary course of business and any guarantees or letters of credit functioning as or supporting any of the foregoing bonds or obligations and (b) obligations represented by letters of credit for the account of the Parent Guarantor or a Restricted Subsidiary in order to provide security for workers' compensation claims (in the case of clauses (a) and (b) other than for an obligation for money borrowed);

(7) Indebtedness of the Parent Guarantor or any Restricted Subsidiary represented by Capitalized Lease Obligations (whether or not incurred pursuant to Sale/Leaseback Transactions) or other Indebtedness incurred or assumed in connection with the acquisition, construction, improvement or development of real or personal, movable or immovable, property, in each case Incurred for the purpose of financing, refinancing, renewing, defeasing or refunding all or any part

of the purchase price or cost of acquisition, construction, improvement or development of property used in the business of the Parent Guarantor or its Restricted Subsidiaries; *provided* that the aggregate principal amount incurred by the Parent Guarantor or any Restricted Subsidiary pursuant to this *Section 3.2(b)(7)* outstanding at any time shall not exceed the greater of (x) $15.0 million and (y) 1.5% of the Parent Guarantor's Adjusted Consolidated Net Tangible Assets; and *provided further* that the principal amount of any Indebtedness permitted under this *Section 3.2(b)(7)* did not in each case at the time of incurrence exceed the Fair Market Value, as determined in accordance with the definition of such term, of the acquired or constructed asset or improvement so financed;

(8) Preferred Stock (other than Disqualified Stock) of any Restricted Subsidiary;

(9) Cash Management Obligations of the Issuer or any Guarantor in an aggregate amount not to exceed $7.5 million outstanding at any one time; and

(10) in addition to the items referred to in *Sections 3.2(b)(1)* through *(9)* above, Indebtedness of the Parent Guarantor and its Restricted Subsidiaries in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this *Section 3.2(b)(10)* and then outstanding, will not exceed the greater of $35.0 million or 2.5% of the Parent Guarantor's Adjusted Consolidated Net Tangible Assets, determined as of the date of Incurrence of such Indebtedness after giving effect to such Incurrence and the application of the proceeds therefrom.

(c) For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this *Section 3.2*:

(1) in the event an item of that Indebtedness meets the criteria of more than one of the types of Indebtedness described in *Section 3.2(a)* and *(b)*, the Parent Guarantor, in its sole discretion, will classify such item of Indebtedness on the date of Incurrence and, subject to *Section 3.2(c)(2)* below may later classify, reclassify or redivide all or a portion of such item of Indebtedness, in any manner that complies with this *Section 3.2*;

(2) all Indebtedness outstanding on the date of this Indenture under the Senior Secured Credit Agreement shall be deemed Incurred on the Issue Date under *Section 3.2(b)(1)*;

(3) guarantees of, or obligations in respect of letters of credit supporting, Indebtedness which is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(4) if obligations in respect of letters of credit are Incurred pursuant to a Credit Facility and are being treated as Incurred pursuant to *Section 3.2(b)(1)* and the letters of credit relate to other Indebtedness, then such other Indebtedness shall not be included;

(5) the principal amount of any Disqualified Stock of the Parent Guarantor or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary that is not a Subsidiary Guarantor, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(6) Indebtedness permitted by this *Section 3.2* need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this *Section 3.2* permitting such Indebtedness; and

(7) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined in accordance with GAAP.

Accrual of interest, accrual of dividends, the amortization of debt discount or the accretion of accreted value, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock and unrealized losses or charges in respect of Hedging Obligations (including those resulting from the application of Statement of Financial Accounting Standard No. 133) will not be deemed to be an Incurrence of Indebtedness for purposes of this *Section 3.2*.

The Parent Guarantor will not permit any of its Unrestricted Subsidiaries to Incur any Indebtedness, or issue any shares of Disqualified Stock, other than Non-Recourse Debt. If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under this *Section 3.2*, the Parent Guarantor shall be in Default of this *Section 3.2*).

For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Indebtedness, the U.S. dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed, in the case of revolving credit Indebtedness; *provided* that if such Indebtedness is Incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced. Notwithstanding any other provision of this *Section 3.2*, the maximum amount of Indebtedness that the Parent Guarantor may Incur pursuant to this *Section 3.2* shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rates of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

This Indenture will not treat (1) unsecured Indebtedness as subordinated or junior to secured Indebtedness merely because it is unsecured or (2) senior Indebtedness as subordinated or junior to any other senior Indebtedness merely because it has a junior priority with respect to the same collateral.

SECTION 3.3. Limitation on Restricted Payments. The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

(1) declare or pay any dividend or make any payment or distribution on or in respect of the Parent Guarantor's Capital Stock (including any payment or distribution in connection with any merger or consolidation involving the Parent Guarantor or any of its Restricted Subsidiaries) except:

(a) dividends or distributions by the Parent Guarantor payable solely in Capital Stock of the Parent Guarantor (other than Disqualified Stock but including options, warrants or other rights to purchase such Capital Stock of the Parent Guarantor); and

(b) dividends or distributions payable to the Parent Guarantor or a Restricted Subsidiary and if such Restricted Subsidiary is not a Wholly-Owned Subsidiary, to minority stockholders (or owners of an equivalent interest in the case of a Subsidiary that is an entity other than a corporation) so long as the Parent Guarantor or a Restricted Subsidiary receives at least its pro rata share of such dividend or distribution;

(2) purchase, repurchase, redeem, defease or otherwise acquire or retire for value any Capital Stock of the Parent Guarantor or any direct or indirect parent of the Parent Guarantor held by Persons other than the Parent Guarantor or a Restricted Subsidiary (other than in exchange for Capital Stock of the Parent Guarantor (other than Disqualified Stock));

(3) purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Obligations or Guarantor Subordinated Obligations (other than (x) Indebtedness permitted under *Section 3.2(b)(3)* or (y) the purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations or Guarantor Subordinated Obligations purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement); or

(4) make any Restricted Investment in any Person;

(any such dividend, distribution, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (4) shall be referred to herein as a "*Restricted Payment*"), if at the time the Parent Guarantor or such Restricted Subsidiary makes such Restricted Payment:

(a) a Default shall have occurred and be continuing (or would result therefrom);

(b) the Parent Guarantor is not able to Incur an additional $1.00 of Indebtedness pursuant to *Section 3.2(a)* after giving effect, on a pro forma basis, to such Restricted Payment; or

(c) the aggregate amount of such Restricted Payment and all other Restricted Payments declared or made subsequent to the Issue Date would exceed the sum of:

(i) 50% of Consolidated Net Income for the period (treated as one accounting period) from January 1, 2010 to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which internal financial statements are in existence (or, in case such Consolidated Net Income is a deficit, minus 100% of such deficit);

(ii) 100% of the aggregate Net Cash Proceeds and the Fair Market Value of property or securities other than cash (including Capital Stock of Persons engaged primarily in the Oil and Gas Business or assets used in the Oil and Gas Business), in each case received by the Parent Guarantor from the issue or sale of its Capital Stock (other than Disqualified Stock) or other capital contributions subsequent to the Issue Date (other than Net Cash Proceeds received from an issuance or sale of such Capital Stock to (x) management, employees, directors or any direct or indirect parent of the Parent Guarantor, to the extent such Net Cash Proceeds have been used to make a Restricted Payment pursuant to clause (5)(a) of the next succeeding paragraph, (y) a Subsidiary of the Parent Guarantor or (z) an employee stock ownership plan, option plan or similar trust (to the extent such sale to an employee stock ownership plan, option plan or similar trust is financed by loans from or Guaranteed by the Parent Guarantor or any Restricted Subsidiary unless such loans have been repaid with cash on or prior to the date of determination));

(iii) the amount by which Indebtedness of the Parent Guarantor or its Restricted Subsidiaries is reduced on the Parent Guarantor's balance sheet upon the conversion or exchange (other than by a Subsidiary of the Parent Guarantor) subsequent to the Issue Date of any Indebtedness of the Parent Guarantor or its Restricted Subsidiaries

convertible or exchangeable for Capital Stock (other than Disqualified Stock) of the Parent Guarantor (less the amount of any cash, or the Fair Market Value of any other property (other than such Capital Stock), distributed by the Parent Guarantor upon such conversion or exchange), together with the net proceeds, if any, received by the Parent Guarantor or any of its Restricted Subsidiaries upon such conversion or exchange; and

(iv) the amount equal to the aggregate net reduction in Restricted Investments made by the Parent Guarantor or any of its Restricted Subsidiaries in any Person after the Issue Date resulting from:

(A) repurchases, repayments or redemptions of such Restricted Investments by such Person, proceeds realized upon the sale of such Restricted Investment (other than to a Subsidiary of the Parent Guarantor), repayments of loans or advances or other transfers of assets (including by way of dividend or distribution) by such Person to the Parent Guarantor or any Restricted Subsidiary;

(B) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued in each case as provided in the definition of "Investment") not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by the Parent Guarantor or any Restricted Subsidiary in such Unrestricted Subsidiary, which amount in each case under this clause (iv) was included in the calculation of the amount of Restricted Payments; *provided*, *however*, that no amount will be included under this clause (iv) to the extent it is already included in Consolidated Net Income; and

(C) the sale by the Parent Guarantor or any Restricted Subsidiary (other than to the Parent Guarantor or a Restricted Subsidiary) of all or a portion of the Capital Stock of an Unrestricted Subsidiary or a distribution from an Unrestricted Subsidiary or a dividend from an Unrestricted Subsidiary (whether any such distribution or dividend is made with proceeds from the issuance by such Unrestricted Subsidiary of its Capital Stock or otherwise).

The provisions of the preceding paragraph will not prohibit:

(1) any Restricted Payment made by exchange for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of the Parent Guarantor (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary of the Parent Guarantor or an employee stock ownership plan or similar trust to the extent such sale to an employee stock ownership plan or similar trust is financed by loans from or Guaranteed by the Parent Guarantor or any Restricted Subsidiary unless such loans have been repaid with cash on or prior to the date of determination) or a substantially concurrent cash capital contribution received by the Parent Guarantor from its shareholders; *provided*, *however*, that (a) such Restricted Payment will be excluded from subsequent calculations of the amount of Restricted Payments and (b) the Net Cash Proceeds from such sale of Capital Stock or capital contribution will be excluded from clause (c)(ii) of the preceding paragraph;

(2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations of the Issuer or Guarantor Subordinated Obligations of any Guarantor made by exchange for, or out of the proceeds of the substantially concurrent sale of, Subordinated Obligations of the Issuer or any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Guarantor Subordinated Obligations made by exchange for or out of the proceeds of the substantially concurrent sale of Guarantor Subordinated Obligations that, in each case, is permitted to be Incurred pursuant to *Section 3.2*; *provided*, *however*, that such purchase,

repurchase, redemption, defeasance, acquisition or retirement will be excluded from subsequent calculations of the amount of Restricted Payments;

(3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Disqualified Stock of the Parent Guarantor or a Restricted Subsidiary made by exchange for, or out of the proceeds of the substantially concurrent sale of, Disqualified Stock of the Parent Guarantor or such Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant *Section 3.2*; *provided*, *however*, that such purchase, repurchase, redemption, defeasance, acquisition or retirement will be excluded from subsequent calculations of the amount of Restricted Payments;

(4) dividends paid or distributions made within 60 days after the date of declaration if at such date of declaration such dividend or distribution would have complied with this *Section 3.3*; *provided*, *however*, that such dividends and distributions will be included in subsequent calculations of the amount of Restricted Payments; and *provided further*, *however*, that for purposes of clarification, this clause (4) shall not include cash payments in lieu of the issuance of fractional shares included in clause (9) below;

(5) so long as no Default has occurred and is continuing, (a) the repurchase or other acquisition of Capital Stock (including options, warrants, equity appreciation rights or other rights to purchase or acquire Capital Stock) of the Parent Guarantor held by any existing or former employees, management or directors of the Parent Guarantor or any Restricted Subsidiary of the Parent Guarantor or their assigns, estates or heirs, in each case pursuant to the repurchase or other acquisition provisions under employee stock option or stock purchase plans or agreements or other agreements to compensate management, employees or directors, in each case approved by the Parent Guarantor's Board of Directors; *provided* that such repurchases or other acquisitions pursuant to this subclause (a) during any calendar year will not exceed $2.0 million in the aggregate (with unused amounts in any calendar year being carried over to succeeding calendar years); *provided further*, that such amount in any calendar year may be increased by an amount not to exceed (A) the cash proceeds received by the Parent Guarantor from the sale of Capital Stock of the Parent Guarantor to members of management or directors of the Parent Guarantor and its Restricted Subsidiaries that occurs after the Issue Date (to the extent the cash proceeds from the sale of such Capital Stock have not otherwise been applied to the payment of Restricted Payments by virtue of clause (c) of the preceding paragraph), plus (B) the cash proceeds of key man life insurance policies received by the Parent Guarantor and its Restricted Subsidiaries after the Issue Date, less (C) the amount of any Restricted Payments made pursuant to clauses (A) and (B) of this clause (5)(a); *provided further*, however, that the amount of any such repurchase or other acquisition under this subclause (a) will be excluded in subsequent calculations of the amount of Restricted Payments and the proceeds received from any such transaction will be excluded from clause (c)(ii) of the preceding paragraph; and (b) loans or advances to employees or directors of the Parent Guarantor or any Subsidiary of the Parent Guarantor, in each case as permitted by Section 402 of the Sarbanes-Oxley Act of 2002, the proceeds of which are used to purchase Capital Stock of the Parent Guarantor, or to refinance loans or advances made pursuant to this clause (5)(b), in an aggregate principal amount not in excess of $2.0 million at any one time outstanding; *provided*, *however*, that the amount of such loans and advances will be included in subsequent calculations of the amount of Restricted Payments;

(6) purchases, repurchases, redemptions or other acquisitions or retirements for value of Capital Stock deemed to occur upon the exercise of stock options, warrants, rights to acquire Capital Stock or other convertible securities if such Capital Stock represents a portion of the exercise or exchange price thereof, and any purchases, repurchases, redemptions or other acquisitions or retirements for value of Capital Stock made in lieu of withholding taxes in connection with any exercise or exchange of warrants, options or rights to acquire Capital Stock;

provided, *however*, that such acquisitions or retirements will be excluded from subsequent calculations of the amount of Restricted Payments;

(7) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Obligation (i) at a purchase price not greater than 101% of the principal amount of such Subordinated Obligation in the event of a Change of Control in accordance with provisions similar to *Section 3.9* or (ii) at a purchase price not greater than 100% of the principal amount thereof in accordance with provisions similar to *Section 3.5*; *provided* that, prior to or simultaneously with such purchase, repurchase, redemption, defeasance or other acquisition or retirement, the Issuer has made the Change of Control Offer or Asset Disposition Offer, as applicable, as provided in such Section with respect to the Securities and has completed the repurchase or redemption of all Securities validly tendered for payment in connection with such Change of Control Offer or Asset Disposition Offer; *provided*, *however*, that such acquisitions or retirements will be included in subsequent calculations of the amount of Restricted Payments;

(8) payments or distributions to dissenting stockholders pursuant to applicable law or in connection with the settlement or other satisfaction of legal claims made pursuant to or in connection with a consolidation, merger or transfer of assets; *provided*, *however*, that any payment pursuant to this clause (8) will be included in the calculation of the amount of Restricted Payments;

(9) cash payments in lieu of the issuance of fractional shares; *provided*, *however*, that any payment pursuant to this clause (9) will be excluded in the calculation of the amount of Restricted Payments;

(10) the declaration and payment of scheduled or accrued dividends to holders of any class of or series of Disqualified Stock of the Parent Guarantor issued after the Issue Date in accordance with *Section 3.2*, to the extent such dividends are included in Consolidated Interest Expense; *provided*, *however*, that any payment pursuant to this clause (10) will be excluded in the calculation of the amount of Restricted Payments; and

(11) Restricted Payments in an amount not to exceed $25 million in the aggregate since the Issue Date; *provided*, *however*, that the amount of such Restricted Payments will be included in subsequent calculations of the amount of Restricted Payments.

The amount of all Restricted Payments (other than cash) shall be the Fair Market Value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Parent Guarantor or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The Fair Market Value of any cash Restricted Payment shall be its face amount and the Fair Market Value of any non-cash Restricted Payment shall be determined in accordance with the definition of that term. Not later than the date of making any Restricted Payment in excess of $15.0 million that will be included in subsequent calculations of the amount of Restricted Payments, the Parent Guarantor shall deliver to the Trustee an Officers' Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by the this *Section 3.3* were computed.

In the event that a Restricted Payment meets the criteria of more than one of the exceptions described in (1) through (11) above or is entitled to be made pursuant to the first paragraph above, the Parent Guarantor shall, in its sole discretion, classify such Restricted Payment.

The Parent Guarantor shall not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the last sentence of the definition of "*Unrestricted Subsidiary*." For purpose of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by the Parent Guarantor and its Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be Restricted Payments in an amount determined as set

forth in the last sentence of the definition of "*Investment*." Such designation will be permitted only if a Restricted Payment in such amount would be permitted at such time, whether pursuant to the first paragraph of this *Section 3.3* or under clause (11) of the second paragraph of this *Section 3.3*, or pursuant to the definition of "*Permitted Investments*," and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

SECTION 3.4. Limitation on Restrictions on Distributions from Restricted Subsidiaries. The Parent Guarantor will not, and will not permit any Restricted Subsidiary (other than the Issuer or a Subsidiary Guarantor) to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any such Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock or pay any Indebtedness or other obligations owed to the Parent Guarantor or any Restricted Subsidiary (it being understood that the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on Common Stock shall not be deemed a restriction on the ability to make distributions on Capital Stock);

(2) make any loans or advances to the Parent Guarantor or any Restricted Subsidiary (it being understood that the subordination of loans or advances made to the Parent Guarantor or any Restricted Subsidiary to other Indebtedness Incurred by the Parent Guarantor or any Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances); or

(3) sell, lease or transfer any of its property or assets to the Parent Guarantor or any Restricted Subsidiary.

The preceding provisions will not prohibit:

(i) any encumbrance or restriction pursuant to or by reason of an agreement in effect at or entered into on the Issue Date, including, without limitation, this Indenture as in effect on such date;

(ii) any encumbrance or restriction with respect to a Person pursuant to or by reason of an agreement relating to any Capital Stock or Indebtedness Incurred by a Person on or before the date on which such Person was acquired by the Parent Guarantor or another Restricted Subsidiary (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person was acquired by the Parent Guarantor or a Restricted Subsidiary or in contemplation of the transaction) and outstanding on such date; *provided* that any such encumbrance or restriction shall not extend to any assets or property of the Parent Guarantor or any other Restricted Subsidiary other than the assets and property so acquired;

(iii) encumbrances and restrictions contained in contracts entered into in the ordinary course of business, not relating to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of, or from the ability of the Parent Guarantor and the Restricted Subsidiaries to realize the value of, property or assets of the Parent Guarantor or any Restricted Subsidiary in any manner material to the Parent Guarantor or any Restricted Subsidiary;

(iv) any encumbrance or restriction with respect to a Unrestricted Subsidiary pursuant to or by reason of an agreement that the Unrestricted Subsidiary is a party to entered into before the date on which such Unrestricted Subsidiary became a Restricted Subsidiary; provided that such agreement was not entered into in anticipation of the Unrestricted Subsidiary becoming a Restricted Subsidiary and any such encumbrance or restriction shall not

extend to any assets or property of the Parent Guarantor or any other Restricted Subsidiary other than the assets and property so acquired;

(v) with respect to any Foreign Subsidiary, any encumbrance or restriction contained in the terms of any Indebtedness or any agreement pursuant to which such Indebtedness was Incurred if either (1) the encumbrance or restriction applies only in the event of a payment default or a default with respect to a financial covenant in such Indebtedness or agreement or (2) the Parent Guarantor determines that any such encumbrance or restriction will not materially affect the Parent Guarantor's ability to make principal or interest payments on the Securities, as determined in good faith by the Board of Directors of the Parent Guarantor, whose determination shall be conclusive;

(vi) any encumbrance or restriction with respect to a Restricted Subsidiary pursuant to an agreement effecting a refunding, replacement or refinancing of Indebtedness Incurred pursuant to an agreement referred to in clauses (i) through (v) or clause (xii) of this paragraph or this clause (vi) or contained in any amendment, restatement, modification, renewal, supplemental, refunding, replacement or refinancing of an agreement referred to in clauses (i) through (v) or clause (xii) of this paragraph or this clause (vi); *provided* that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement taken as a whole are no less favorable in any material respect to the holders of the Securities than the encumbrances and restrictions contained in the agreements governing the Indebtedness being refunded, replaced or refinanced;

(vii) in the case of clause (3) of the first paragraph of this *Section 3.4*, any encumbrance or restriction:

(a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease (including leases governing leasehold interests or farm-in agreements or farm-out agreements relating to leasehold interests in Oil and Gas Properties), license or similar contract, or the assignment or transfer of any such lease (including leases governing leasehold interests or farm-in agreements or farm-out agreements relating to leasehold interests in Oil and Gas Properties), license (including, without limitation, licenses of intellectual property) or other contract;

(b) contained in mortgages, pledges or other security agreements permitted under this Indenture securing Indebtedness of the Parent Guarantor or a Restricted Subsidiary to the extent such encumbrances or restrictions restrict the transfer of the property subject to such mortgages, pledges or other security agreements;

(c) contained in any agreement creating Hedging Obligations permitted from time to time under this Indenture;

(d) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Parent Guarantor or any Restricted Subsidiary;

(e) restrictions on cash or other deposits imposed by customers under contracts entered into in the ordinary course of business; or

(f) provisions with respect to the disposition or distribution of assets or property in operating agreements, joint venture agreements, development agreements, area of mutual interest agreements and other agreements that are customary in the Oil and Gas Business and entered into in the ordinary course of business;

(viii) any encumbrance or restriction contained in (a) purchase money obligations for property acquired in the ordinary course of business and (b) Capitalized Lease Obligations permitted under this Indenture, in each case, that impose encumbrances or restrictions of the nature described in clause (3) of the first paragraph of this *Section 3.4* on the property so acquired;

(ix) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition of all or a portion of the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

(x) any customary encumbrances or restrictions imposed pursuant to any agreement of the type described in the definition of "Permitted Business Investment";

(xi) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order;

(xii) encumbrances or restrictions contained in agreements governing Indebtedness of the Parent Guarantor or any of its Restricted Subsidiaries permitted to be Incurred pursuant to an agreement entered into subsequent to the Issue Date in accordance with *Section 3.2*; *provided* that the provisions relating to such encumbrance or restriction contained in such Indebtedness are not materially less favorable to the Parent Guarantor taken as a whole, as determined by the Board of Directors of the Parent Guarantor in good faith, than the provisions contained in the Senior Secured Credit Agreement and in this Indenture as in effect on the Issue Date;

(xiii) the issuance of Preferred Stock by a Restricted Subsidiary or the payment of dividends thereon in accordance with the terms thereof; *provided* that issuance of such Preferred Stock is permitted pursuant to *Section 3.2* and the terms of such Preferred Stock do not expressly restrict the ability of a Restricted Subsidiary to pay dividends or make any other distributions on its Capital Stock (other than requirements to pay dividends or liquidation preferences on such Preferred Stock prior to paying any dividends or making any other distributions on such other Capital Stock);

(xiv) supermajority voting requirements existing under corporate charters, bylaws, stockholders agreements and similar documents and agreements;

(xv) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business; and

(xvi) any encumbrance or restriction contained in the Senior Secured Credit Agreement as in effect as of the Issue Date, and in any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings thereof; *provided* that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are no more restrictive with respect to such dividend and other payment restrictions than those contained in the Senior Secured Credit Agreement as in effect on the Issue Date.

SECTION 3.5. Limitation on Sales of Assets and Subsidiary Stock

The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Disposition unless:

(1) the Parent Guarantor or such Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Disposition at least equal to the Fair Market Value (such

Fair Market Value to be determined on the date of contractually agreeing to such Asset Disposition) of the shares or other assets subject to such Asset Disposition;

(2) at least 75% of the aggregate consideration received by the Parent Guarantor or such Restricted Subsidiary, as the case may be, from such Asset Disposition and all other Asset Dispositions since the Issue Date, on a cumulative basis, is in the form of cash or Cash Equivalents or Additional Assets, or any combination thereof; and

(3) except as provided in the next paragraph, an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied, within 365 days from the later of the date of such Asset Disposition or the receipt of such Net Available Cash, by the Parent Guarantor or such Restricted Subsidiary, as the case may be:

(a) to prepay, repay, redeem or purchase Pari Passu Indebtedness of the Parent Guarantor, the Issuer (including the Securities) or a Subsidiary Guarantor or any Indebtedness (other than Disqualified Stock) of a Restricted Subsidiary that is not a Subsidiary Guarantor (in each case, excluding Indebtedness owed to the Parent Guarantor or an Affiliate of the Parent Guarantor); *provided*, *however,* that, in connection with any prepayment, repayment, redemption or purchase of Indebtedness pursuant to this clause (a), the Parent Guarantor or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid, redeemed or purchased; or

(b) to invest in Additional Assets;

provided that pending the final application of any such Net Available Cash in accordance with clause (a) or clause (b) above, the Parent Guarantor and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by this Indenture.

Any Net Available Cash from Asset Dispositions that is not applied or invested as provided in the preceding paragraph will be deemed to constitute "*Excess Proceeds*." Not later than the 366th day from the later of the date of such Asset Disposition or the receipt of such Net Available Cash, if the aggregate amount of Excess Proceeds exceeds $20.0 million, the Issuer will make an offer ("*Asset Disposition Offer*") to all Holders of Securities and, to the extent required by the terms of other Pari Passu Indebtedness, to all holders of other Pari Passu Indebtedness outstanding with similar provisions requiring the Issuer to make an offer to purchase such Pari Passu Indebtedness with the proceeds from any Asset Disposition ("*Pari Passu Securities*") to purchase the maximum principal amount of Securities and any such Pari Passu Securities to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in cash in an amount equal to 100% of the principal amount (or, in the event such Pari Passu Indebtedness was issued with significant original issue discount, 100% of the accreted value thereof) of the Securities and Pari Passu Securities plus accrued and unpaid interest, if any (or in respect of such Pari Passu Indebtedness, such lesser price, if any, as may be provided for by the terms of such Indebtedness), to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), in accordance with the procedures set forth in this *Section 3.5* or the agreements governing the Pari Passu Securities, as applicable, in each case in minimum principal amount of $2,000 and integral multiples of $1,000 in excess of $2,000. If the aggregate principal amount of Securities surrendered by Holders thereof and other Pari Passu Securities surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Trustee shall select the Securities to be purchased on a pro rata basis on the basis of the aggregate principal amount of tendered Securities and Pari Passu Securities. To the extent that the aggregate amount of Securities and Pari Passu Securities so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Parent Guarantor and its Restricted Subsidiaries may use any remaining Excess

Proceeds for general corporate purposes, subject to the other covenants contained in this Indenture. Upon completion of such Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

The Asset Disposition Offer will remain open for a period of 20 Business Days following its commencement, except to the extent that a longer period is required by applicable law (the "*Asset Disposition Offer Period*"). No later than five Business Days after the termination of the Asset Disposition Offer Period (the "*Asset Disposition Purchase Date*"), the Issuer will purchase the principal amount of Securities and Pari Passu Securities required to be purchased pursuant to this *Section 3.5* (the "*Asset Disposition Offer Amount*") or, if less than the Asset Disposition Offer Amount has been so validly tendered and not properly withdrawn, all Securities and Pari Passu Securities validly tendered and not properly withdrawn in response to the Asset Disposition Offer.

If the Asset Disposition Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest, if any, will be paid to the Person in whose name a Note is registered at the close of business on such record date, and no further interest will be payable to Holders who tender Securities pursuant to the Asset Disposition Offer.

On or before the Asset Disposition Purchase Date, the Issuer will, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary, the Asset Disposition Offer Amount of Securities and Pari Passu Securities or portions of Securities and Pari Passu Securities so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Securities and Pari Passu Securities so validly tendered and not properly withdrawn, in each case in minimum principal amount of $2,000 and integral multiples of $1,000 in excess of $2,000. The Issuer will deliver to the Trustee an Officers' Certificate stating that such Securities or portions thereof were accepted for payment by the Issuer in accordance with the terms of this *Section 3.5* and, in addition, the Issuer will deliver all certificates and notes required, if any, by the agreements governing the Pari Passu Securities. The Issuer or the paying agent, as the case may be, will promptly (but in any case not later than five Business Days after the termination of the Asset Disposition Offer Period) mail or deliver to each tendering Holder of Securities or holder or lender of Pari Passu Securities, as the case may be, an amount equal to the purchase price of the Securities or Pari Passu Securities so validly tendered and not properly withdrawn by such holder or lender, as the case may be, and accepted by the Issuer for purchase, and the Issuer will promptly issue a new Security, and the Trustee, upon delivery of an Officers' Certificate from the Issuer, will authenticate and mail or deliver such new Security to such Holder, in a principal amount equal to any unpurchased portion of the Security surrendered; *provided* that each such new Security will be in a minimum principal amount of $2,000 or an integral multiple of $1,000 in excess of $2,000. In addition, the Issuer will take any and all other actions required by the agreements governing the Pari Passu Securities. Any Security not so accepted will be promptly mailed or delivered by the Issuer to the Holder thereof. The Issuer will publicly announce the results of the Asset Disposition Offer on the Asset Disposition Purchase Date.

The Issuer will comply, to the extent applicable, with the requirements of Rule 14e-1 of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Securities pursuant to an Asset Disposition Offer. To the extent that the provisions of any securities laws or regulations conflict with provisions of this *Section 3.5*, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Indenture by virtue of its compliance with such securities laws or regulations.

For the purposes of clause (2) of the first paragraph of this *Section 3.5*, the following will be deemed to be cash:

(1) the assumption by the transferee of Indebtedness (other than Guarantor Subordinated Obligations or Disqualified Stock) of the Parent Guarantor or Indebtedness of a Restricted

Subsidiary (other than Subordinated Obligations or Disqualified Stock of the Issuer and Guarantor Subordinated Obligations or Disqualified Stock of any Restricted Subsidiary that is a Subsidiary Guarantor) and the release of the Parent Guarantor or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition (in which case the Parent Guarantor will, without further action, be deemed to have applied such deemed cash to Indebtedness in accordance with clause (3)(a) of the first paragraph of this *Section 3.5*; and

(2) securities, notes or other obligations received by the Parent Guarantor or any Restricted Subsidiary from the transferee that are converted by the Parent Guarantor or such Restricted Subsidiary into cash within 180 days after receipt thereof.

Notwithstanding the foregoing, the 75% limitation referred to in clause (2) of the first paragraph of this *Section 3.5* shall be deemed satisfied with respect to any Asset Disposition in which the cash or Cash Equivalents portion of the consideration received therefrom, determined in accordance with the foregoing provision on an after-tax basis, is equal to or greater than what the after-tax proceeds would have been had such Asset Disposition complied with the aforementioned 75% limitation.

The requirement of clause (3)(b) of the first paragraph of this *Section 3.5* shall be deemed to be satisfied if an agreement (including a lease, whether a capital lease or an operating lease) committing to make the acquisitions or expenditures referred to therein is entered into by the Parent Guarantor or its Restricted Subsidiary within the specified time period and such Net Available Cash is subsequently applied in accordance with such agreement within six months following such agreement.

The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, engage in any Asset Swaps, unless:

(1) at the time of entering into such Asset Swap and immediately after giving effect to such Asset Swap, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof; and

(2) in the event such Asset Swap involves the transfer by the Parent Guarantor or any Restricted Subsidiary of assets having an aggregate Fair Market Value in excess of $20.0 million, the terms of such Asset Swap have been approved by a majority of the members of the Board of Directors of the Parent Guarantor.

SECTION 3.6. Limitation on Liens.

The Parent Guarantor will not, and will not permit either the Issuer or any of its other Restricted Subsidiaries to, directly or indirectly, create, Incur or suffer to exist any Lien (the "Initial Lien") other than Permitted Liens upon any of its property or assets (including Capital Stock of Restricted Subsidiaries), including any income or profits therefrom, whether owned on the date of this Indenture or acquired after that date, which Lien is securing any Indebtedness, unless contemporaneously with the Incurrence of such Lien effective provision is made to secure the Indebtedness due under the Parent Guarantee or, in respect of Liens on any Restricted Subsidiary's property or assets, the Securities (in the case of the Issuer) or any Subsidiary Guarantee of such other Restricted Subsidiary, equally and ratably with (or senior in priority to in the case of Liens with respect to Subordinated Obligations or Guarantor Subordinated Obligations, as the case may be) the Indebtedness secured by such Lien for so long as such Indebtedness is so secured.

Any Lien created for the benefit of the holders of the Securities pursuant to the preceding paragraph shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon the release and discharge of the Initial Lien.

SECTION 3.7. [Reserved].

SECTION 3.8. Limitation on Affiliate Transactions.

The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into, make, amend or conduct any transaction (including making a payment to, the purchase, sale, lease or exchange of any property or the rendering of any service), contract, agreement or understanding with or for the benefit of any Affiliate of the Parent Guarantor (an "*Affiliate Transaction*") unless:

(1) the terms of such Affiliate Transaction are not materially less favorable to the Parent Guarantor or such Restricted Subsidiary, as the case may be, than those that could reasonably be expected to be obtained in a comparable transaction at the time of such transaction in arm's-length dealings with a Person who is not such an Affiliate;

(2) if such Affiliate Transaction involves an aggregate consideration in excess of $20.0 million, the terms of such transaction have been approved by a majority of the members of the Board of Directors of the Parent Guarantor having no personal stake in such transaction, if any (and such majority determines that such Affiliate Transaction satisfies the criteria in clause (1) above); and

(3) if such Affiliate Transaction involves an aggregate consideration in excess of $50.0 million, the Board of Directors of the Parent Guarantor has received a written opinion from an independent investment banking, accounting, engineering or appraisal firm of nationally recognized standing that such Affiliate Transaction is fair, from a financial standpoint, to the Parent Guarantor or such Restricted Subsidiary or is not materially less favorable than those that could reasonably be expected to be obtained in a comparable transaction at such time on an arm's-length basis from a Person that is not an Affiliate.

The preceding paragraph will not apply to:

(1) any Restricted Payment permitted to be made pursuant to *Section 3.3* or any Permitted Investment;

(2) any issuance of Capital Stock (other than Disqualified Stock), or other payments, awards or grants in cash, Capital Stock (other than Disqualified Stock) or otherwise pursuant to, or the funding of, employment or severance agreements and other compensation arrangements, options to purchase Capital Stock (other than Disqualified Stock) of the Parent Guarantor, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits plans and/or insurance and indemnification arrangements provided to or for the benefit of directors and employees approved by the Board of Directors of the Parent Guarantor;

(3) loans or advances to employees, officers or directors in the ordinary course of business of the Parent Guarantor or any of its Restricted Subsidiaries;

(4) advances to or reimbursements of employees for moving, entertainment and travel expenses, drawing accounts and similar expenditures in the ordinary course of business of the Parent Guarantor or any of its Restricted Subsidiaries;

(5) any transaction between the Parent Guarantor and a Restricted Subsidiary or between Restricted Subsidiaries, and guarantees issued by the Parent Guarantor or a Restricted Subsidiary for the benefit of the Parent Guarantor or a Restricted Subsidiary, as the case may be, in accordance with *Section 3.2*;

(6) any transaction with a joint venture or similar entity which would constitute an Affiliate Transaction solely because the Parent Guarantor or a Restricted Subsidiary owns, directly or indirectly, an equity interest in or otherwise controls such joint venture or similar entity;

(7) the issuance or sale of any Capital Stock (other than Disqualified Stock) of the Parent Guarantor to, or the receipt by the Parent Guarantor of any capital contribution from its shareholders;

(8) indemnities of officers, directors and employees of the Parent Guarantor or any of its Restricted Subsidiaries permitted by bylaw or statutory provisions and any employment agreement or other employee compensation plan or arrangement entered into in the ordinary course of business by the Parent Guarantor or any of its Restricted Subsidiaries;

(9) the payment of reasonable compensation and fees paid to, and indemnity provided on behalf of, officers or directors of the Parent Guarantor or any Restricted Subsidiary;

(10) the performance of obligations of the Parent Guarantor or any of its Restricted Subsidiaries under the terms of any agreement to which the Parent Guarantor or any of its Restricted Subsidiaries is a party as of or on the Issue Date, as these agreements may be amended, modified, supplemented, extended or renewed from time to time; *provided*, *however*, that any future amendment, modification, supplement, extension or renewal entered into after the Issue Date will be permitted only to the extent that its terms are not materially more disadvantageous, taken as a whole, to the holders of the Securities than the terms of the agreements in effect on the Issue Date;

(11) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of this Indenture, *provided* that in the reasonable determination of the Board of Directors of the Parent Guarantor or the senior management of the Parent Guarantor, such transactions are on terms not materially less favorable to the Parent Guarantor or the relevant Restricted Subsidiary than those that could reasonably be expected to be obtained in a comparable transaction at such time on an arm's-length basis from a Person that is not an Affiliate of the Parent Guarantor;

(12) transactions with a Person (other than an Unrestricted Subsidiary) that is an Affiliate of the Parent Guarantor solely because the Parent Guarantor owns, directly or through a Restricted Subsidiary, an equity interest in such Person; and

(13) transactions between the Parent Guarantor or any Restricted Subsidiary and any Person, a director of which is also a director of the Parent Guarantor or any direct or indirect parent Parent Guarantor of the Parent Guarantor, and such director is the sole cause for such Person to be deemed an Affiliate of the Parent Guarantor or any Restricted Subsidiary; *provided*, *however*, that such director shall abstain from voting as a director of the Parent Guarantor or such direct or indirect parent company, as the case may be, on any matter involving such other Person.

SECTION 3.9. Purchase of Securities Upon a Change of Control.

If a Change of Control occurs, unless the Issuer has previously or concurrently exercised its right to redeem all of the Securities pursuant to *Section 5.1* and *paragraph 5* of the Securities, each Holder will have the right to require the Issuer to repurchase all or any part (equal to $2,000 or an integral multiple of $1,000 in excess of $2,000) of such Holder's Securities at a purchase price in cash equal to 101% of the principal amount of the Securities plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Within 30 days following any Change of Control, unless the Issuer has previously or concurrently exercised its right to redeem all of the Securities pursuant to *Section 5.1* and *paragraph 5* of the

Securities, the Issuer will mail a notice (the "*Change of Control Offer*") to each Holder, with a copy to the Trustee, stating:

(1) that a Change of Control has occurred and that such Holder has the right to require the Issuer to purchase such Holder's Securities at a purchase price in cash equal to 101% of the principal amount of such Securities plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date) (the "*Change of Control Payment*");

(2) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "*Change of Control Payment Date*");

(3) that any Security not properly tendered will remain outstanding and continue to accrue interest;

(4) that unless the Issuer defaults in the payment of the Change of Control Payment, all Securities accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date;

(5) that Holders electing to have any Securities purchased pursuant to a Change of Control Offer will be required to surrender such Securities, with the form entitled "Option of Holder to Elect Purchase" on the reverse of such Securities in certificated form completed, to the Paying Agent specified in the notice at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(6) that Holders will be entitled to withdraw their tendered Securities and their election to require the Issuer to purchase such Securities, provided that the Paying Agent receives, not later than the close of business on the third Business Day preceding the Change of Control Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder of the Securities, the principal amount of Securities tendered for purchase, and a statement that such Holder is withdrawing its tendered Securities and its election to have such Securities purchased;

(7) that if the Issuer is repurchasing a portion of the Security of any Holder, the Holder will be issued a new Note equal in principal amount to the unpurchased portion of the Note surrendered, provided that the unpurchased portion of the Note must be equal to a minimum principal amount of $2,000 and an integral multiple of $1,000 in excess of $2,000; and

(8) the procedures determined by the Issuer, consistent with this Indenture, that a Holder must follow in order to have its Securities repurchased.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

(1) accept for payment all Securities or portions of Securities (in a minimum principal amount of $2,000 and integral multiples of $1,000 in excess of $2,000) properly tendered pursuant to the Change of Control Offer and not properly withdrawn;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Securities or portions of Securities accepted for payment; and

(3) deliver or cause to be delivered to the Trustee the Securities so accepted together with an Officers' Certificate stating the aggregate principal amount of Securities or portions of Securities being purchased by the Issuer.

The Paying Agent will promptly mail or deliver to each Holder of Securities accepted for payment the Change of Control Payment for such Securities, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Security equal in principal amount to any unpurchased portion of the Securities surrendered, if any; provided that each such new

Note will be in a minimum principal amount of $2,000 or an integral multiple of $1,000 in excess of $2,000.

If the Change of Control Payment Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest, will be paid to the Person in whose name a Security is registered at the close of business on such record date, and no further interest will be payable to Holders who tender pursuant to the Change of Control Offer.

The Issuer is not required to make a Change of Control Offer upon a Change of Control if the Parent Guarantor or any other Person makes the Change of Control Offer in the manner, at the times and otherwise in compliance with this *Section 3.9* applicable to a Change of Control Offer made by the Issuer and purchases all Securities validly tendered and not properly withdrawn under such Change of Control Offer.

A Change of Control Offer may be made in advance of a Change of Control, and conditioned upon the occurrence of a Change of Control, if a definitive agreement is in place for the Change of Control at the time of making the Change of Control Offer.

The Issuer will comply, to the extent applicable, with the requirements of Rule 14e-1 of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Securities as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with provisions of this Section 3.9, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Section 3.9 by virtue of its compliance with such securities laws or regulations.

If Holders of not less than 90% in aggregate principal amount of the outstanding Securities validly tender and do not withdraw such Securities in a Change of Control Offer and the Issuer, or any other Person making a Change of Control Offer in lieu of the Issuer as described above, purchases all of the Securities validly tendered and not withdrawn by such Holders, the Issuer will have the right, upon not less than 30 nor more than 60 days' prior notice, given not more than 30 days following such purchase pursuant to the Change of Control Offer described above, to redeem all Securities that remain outstanding following such purchase at a redemption price in cash equal to the applicable Change of Control Payment plus, to the extent not included in the Change of Control Payment, accrued and unpaid interest, if any, to the Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

The Issuer's obligation to make a Change of Control Offer pursuant to this Section 3.9 may be waived or modified or terminated with the consent of the Holders of a majority in principal amount of the Securities then outstanding (including consents obtained in connection with a tender offer or exchange offer for the Securities) prior to the occurrence of such Change of Control.

SECTION 3.10. Provision of Financial Information. Whether or not the Parent Guarantor is subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act, to the extent not prohibited by the Exchange Act, the Parent Guarantor will file with the SEC, and make available to the Trustee and the Holders of the Securities without cost to any Holder, the annual reports and the information, documents and other reports (or copies of such portions of any of the foregoing as the SEC may by rules and regulations prescribe) that are specified in Sections 13 and 15(d) of the Exchange Act and applicable to a U.S. corporation within the time periods specified therein with respect to a non-accelerated filer; *provided, however,* that no Annual Report on Form 10-K shall be due with respect to any fiscal year ending prior to December 31, 2010, no Quarterly Report on Form 10-Q shall be due with respect to any quarter ending prior to June 30, 2010 and no Current Report on Form 8-K shall be due with respect to any event occurring prior to the date of filing the Parent Guarantor's Quarterly Report on Form 10-Q for the quarter ending June 30, 2010. In the event that the Parent Guarantor is not permitted to file such reports, documents and information with the SEC

pursuant to the Exchange Act, the Parent Guarantor will nevertheless make available such Exchange Act information to the Trustee and the Holders of the Securities without cost to any Holder as if the Parent Guarantor were subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act within the time periods specified therein with respect to a non-accelerated filer.

In addition, the Parent Guarantor will make available to the Trustee and the Holders of the Securities without cost to any Holder (i) on or prior to December 18, 2009, unaudited combined financial statements of the Subsidiary Guarantors with respect to the nine months ended September 30, 2009, (ii) within 90 days after the end of the fiscal year ending December 31, 2009, audited consolidated financial statements of the Parent Guarantor and its Subsidiaries and (iii) within 45 days after the end of the fiscal quarter ending March 31, 2010, quarterly unaudited consolidated financial statements of the Parent Guarantor and its Subsidiaries. Such unaudited combined financial statements of the Subsidiary Guarantors will consist of a combined balance sheet of the Subsidiary Guarantors as of September 30, 2009 and combined statements of income and cash flows of the Subsidiary Guarantors for the nine months ended September 30, 2009, all in reasonable detail and duly certified (subject to normal year-end audit adjustments) by a principal financial or accounting officer of the Parent Guarantor as having been prepared in accordance with GAAP. Such audited consolidated financial statements of the Parent Guarantor and its Subsidiaries will consist of a consolidated balance sheet of the Parent Guarantor and its Subsidiaries as of December 31, 2009 and consolidated statements of income and cash flows of the Parent Guarantor and its Subsidiaries for the fiscal year then ended, accompanied by an opinion of KPMG LLP (or other independent public accountants of nationally recognized standing). Such quarterly unaudited consolidated financial statements of the Parent Guarantor and its Subsidiaries will consist of a consolidated balance sheet of the Parent Guarantor and its Subsidiaries as of March 31, 2010 and consolidated statements of income and cash flows of the Parent Guarantor and its Subsidiaries for the three months ending March 31, 2010, all in reasonable detail and duly certified (subject to normal year-end audit adjustments) by a principal financial or accounting officer of the Parent Guarantor as having been prepared in accordance with GAAP.

This *Section 3.10* will not impose any duty on the Parent Guarantor under the Sarbanes-Oxley Act of 2002 and the related SEC rules that would not otherwise be applicable.

If the Parent Guarantor has designated any of its Subsidiaries as Unrestricted Subsidiaries, then the financial information required will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, and in any accompanying Management's Discussion and Analysis of Financial Condition and Results of Operations, of the financial condition and results of operations of the Parent Guarantor and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Parent Guarantor.

The availability of the foregoing materials on the SEC's website or on the Parent Guarantor's website shall be deemed to satisfy the foregoing delivery obligations.

For so long as any Securities remain outstanding and constitute "restricted securities" under Rule 144, the Guarantors will furnished to the holders of the Securities, and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

SECTION 3.11. Future Subsidiary Guarantors.

The Parent Guarantor will cause (a) each Wholly-Owned Subsidiary of the Parent Guarantor (other than a Foreign Subsidiary) formed or acquired after the Issue Date and (b) any other Domestic Subsidiary (except the Issuer) that is not already a Subsidiary Guarantor that guarantees any Indebtedness of the Parent Guarantor, the Issuer or a Subsidiary Guarantor, in each case to execute and deliver to the Trustee within 30 days a supplemental indenture (in substantially the form specified

in *Exhibit* C to this Indenture) pursuant to which such Subsidiary will unconditionally guarantee, on a joint and several basis, the full and prompt payment of the principal of, premium, if any, and interest on the Securities on a senior basis; *provided* that any Restricted Subsidiary that constitutes an Immaterial Subsidiary need not become a Subsidiary Guarantor until such time as it ceases to be an Immaterial Subsidiary.

SECTION 3.12. Maintenance of Office or Agency. The Issuer will maintain an office or agency where the Securities may be presented or surrendered for payment, where, if applicable, the Securities may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Issuer in respect of the Securities and this Indenture may be served. The corporate trust office of the Trustee indicated in *Section 2.3* shall be such office or agency of the Issuer, unless the Issuer shall designate and maintain some other office or agency for one or more of such purposes. The Issuer will give prompt written notice to the Trustee of any change in the location of any such office or agency. If at any time the Issuer shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the corporate trust office of the Trustee indicated in *Section 12.2*, and the Issuer hereby appoint the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

The Issuer may also from time to time designate one or more other offices or agencies where the Securities may be presented or surrendered for any or all such purposes and may from time to time rescind any such designation. The Issuer will give prompt written notice to the Trustee of any such designation or rescission and any change in the location of any such other office or agency.

SECTION 3.13. Corporate Existence. Except as otherwise provided in Article IV, the Parent Guarantor shall do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory), licenses and franchises; provided, however, that the Parent Guarantor shall not be required to preserve any such right, license or franchise if it shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Parent Guarantor.

SECTION 3.14. Payment of Taxes. The Parent Guarantor shall pay or discharge or cause to be paid or discharged, before the same shall become delinquent, all material taxes, assessments and governmental charges levied or imposed upon the Parent Guarantor or any Subsidiary or upon the income, profits or property of the Parent Guarantor or any Subsidiary; provided, however, that the Parent Guarantor shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment or charge the amount, applicability or validity of which is being contested in good faith by appropriate proceedings.

SECTION 3.15. Payments for Consent. Neither the Parent Guarantor nor any of its Restricted Subsidiaries will, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fees or otherwise, to any Holder of any Securities for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Securities unless such consideration is offered to be paid or is paid to all Holders of the Securities that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or amendment.

SECTION 3.16. Compliance Certificate. The Issuer and the Guarantors shall deliver to the Trustee within 120 days after the end of each fiscal year of the Parent Guarantor ending after the Issue Date a statement (which need not be an Officers' Certificate) signed by the principal executive officer, the principal accounting officer or the principal financial officer of each of the Issuer and the Guarantors, stating that a review of the activities of the Parent Guarantor and its Restricted Subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether each of the Issuer and the Guarantors has performed its obligations under this

Indenture, and further stating whether or not the signers know of any Default or Event of Default that occurred during such period. If they do, the certificate shall describe such Default or Event of Default, its status and what action the Issuer is taking or proposes to take with respect thereto. The Issuer also shall comply with TIA § 314(a)(4).

SECTION 3.17. Further Instruments and Acts. Upon request of the Trustee, the Issuer will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

SECTION 3.18. Business Activities. The Issuer may not engage in any business not related directly or indirectly to obtaining money or arranging financing for the Parent Guarantor or its Restricted Subsidiaries, the Issuer may not have any Subsidiary, and no Person other than the Parent Guarantor or any of its other Restricted Subsidiaries may own any Capital Stock of the Issuer.

SECTION 3.19. Statement by Officers as to Default. The Issuer shall, so long as any Security is outstanding, deliver to the Trustee within thirty days after the occurrence of a Default, an Officers' Certificate setting forth the details of such Default, and what action the Issuer is taking or proposing to take with respect thereto.

SECTION 3.20. Covenant Termination. From and after the occurrence of an Investment Grade Rating Event, the Issuer and its Restricted Subsidiaries will no longer be subject to the provisions of this Indenture described above in *Sections 3.2*, *3.3*, *3.4*, *3.5*, *3.8* and *Section 4.1(a)(3)* hereof.

After the foregoing covenants have been terminated, the Issuer may not designate any of its Subsidiaries as Unrestricted Subsidiaries pursuant to the second sentence of the definition of "Unrestricted Subsidiary."

ARTICLE IV

SUCCESSOR COMPANY

SECTION 4.1. Merger and Consolidation.

(a) Neither the Parent Guarantor nor the Issuer will consolidate with or merge with or into or wind up into (whether or not it is the surviving Person), or convey, transfer or lease all or substantially all its assets in one or more related transactions to, any Person, unless:

(1) the resulting, surviving or transferee Person (the "*Successor Company*") will be a corporation, partnership, trust or limited liability company organized and existing under the laws of the United States of America, any State of the United States or the District of Columbia and the Successor Company (if not the Parent Guarantor or the Issuer, as the case may be) will expressly assume, by supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Parent Guarantor or the Issuer, as the case may be, under this Indenture, the Securities or the Parent Guarantee as applicable;

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(3) either (A) immediately after giving effect to such transaction, the Successor Company would be able to Incur at least an additional $1.00 of Indebtedness pursuant to *Section 3.2(a)* or (B) immediately after giving effect to such transaction on a pro forma basis and any related financing transactions as if the same had occurred at the beginning of the applicable four quarter

period, the Consolidated Coverage Ratio of the Parent Guarantor is equal to or greater than the Consolidated Coverage Ratio of the Parent Guarantor immediately before such transaction;

(4) if the Issuer is not the Successor Company in any of the transactions referred to above that involve the Issuer, each Guarantor (unless it is the other party to the transactions, in which case clause (1) shall apply) shall have by supplemental indenture confirmed that its Guarantee shall apply to the Successor Company's obligations in respect of this Indenture and the Securities and that its Guarantee shall continue to be in effect; and

(5) the Parent Guarantor or the Issuer, as the case may be, shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease and such supplemental indenture (if any) comply with this Indenture.

For purposes of this *Section 4.1*, the sale, lease, conveyance, assignment, transfer or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Parent Guarantor, which properties and assets, if held by the Parent Guarantor instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Parent Guarantor on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the assets of the Parent Guarantor.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Parent Guarantor or the Issuer, as the case may be, under this Indenture; and its predecessor, except in the case of a lease of all or substantially all its assets, will be released from all obligations under this Indenture, the Securities or the Parent Guarantee as applicable.

Notwithstanding the preceding clause (3), (x) any Restricted Subsidiary may consolidate with, merge into or transfer all or part of its assets to the Parent Guarantor and the Parent Guarantor may consolidate with, merge into or transfer all or part of its assets to a Subsidiary Guarantor and (y) the Parent Guarantor may merge with an Affiliate incorporated solely for the purpose of reorganizing the Parent Guarantor in another jurisdiction; and *provided further* that, in the case of a Restricted Subsidiary that consolidates with, merges into or transfers all or part of its properties and assets to the Parent Guarantor, the Issuer will not be required to comply with the preceding clause (5).

(b) In addition, the Parent Guarantor will not permit any Subsidiary Guarantor to consolidate with or merge with or into, and will not permit the conveyance, transfer or lease of all or substantially all of the assets of any Subsidiary Guarantor to, any Person (other than the Parent Guarantor or another Subsidiary Guarantor) unless:

(1) (a) the resulting, surviving or transferee Person will be a corporation, partnership, trust or limited liability company organized and existing under the laws of the United States of America, any State of the United States or the District of Columbia and such Person (if not such Subsidiary Guarantor) will expressly assume, by supplemental indenture, executed and delivered to the Trustee, all the obligations of such Subsidiary Guarantor under its Subsidiary Guarantee; and (b) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the resulting, surviving or transferee Person or any Restricted Subsidiary as a result of such transaction as having been Incurred by such Person or such Restricted Subsidiary at the time of such transaction), no Default shall have occurred and be continuing; or

(2) the transaction is made in compliance with this *Section 4.1(b)* and the conditions described in *Section 10.2* and

(3) the Parent Guarantor will have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease and such supplemental indenture (if any) comply with this Indenture.

ARTICLE V

REDEMPTION OF SECURITIES

SECTION 5.1. Redemption. The Securities may be redeemed (a) as a whole or from time to time in part, subject to the conditions and at the redemption prices specified in *paragraph 5* of the form of Securities set forth in *Exhibit A* and *Exhibit B* hereto, which are hereby incorporated by reference and made a part of this Indenture, or (b) as a whole, and not less than as a whole, subject to the conditions and at the redemption price specified in the penultimate paragraph of *Section 3.9*, in each case together with accrued and unpaid interest (including Additional Interest) to the Redemption Date.

SECTION 5.2. Applicability of Article. Redemption of Securities at the election of the Issuer, as permitted by any provision of this Indenture, shall be made in accordance with such provision and this Article.

SECTION 5.3. Election to Redeem; Notice to Trustee. The election of the Issuer to redeem any Securities pursuant to *Section 5.1* shall be evidenced by a Board Resolution of the Issuer. In case of any redemption at the election of the Issuer, the Issuer shall, not later than five Business Days prior to giving notice of any redemption pursuant to *Section 5.5* (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date and of the principal amount of Securities to be redeemed and, in the case of any redemption of less than all Securities, shall deliver to the Trustee such documentation and records as shall enable the Trustee to select the Securities to be redeemed pursuant to *Section 5.4*. Any such notice may be cancelled at any time prior to notice of such redemption being mailed to any Holder and shall thereby be void and of no effect.

SECTION 5.4. Selection by Trustee of Securities to Be Redeemed. If less than all the Securities are to be redeemed at any time pursuant to an optional redemption, the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the outstanding Securities not previously called for redemption, in compliance with the requirements, as set forth in an Officers' Certificate delivered by the Issuer to the Trustee, of the principal national securities exchange, if any, on which such Securities are listed, or, if such Securities are not so listed, by lot or by such other method as the Trustee in its sole discretion shall deem to be fair and appropriate (and in such manner as complies with applicable legal requirements) and which may provide for the selection for redemption of portions of the principal of the Securities in denominations of $2,000 or larger integral multiples of $1,000; *provided, however,* that no such partial redemption shall reduce the portion of the principal amount of a Security not redeemed to less than $2,000.

The Trustee shall promptly notify the Issuer in writing of the Securities selected for redemption and, in the case of any Securities selected for partial redemption, the method it has chosen for the selection of Securities and the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to redemption of Securities shall relate, in the case of any Security redeemed or to be redeemed only in part, to the portion of the principal amount of such Security which has been or is to be redeemed.

SECTION 5.5. Notice of Redemption. Notice of redemption shall be given in the manner provided for in *Section 12.2* not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed. At the Issuer' request, the Trustee shall give notice of redemption in the Issuer' name and at the Issuer' expense; *provided, however,* that the Issuer shall deliver to the Trustee, at least five Business Days prior to the giving of such notice (unless a shorter period shall be satisfactory to the Trustee), an Issue Order requesting that the Trustee give such notice at the Issuer' expense and setting forth the information to be stated in such notice as provided in the following items.

All notices of redemption shall state:

(1) the Redemption Date,

(2) the redemption price, if then determinable, and otherwise the method for its determination and the amount of accrued interest (including Additional Interest) to the Redemption Date payable as provided in *Section 5.7*, if any,

(3) if less than all outstanding Securities are to be redeemed, the identification of the particular Securities (or portion thereof) to be redeemed, as well as the aggregate principal amount of Securities to be redeemed and the aggregate principal amount of Securities to be outstanding after such partial redemption,

(4) in case any Security is to be redeemed in part only, the notice which relates to such Security shall state that on and after the Redemption Date, upon surrender of such Security, the Holder will receive, without charge, a new Security or Securities of authorized denominations for the principal amount thereof remaining unredeemed,

(5) that on the Redemption Date the redemption price (and accrued interest (including Additional Interest), if any, to the Redemption Date payable as provided in *Section 5.7*) will become due and payable upon each such Security, or the portion thereof, to be redeemed, and, unless the Issuer default in making the redemption payment, that interest on Securities called for redemption (or the portion thereof) will cease to accrue on and after said date,

(6) the place or places where such Securities are to be surrendered for payment of the redemption price and accrued interest, if any,

(7) the name and address of the Paying Agent,

(8) that Securities called for redemption must be surrendered to the Paying Agent to collect the redemption price,

(9) the CUSIP, Common Code and ISIN numbers, if applicable, and that no representation is made as to the accuracy or correctness of the CUSIP, Common Code and ISIN numbers, if applicable, if any, listed in such notice or printed on the Securities, and

(10) the Section of this Indenture or the paragraph of the Securities pursuant to which the Securities are to be redeemed.

SECTION 5.6. Deposit of Redemption Price. Prior to 11:00 a.m., New York City time, on any Redemption Date, the Issuer shall deposit with the Trustee or with a Paying Agent (or, if the Parent Guarantor or any of the Parent Guarantor's Restricted Subsidiaries is acting as its own Paying Agent, segregate and hold in trust as provided in *Section 2.4*) an amount of money sufficient to pay the redemption price of and accrued interest (including Additional Interest) on, all the Securities which are to be redeemed on that date, other than Securities or portions of Securities called for redemption that are beneficially owned by the Issuer and have been delivered by the Issuer to the Trustee for cancellation.

SECTION 5.7. Securities Payable on Redemption Date. Notice of redemption having been given as aforesaid, the Securities or portions of Securities so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified (together with accrued interest, if any, to the Redemption Date), and from and after such date (unless the Issuer shall default in the payment of the redemption price and accrued interest) such Securities shall cease to bear interest and the only right of the Holders thereof will be to receive payment of the redemption price and, subject to the next sentence, unpaid interest on such Securities to the Redemption Date. Upon surrender of any such Security for redemption in accordance with said notice, such Security shall be paid by the Issuer at the redemption price, together with accrued interest, if any, to the Redemption Date, *provided*, *however*,

that installments of interest whose Stated Maturity is on or prior to the Redemption Date will be payable to the Holder of such Security, or one or more predecessor Securities, registered as such as of the relevant record date.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the unpaid principal (and premium, if any) shall, until paid, bear interest from the Redemption Date at the rate borne by the Securities.

SECTION 5.8. Securities Redeemed in Part. Any Security which is to be redeemed only in part (pursuant to the provisions of this Article) shall be surrendered at the office or agency of the Issuer maintained for such purpose pursuant to *Section 3.12* (with, if the Issuer or the Trustee so require, due endorsement by, or a written instrument of transfer in form satisfactory to the Issuer and the Trustee duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing), and the Issuer shall execute, and the Trustee shall authenticate and make available for delivery to the Holder of such Security at the expense of the Issuer, a new Security or Securities, of any authorized denomination as requested by such Holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered; *provided,* that each such new Security will be in a principal amount of $2,000 or larger integral multiple of $1,000.

ARTICLE VI

DEFAULTS AND REMEDIES

SECTION 6.1. Events of Default. An "*Event of Default*" wherever used herein, means any one of the following events in relation to the Securities (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) default in any payment of interest or Additional Interest, if any, on any Security when due, continued for 30 days;

(2) default in the payment of principal of or premium, if any, on any Security when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration of acceleration or otherwise;

(3) failure by the Issuer or any Guarantor to comply with its obligations *Section 4.1*;

(4) failure by the Parent Guarantor or the Issuer to comply for 30 days (or 180 days in the case of a Reporting Failure) after has been given, by registered or certified mail, to the Issuer by the Trustee or to the Issuer and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Securities a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder with *Sections 3.2*, *3.3*, *3.4*, *3.5*, *3.6*, *3.8*, *3.9*, *3.10*, *3.11*, *3.15* and *3.18* (in each case, other than a failure to purchase Securities which will constitute an Event of Default under clause (2) above and other than a failure to comply with *Section 4.1* which is covered by clause (3));

(5) failure by the Parent Guarantor or the Issuer to comply with any agreement in the Indenture (other than an agreement, a default in or failure to comply with is elsewhere in this Section specifically dealt with) and continuance of such default or breach for a period of 60 days after there has been given, by registered or certified mail, to the Issuer by the Trustee or to the Issuer and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Securities a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder;

(6) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Parent Guarantor or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Parent Guarantor or any of its Restricted Subsidiaries), other than Indebtedness owed to the Parent Guarantor or a Restricted Subsidiary, whether such Indebtedness or guarantee now exists, or is created after the date of this Indenture, which default:

(a) is caused by a failure to pay principal of, or interest or premium, if any, on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness (and any extensions of any grace period) ("*payment default*"); or

(b) results in the acceleration of such Indebtedness prior to its Stated Maturity (the "*cross acceleration provision*");

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates $10.0 million or more;

(7) the entry by a court having jurisdiction in the premises of (A) a decree or order for relief in respect of the Parent Guarantor, the Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the last audited consolidated financial statements for the Parent Guarantor and its Restricted Subsidiaries) would constitute a Significant Subsidiary in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or (B) a decree or order adjudging the Parent Guarantor or the Issuer a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Parent Guarantor, the Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the last audited consolidated financial statements for the Parent Guarantor and its Restricted Subsidiaries) would constitute a Significant Subsidiary, under any applicable Federal or State law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Parent Guarantor, the Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the last audited consolidated financial statements for the Parent Guarantor, the Issuer and its Restricted Subsidiaries) would constitute a Significant Subsidiary, or of any substantial part of its or their property, or ordering the winding up or liquidation of its or their affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive days; or

(8) the commencement by the Parent Guarantor, the Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the last audited consolidated financial statements for the Parent Guarantor and its Restricted Subsidiaries) would constitute a Significant Subsidiary of a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by it or them to the entry of a decree or order for relief in respect of the Parent Guarantor or the Issuer or in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it or them, or the filing by it or them of a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or the consent by it or them to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Parent Guarantor, the Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the last audited consolidated financial statements for the Parent Guarantor and its Restricted Subsidiaries) would constitute a Significant Subsidiary or of any substantial part of its or their property, or the making by it or

them of an assignment for the benefit of creditors, or the admission by it or them in writing of its or their inability to pay its or their debts generally as they become due, or the taking of corporate action by the Parent Guarantor, the Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the last audited consolidated financial statements for the Parent Guarantor and its Restricted Subsidiaries) would constitute a Significant Subsidiary in furtherance of any such action; or

(9) failure by the Parent Guarantor, the Issuer or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Parent Guarantor and its Restricted Subsidiaries), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of $10.0 million (to the extent not covered by insurance by a reputable and creditworthy insurer as to which the insurer has not disclaimed coverage), which judgments are not paid or discharged, and there shall be any period of 60 consecutive days following entry of such final judgment or decree during which a stay of enforcement of such final judgment or decree, by reason of pending appeal or otherwise, shall not be in effect (the "*judgment default provision*"); or

(10) the Parent Guarantee or any Subsidiary Guarantee of a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Parent Guarantor and its Restricted Subsidiaries) would constitute a Significant Subsidiary, ceases to be in full force and effect (except as contemplated by the terms of this Indenture) or is declared null and void in a judicial proceeding or the Parent Guarantor or any Subsidiary Guarantor that is a Significant Subsidiary or group of Subsidiary Guarantors that, taken together (as of the latest audited consolidated financial statements of the Parent Guarantor and its Restricted Subsidiaries) would constitute a Significant Subsidiary, denies or disaffirms its obligations under this Indenture or its Guarantee.

However, a default under clauses (4) and (5) of this *Section 6.1* will not constitute an Event of Default until the Trustee or the Holders of at least 25% in principal amount of the outstanding Securities notify the Parent Guarantor and the Issuer in writing and, in the case of a notice given by the Holders, the Trustee of the default and the Parent Guarantor or the Issuer does not cure such default within the time specified in clauses (4) and (5) of this *Section 6.1* after receipt of such notice.

SECTION 6.2. Acceleration.

If an Event of Default (other than an Event of Default described in *Section 6.1* (7) and (8)) occurs and is continuing, the Trustee by notice to the Parent Guarantor and the Issuer, or the Holders of at least 25% in principal amount of the outstanding Securities by notice to the Parent Guarantor and the Issuer and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, accrued and unpaid interest, if any, on all the Securities to be due and payable. If an Event of Default described in *Section 6.1* (7) and (8) occurs and is continuing, the principal of, premium, if any, accrued and unpaid interest, if any, on all the Securities will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders. Notwithstanding the foregoing, if an Event of Default specified in *Section 6.1* (6) shall have occurred and be continuing, such Event of Default and any consequential acceleration (to the extent not in violation of any applicable law or in conflict with any judgment or decree of a court of competent jurisdiction) shall be automatically rescinded if (i) the Indebtedness that is the subject of such Event of Default has been repaid or (ii) if the default relating to such Indebtedness is waived by the holders of such Indebtedness or cured and if such Indebtedness has been accelerated, then the holders thereof have rescinded their declaration of acceleration in respect of such Indebtedness, in each case within 20 days after the declaration of acceleration with respect thereto, and (iii) any other existing Events of Default, except nonpayment of principal, premium or interest on the Securities that became due solely because of the acceleration of the Securities, have been cured or waived.

SECTION 6.3. Other Remedies. If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy by proceeding at law or in equity to collect the payment of principal of (or premium) or interest (including Additional Interest) on the Securities or to enforce the performance of any provision of the Securities, this Indenture or the Guarantees.

The Trustee may maintain a proceeding even if it does not possess any of the Securities or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Securityholder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative.

SECTION 6.4. Waiver of Past Defaults. The Holders of a majority in principal amount of the outstanding Securities by notice to the Trustee (with a copy to the Issuer, but the applicable waiver or rescission shall be effective when the notice is given to the Trustee) may (a) waive, by their consent (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Securities), an existing Default or Event of Default and its consequences except (i) a Default or Event of Default in the payment of the principal of, or premium, if any, or interest (including Additional Interest) on a Security or (ii) a Default or Event of Default in respect of a provision that under *Section 9.2* cannot be amended without the consent of each Securityholder affected and (b) rescind any acceleration with respect to the Securities and its consequences if (1) such rescission would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, other than the nonpayment of the principal of, premium, if any, and interest (including Additional Interest) on the Securities that have become due solely by such declaration of acceleration, have been cured or waived. When a Default or Event of Default is waived, it is deemed cured, but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any consequent right.

SECTION 6.5. Control by Majority. The Holders of a majority in principal amount of the outstanding Securities may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture, the Securities or the Subsidiary Guarantees or, subject to *Sections 7.1* and *7.2*, that the Trustee determines is unduly prejudicial to the rights of other Securityholders or would involve the Trustee in personal liability; *provided, however*, that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction. Prior to taking any such action hereunder, the Trustee shall be entitled to indemnification or security reasonably satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

SECTION 6.6. Limitation on Suits. Subject to *Section 6.7*, a Securityholder may not pursue any remedy with respect to this Indenture or the Securities unless:

(1) such Holder has previously given to the Trustee written notice stating that an Event of Default is continuing;

(2) Holders of at least 25% in principal amount of the outstanding Securities have requested that the Trustee pursue the remedy;

(3) such Holders have offered to the Trustee reasonable security or indemnity against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after receipt of the request and the offer of security or indemnity; and

(5) the Holders of a majority in principal amount of the outstanding Securities have not waived such Event of Default or otherwise given the Trustee a direction that, in the opinion of the Trustee, is inconsistent with such request during such 60-day period.

A Securityholder may not use this Indenture to prejudice the rights of another Securityholder or to obtain a preference or priority over another Securityholder.

SECTION 6.7. Rights of Holders to Receive Payment. Notwithstanding any other provision of this Indenture (including, without limitation, *Section 6.6*), the right of any Holder to receive payment of principal of, premium (if any) or interest (including Additional Interest) on the Securities held by such Holder, on or after the respective due dates expressed or provided for in the Securities, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

SECTION 6.8. Collection Suit by Trustee. If an Event of Default specified in clauses (1) or (2) of *Section 6.1* occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Issuer for the whole amount then due and owing (together with interest on any unpaid interest to the extent lawful) and the amounts provided for in *Section 7.7*.

SECTION 6.9. Trustee May File Proofs of Claim. The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Securityholders allowed in any judicial proceedings relative to the Parent Guarantor, the Issuer or the other Subsidiaries of the Parent Guarantor or its or their respective creditors or properties and, unless prohibited by law or applicable regulations, may be entitled and empowered to participate as a member of any official committee of creditors appointed in such matter and may vote on behalf of the Holders in any election of a trustee in bankruptcy or other Person performing similar functions, and any Custodian in any such judicial proceeding is hereby authorized by each Holder to make payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and its counsel, and any other amounts due the Trustee under *Section 7.7*.

No provision of this Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 6.10. Priorities. (a) If the Trustee collects any money or property pursuant to this *Article VI*, it shall pay out the money in the following order:

FIRST: to the Trustee for amounts due to it under *Section 7.7*, including payment of all compensation, expense and liabilities incurred, and all advances made, by the Trustee and the costs and expenses of collection;

SECOND: to Holders of Securities for amounts due and unpaid on the Securities for principal, premium, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Securities for principal, premium, if any, and interest (including Additional Interest), respectively; and

THIRD: to the Issuer or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders of Securities pursuant to this *Section 6.10*.

SECTION 6.11. Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Trustee, a suit by the Issuer, a suit by a Holder pursuant to *Section 6.7* or a suit by Holders of more than 10% in outstanding principal amount of the Securities.

ARTICLE VII

TRUSTEE

SECTION 7.1. Duties of Trustee (a) If an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates, opinions or orders furnished to the Trustee and conforming to the requirements of this Indenture, the Securities or the Subsidiary Guarantees, as applicable. However, in the case of any such certificates or opinions which by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall examine such certificates and opinions to determine whether or not they conform to the requirements of this Indenture, the Securities or the Subsidiary Guarantees, as the case may be (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(1) this paragraph does not limit the effect of paragraph (b) of this Section;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to *Section 6.5*; and

(4) no provision of this Indenture, the Securities or the Guarantees shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or thereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity or security against such risk or liability is not reasonably assured to it.

(d) Every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b) and (c) of this Section.

(e) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuer.

(f) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(g) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section and to the provisions of the TIA.

(h) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Issuer shall be sufficient if signed by one Officer of the Issuer.

SECTION 7.2. Rights of Trustee. Subject to *Section 7.1*:

(a) The Trustee may conclusively rely on any document (whether in its original or facsimile form) reasonably believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document. The Trustee shall receive and retain financial reports and statements of the Issuer as provided herein, but shall have no duty to review or analyze such reports or statements to determine compliance with covenants or other obligations of the Issuer.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate and/or an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on an Officers' Certificate or Opinion of Counsel.

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers, unless the Trustee's conduct constitutes willful misconduct or negligence.

(e) The Trustee may consult with counsel of its selection, and the advice or opinion of counsel with respect to legal matters relating to this Indenture, the Securities or the Subsidiary Guarantees shall be full and complete authorization and protection from liability in respect of any action taken, omitted or suffered by it hereunder or under the Securities or the Subsidiary Guarantees in good faith and in accordance with the advice or opinion of such counsel.

(f) The Trustee shall not be deemed to have notice of any Default or Event of Default or whether any entity or group of entities constitutes a Significant Subsidiary unless a Trust Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a Default or of any such Significant Subsidiary is received by the Trustee at the corporate trust office of the Trustee specified in *Section 12.2*, and such notice references the Securities and this Indenture.

(g) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and to each agent, custodian and other Person employed to act hereunder.

(h) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture, the Securities or the Guarantees at the request, order or direction of any of the Holders pursuant to the provisions of this Indenture, unless such Holders shall have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which may be incurred therein or thereby.

(i) The Trustee shall not be deemed to have knowledge of any fact or matter unless such fact or matter is known to a Trust Officer of the Trustee.

(j) Whenever in the administration of this Indenture, the Securities or the Guarantees the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder or thereunder, the Trustee (unless other evidence be herein specifically prescribed) may request and in the absence of bad faith or willful misconduct on its part, rely upon an Officers' Certificate.

(k) In no event shall the Trustee be responsible or liable for any special, indirect or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit), irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(l) The parties hereto acknowledge, in accordance with Section 326 of the Patriot Act, that the Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The Issuers and the Guarantors agree that they will provide the Trustee with all such information as it may reasonably request in order to satisfy the requirements or its obligations under the Patriot Act.

(m) The Trustee will be under no obligation to exercise any of the rights or powers under this Indenture, the Securities or the Guarantees at the request or direction of any of the Holders unless such Holders have offered the Trustee indemnity or security reasonably satisfactory to it in its sole discretion against loss or expense.

SECTION 7.3. Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Securities and may otherwise deal with the Issuer, the Guarantors or their Affiliates with the same rights it would have if it were not Trustee. Any Paying Agent or Registrar may do the same with like rights. However, the Trustee must comply with *Sections 7.10* and *7.11*. In addition, the Trustee shall be permitted to engage in transactions with the Issuer; *provided, however,* that if the Trustee acquires any conflicting interest under the TIA, the Trustee must (i) eliminate such conflict within 90 days of acquiring such conflicting interest, (ii) apply to the SEC for permission to continue acting as Trustee or (iii) resign.

SECTION 7.4. Trustee's Disclaimer. The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture, the Guarantees or the Securities, shall not be accountable for the Issuer's use of the proceeds from the sale of the Securities, shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee or any money paid to the Issuer pursuant to the terms of this Indenture and shall not be responsible for any statement of the Issuer in this Indenture or in any document issued in connection with the sale of the Securities or in the Securities other than the Trustee's certificate of authentication.

SECTION 7.5. Notice of Defaults. If a Default or Event of Default occurs and is continuing and if a Trust Officer has knowledge thereof, the Trustee shall mail by first class mail to each Securityholder at the address set forth in the Securities Register notice of the Default or Event of Default within 90 days after it occurs. Except in the case of a Default or Event of Default in payment of principal of, premium (if any), or interest on any Security (including payments pursuant to the optional redemption or required repurchase provisions of such Security), the Trustee may withhold the notice if and so long as a committee of its Trust Officers in good faith determines that withholding the notice is in the interests of Securityholders.

SECTION 7.6. Reports by Trustee to Holders. Within 60 days after each October 15 beginning October 15, 2010, the Trustee shall mail to each Securityholder a brief report dated as of such October 15 that complies with TIA § 313(a) if and to the extent required thereby. The Trustee also shall comply with TIA § 313(b) and TIA § 313(c).

A copy of each report at the time of its mailing to Securityholders shall be filed with the SEC and each stock exchange (if any) on which the Securities are listed. The Issuer agrees to notify promptly the Trustee whenever the Securities become listed on any stock exchange and of any delisting thereof and the Trustee shall comply with TIA § 313(d).

SECTION 7.7. Compensation and Indemnity. The Issuer shall pay to the Trustee from time to time reasonable compensation for its services hereunder and under the Securities and the Guarantees as the Issuer and the Trustee shall from time to time agree in writing. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuer shall reimburse the Trustee upon request for all reasonable out-of-pocket expenses incurred or made by it, including, but not limited to, costs of collection, costs of preparing reports, certificates and other documents, costs of preparation and mailing of notices to Securityholders. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Trustee's agents, counsel, accountants and experts. The Issuer shall indemnify the Trustee against any and all loss, liability, damages, claims or expense (including reasonable attorneys' fees and expenses) incurred by it without willful misconduct, negligence or bad faith on its part in connection with the administration of this trust and the performance of its duties hereunder and under the Securities and the Guarantees, including the costs and expenses of enforcing this Indenture (including this *Section 7.7*), the Securities and the Guarantees and of defending itself against any claims (whether asserted by any Securityholder, the Issuer or otherwise). The Trustee shall notify the Issuer promptly of any claim for which it may seek indemnity of which it has received written notice. Failure by the Trustee to so notify the Issuer shall not relieve the Issuer of its obligations hereunder except to the extent the Issuer is prejudiced thereby. The Issuer shall defend the claim and the Trustee shall provide reasonable cooperation at the Issuer' expense in the defense. The Trustee may have separate counsel and the Issuer shall pay the fees and expenses of such counsel; *provided* that the Issuer shall not be required to pay the fees and expenses of such separate counsel if it assumes the Trustee's defense, and, in the reasonable judgment of outside counsel to the Trustee, there is no conflict of interest between the Issuer and the Trustee in connection with such defense.

To secure the Issuer' payment obligations in this *Section 7.7*, the Trustee shall have a lien prior to the Securities on all money or property held or collected by the Trustee other than money or property held in trust to pay principal of, premium, if any, and interest on particular Securities. Such lien shall survive the satisfaction and discharge of this Indenture. The Trustee's right to receive payment of any amounts due under this *Section 7.7* shall not be subordinate to any other liability or Indebtedness of the Issuer.

The Issuer' payment obligations pursuant to this Section shall survive the discharge of this Indenture. Without prejudice to any other rights available to the Trustee under applicable law, when the Trustee incurs expenses after the occurrence of a Default specified in clause (7) or clause (8) of *Section 6.1*, the expenses are intended to constitute expenses of administration under any Bankruptcy Law.

SECTION 7.8. Replacement of Trustee. The Trustee may resign at any time by so notifying the Issuer in writing. The Holders of a majority in principal amount of the Securities may remove the Trustee by so notifying the removed Trustee in writing and may appoint a successor Trustee with the Issuer' written consent, which consent will not be unreasonably withheld. The Issuer shall remove the Trustee if:

(1) the Trustee fails to comply with *Section 7.10* hereof or TIA §310;

(2) the Trustee is adjudged bankrupt or insolvent;

(3) a receiver or other public officer takes charge of the Trustee or its property; or

(4) the Trustee otherwise becomes incapable of acting.

If the Trustee resigns or is removed by the Issuer or by the Holders of a majority in principal amount of the Securities and such Holders do not reasonably promptly appoint a successor Trustee as described in the preceding paragraph, or if a vacancy exists in the office of the Trustee for any other reason (the Trustee in such event being referred to herein as the retiring Trustee), the Issuer shall promptly appoint a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuer. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Securityholders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in *Section 7.7*.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee or the Holders of at least 10% in principal amount of the Securities may petition, at the Issuer' expense, any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee fails to comply with *Section 7.10*, unless the Trustee's duty to resign is stayed as provided in TIA § 310(b), any Securityholder, who has been a bona fide holder of a Security for at least six months, may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

Notwithstanding the replacement of the Trustee pursuant to this *Section 7.8*, the Issuer's obligations under *Section 7.7* shall continue for the benefit of the retiring Trustee.

SECTION 7.9. Successor Trustee by Merger. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

In case at the time such successor or successors by merger, conversion or consolidation to the Trustee shall succeed to the trusts created by this Indenture, any of the Securities shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Securities so authenticated; and in case at that time any of the Securities shall not have been authenticated, any successor to the Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor to the Trustee; *provided* that the right to adopt the certificate of authentication of any predecessor Trustee or authenticate Securities in the name of any predecessor Trustee shall only apply to its successor or successors by merger, consolidation or conversion.

SECTION 7.10. Eligibility; Disqualification. This Indenture shall always have a Trustee that satisfies the requirements of TIA § 310(a)(1), (2) and (5) in every respect. The Trustee shall have a combined capital and surplus of at least $100 million as set forth in its most recent published annual report of condition. The Trustee shall comply with TIA § 310(b); *provided, however*, that there shall be excluded from the operation of TIA § 310(b)(1) any indenture or indentures under which other securities or certificates of interest or participation in other securities of the Issuer are outstanding if the requirements for such exclusion set forth in TIA § 310(b)(1) are met.

SECTION 7.11. Preferential Collection of Claims Against the Issuer. The Trustee shall comply with TIA § 311(a), excluding any creditor relationship listed in TIA § 311(b). A Trustee who has resigned or been removed shall be subject to TIA § 311(a) to the extent indicated.

SECTION 7.12. Trustee's Application for Instruction from the Issuer. Any application by the Trustee for written instructions from the Issuer may, at the option of the Trustee, set forth in writing any action

proposed to be taken or omitted by the Trustee under this Indenture and the date on and/or after which such action shall be taken or such omission shall be effective. The Trustee shall not be liable for any action taken by, or omission of, the Trustee in accordance with a proposal included in such application on or after the date specified in such application (which date shall not be less than three Business Days after the date any Officer of the Issuer actually receives such application, unless any such Officer shall have consented in writing to any earlier date) unless prior to taking any such action (or the effective date in the case of an omission), the Trustee shall have received written instructions in response to such application specifying the action to be taken or omitted.

ARTICLE VIII

DISCHARGE OF INDENTURE; DEFEASANCE

SECTION 8.1. Discharge of Liability on Securities; Defeasance. (a) Subject to *Section 8.1(c),* when (i)(x) all Securities that have been authenticated (other than Securities replaced or paid pursuant to *Section 2.10* and Securities for whose payment money has been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust), have been delivered to the Trustee for cancellation or (y) all outstanding Securities not theretofore delivered to the Trustee for cancellation have become due and payable by reason of the making of a notice of redemption or otherwise, will become due and payable within one year or may be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer, and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee, as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, U.S. Government Obligations, or a combination thereof, in such amounts as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Securities not theretofore delivered to the Trustee for cancellation for principal, premium, if any, and accrued interest to the date of final maturity or redemption; (ii) the Issuer has paid or caused to be paid all sums payable by it under this Indenture; and (iii) the Issuer has delivered irrevocable instructions to the Trustee under this Indenture to apply the deposited money toward the payment of such Securities at final maturity or the Redemption Date, as the case may be, then the Trustee shall acknowledge satisfaction and discharge of this Indenture on demand of the Issuer (accompanied by an Officers' Certificate and an Opinion of Counsel stating that all conditions precedent specified herein relating to the satisfaction and discharge of this Indenture have been complied with) and at the cost and expense of the Issuer. If U.S. Government Obligations shall have been deposited in connection with such satisfaction and discharge, then as a further condition to such satisfaction and discharge, the Trustee shall have received a certificate from a nationally recognized firm of independent accountants to the effect set forth in *Section 8.2(1)*.

(b) Subject to *Sections 8.1(c)* and *8.2*, the Issuer at any time may terminate (i) all of its obligations under the Securities and this Indenture ("*legal defeasance option*"), and after giving effect to such legal defeasance, any omission to comply with such obligations shall no longer constitute a Default or Event of Default or (ii) its obligations under *Sections 3.2*, *3.3*, *3.4*, *3.5*, *3.6*, *3.8*, *3.9*, *3.10*, *3.11*, *3.15* and *3.18* and *Section 4.1* (other than *Sections 4.1(a)(1)*, *(2)*, *(4)* and *(5)*), and the Issuer may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply with such covenants shall no longer constitute a Default or an Event of Default under *Section 6.1(3)* (as it relates to Section 4.1(a)(3)), *Section 6.1 (4)* (to the extent applicable to such other defeased covenants), *Section 6.1(6)*, *Section 6.1(7)* (with respect to Significant Subsidiaries), *Section 6.1(8)* (with respect to Significant Subsidiaries) and *Section 6.1(9)*, and the events specified in such Sections shall no longer constitute an Event of Default (clause (ii) being referred to as the "*covenant defeasance option*"), but except as specified above, the remainder of this

Indenture and the Securities shall be unaffected thereby. The Issuer may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance or its covenant defeasance option, the Subsidiary Guarantees in effect at such time shall terminate and, in the case of covenant defeasance, the Parent Guarantee will terminate.

If the Issuer exercises its legal defeasance option, payment of the Securities may not be accelerated because of an Event of Default. If the Issuer exercises its covenant defeasance option, payment of the Securities may not be accelerated because of an Event of Default specified in *Section 6.1(4)* (to the extent applicable to *Sections 3.2*, *3.3*, *3.4*, *3.5*, *3.6*, *3.8*, *3.9*, *3.10*, *3.11*, *3.15* and *3.18*), *Section 6.1(5)*, Section *6.1(6)*, *Section 6.1(7)* (with respect only to Significant Subsidiaries), *Section 6.1(8)* (with respect only to Significant Subsidiaries), *Section 6.1(9)* or *Section 6.1(10)* or because of the failure of the Parent Guarantor or the Issuer to comply with *Section 4.1(a)(3)*.

Upon satisfaction of the conditions set forth herein and upon request and expense of the Issuer, the Trustee shall acknowledge in writing the discharge of those obligations that the Issuer terminates.

(c) Notwithstanding the provisions of *Sections 8.1(a)* and *(b)* to the extent relating to a legal defeasance, the Issuer's obligations in *Sections 2.2*, *2.3*, *2.4*, *2.5*, *2.6*, *2.10*, *2.11*, *2.12*, *2.13*, *3.1*, *3.12*, *3.13*, *3.14*, *3.16*, *3.17*, *3.19*, *7.7* and *7.8* and in this *Article VIII* shall survive until the Securities have been paid in full. Thereafter, the Issuer's obligations in *Sections 7.7*, *8.4* and *8.5* shall survive.

SECTION 8.2. Conditions to Defeasance. The Issuer may exercise its legal defeasance option or its covenant defeasance option only if:

(1) the Issuer or a Guarantor irrevocably deposits in trust with the Trustee, in trust, for the benefit of the Holders, cash in U.S. dollars, U.S. Government Obligations, or a combination of cash in U.S. dollars and U.S. Government Obligations, in amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, and premium, if any, and interest, including Additional Interest, if any, due on the outstanding Securities on the Stated Maturity or on the applicable Redemption Date, as the case may be, and the Issuer must specify whether the Securities are being defeased to Stated Maturity or to a particular Redemption Date;

(2) in the case of legal defeasance, the Issuer has delivered to the Trustee an Opinion of Counsel (subject to customary assumptions and exclusions) reasonably acceptable to the Trustee confirming that (a) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling or (b) since the Issue Date, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel will confirm that, the Holders of the respective outstanding Securities will not recognize income, gain or loss for federal income tax purposes as a result of such legal defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such legal defeasance had not occurred;

(3) in the case of covenant defeasance, the Issuer has delivered to the Trustee an Opinion of Counsel (subject to customary assumptions and exclusions) reasonably acceptable to the Trustee confirming that the Holders of the respective outstanding Securities will not recognize income, gain or loss for federal income tax purposes as a result of such covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred;

(4) such legal defeasance or covenant defeasance will not result in a breach or violation of, or constitute a default under any material agreement or instrument (other than this Indenture) to which the Issuer or any of the Restricted Subsidiaries is a party or by which the Issuer or any Restricted Subsidiaries are bound;

(5) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit and the grant of any Lien securing such borrowings) or insofar as Events of Default resulting from the borrowing of funds or insolvency events are concerned, at any time in the period ending on the 91st day after the date of deposit;

(6) the Issuer must deliver to the Trustee an Opinion of Counsel to the effect that, assuming, among other things, no intervening bankruptcy of the Issuer between the date of deposit and the 91st day following the deposit and assuming that no Holder is an "insider" of the Issuer under applicable bankruptcy law, after the 91st day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization of similar laws affecting creditors' rights generally;

(7) the Issuer must deliver to the Trustee an Officers' Certificate stating that the deposit was not made by the Issuer with the intent of defeating, hindering, delaying or defrauding creditors of the Issuer or others; and

(8) the Issuer must deliver to the Trustee an Officers' Certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions), each stating that all conditions precedent relating to the legal defeasance or the covenant defeasance have been complied with; *provided* that the Opinion of Counsel required by this clause (8) with respect to a legal defeasance need not be delivered if all Securities not theretofore delivered to the Trustee for cancellation (x) have become due and payable or (y) will become due and payable at their Stated Maturity within one year or may be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer.

SECTION 8.3. Application of Trust Money. The Trustee shall hold in trust all money or U.S. Government Obligations (including proceeds thereof) deposited with it pursuant to this *Article VIII*. It shall apply the deposited money and the money from U.S. Government Obligations through the Paying Agent and in accordance with this Indenture and the Securities to the Holders of the Securities of all sums due in respect of the payment of principal of, premium, if any, and accrued interest on the Securities.

SECTION 8.4. Repayment to the Issuer. The Trustee and the Paying Agent shall promptly turn over to the Issuer upon request any excess money, U.S. Government Obligations or other securities held by them upon payment of all the Obligations under this Indenture.

Subject to any applicable abandoned property law, the Trustee and the Paying Agent shall pay to the Issuer upon request any money held by them for the payment of principal of or premium, if any, or interest on the Securities that remains unclaimed by the Holders thereof for two years, and, thereafter, Securityholders entitled to the money must look to the Issuer for payment as unsecured general creditors unless an abandoned property law designates another Person and the Trustee and the Paying Agent shall have no further liability with respect to such money.

SECTION 8.5. Indemnity for U.S. Government Obligations. The Issuer shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against deposited U.S. Government Obligations or the principal and interest received on such U.S. Government Obligations.

SECTION 8.6. Reinstatement. If the Trustee or Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with this *Article VIII* by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the obligations of the Issuer and each Guarantor under this

Indenture, the Securities and the Guarantees shall be revived and reinstated as though no deposit had occurred pursuant to this *Article VIII* until such time as the Trustee or Paying Agent is permitted to apply all such money or U.S. Government Obligations in accordance with this *Article VIII*; *provided, however*, that, if the Issuer or the Guarantors have made any payment of principal, premium, if any, or interest (including Additional Interest) on any Securities because of the reinstatement of their obligations, the Issuer or Guarantors, as the case may be, shall be subrogated to the rights of the Holders of such Securities to receive such payment from the money or U.S. Government Obligations held by the Trustee or Paying Agent.

The Trustee's rights under this *Article VIII* shall survive termination of this Indenture.

ARTICLE IX

AMENDMENTS

SECTION 9.1. Without Consent of Holders. The Issuer, the Guarantors and the Trustee may amend or supplement this Indenture, the Securities and the Guarantees without notice to or consent of any Securityholder:

(1) to cure any ambiguity, omission, defect, mistake or inconsistency;

(2) to provide for the assumption by a successor corporation, partnership, trust or limited liability company of the obligations of the Parent Guarantor, the Issuer or any Subsidiary Guarantor under this Indenture and the Securities;

(3) to provide for or facilitate the issuance of uncertificated Securities in addition to or in place of certificated Securities; *provided, however,* that the uncertificated Securities are issued in registered form for purposes of Section 163(f) of the Code or in a manner such that the uncertificated Securities are described in Section 163(f)(2)(B) of the Code;

(4) to add Guarantors with respect to the Securities, including Subsidiary Guarantors, or release a Subsidiary Guarantor from its Subsidiary Guarantee and terminate such Subsidiary Guarantee; *provided* that the release and termination is in accordance with the applicable provisions of this Indenture;

(5) to secure the Securities or the Guarantees;

(6) to add covenants of the Parent Guarantor, the Issuer or a Subsidiary Guarantor for the benefit of, or to make changes that would provide additional rights to, the Holders or to surrender any right or power herein conferred upon the Parent Guarantor, the Issuer or a Subsidiary Guarantor;

(7) to make any change that does not adversely affect the legal rights under this Indenture of any Securityholder, *provided, however,* that any change made to conform this Indenture to the "Description of notes" contained in the Offering Memorandum shall not be deemed to adversely affect such legal rights;

(8) to comply with any requirement of the SEC in connection with any required qualification of this Indenture under the TIA;

(9) to evidence and provide for the acceptance of an appointment under this Indenture of a successor Trustee; *provided* that the successor Trustee is otherwise qualified and eligible to act as such under the terms of this Indenture; or

(10) to provide for the issuance of Additional Securities in accordance with limitations set forth in this Indenture.

SECTION 9.2. With Consent of Holders. The Issuer, the Guarantors and the Trustee may amend or supplement this Indenture, the Securities and the Guarantees without notice to any Securityholder but with the consent of the Holders of at least a majority in principal amount of the Securities then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Securities). Any past default or compliance with the provisions of this Indenture, the Securities or the Guarantees may be waived with the consent of the Holders of at least a majority in principal amount of the Securities then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Securities). However, without the consent of each Securityholder affected, an amendment, supplement or waiver may not:

(1) reduce the principal amount of Securities whose Holders must consent to an amendment or waiver;

(2) reduce the stated rate of interest or extend the stated time for payment of interest or Additional Interest on any Security;

(3) reduce the principal of or extend the Stated Maturity of any Security;

(4) reduce the premium payable upon the redemption of any Security as described in *Section 3.9*, *Article V* hereof or *paragraph 5* of any Security, change the time at which any Security may be redeemed as described in *Section 3.9*, *Article V* hereof or *paragraph 5* of any Security or make any change relative to the Issuer's obligation to make an offer to repurchase the Securities as a result of a Change of Control as described in *Section 3.9* after (but not before) the occurrence of such Change of Control;

(5) make any Security payable in money other than that stated in the Security;

(6) impair the right of any Holder to receive payment of principal of, premium, if any, and interest (including Additional Interest) on such Holder's Securities on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Holder's Securities;

(7) make any change to this *Section 9.2*;

(8) modify the Guarantees in any manner adverse to the Holders; or

(9) make any change to or modify the ranking of the Securities that would adversely affect the Holders.

It shall not be necessary for the consent of the Holders under this Section to approve the particular form of any proposed amendment, supplement or waiver, but it shall be sufficient if such consent approves the substance thereof. A consent to any amendment, supplement or waiver under this Indenture by any Holder of the Securities given in connection with a tender or exchange of such Holder's Securities will not be rendered invalid by such tender or exchange.

After an amendment or supplement under this Section becomes effective, the Issuer shall mail to Securityholders a notice briefly describing such amendment. The failure to give such notice to all Securityholders, or any defect therein, shall not impair or affect the validity of an amendment under this Section.

SECTION 9.3. Compliance with Trust Indenture Act. Every amendment or supplement to this Indenture, the Securities or the Guarantees shall comply with the TIA as then in effect.

SECTION 9.4. Revocation and Effect of Consents and Waivers. A consent to an amendment, supplement or a waiver by a Holder of a Security shall bind the Holder and every subsequent Holder of that Security or portion of the Security that evidences the same debt as the consenting Holder's

Security, even if notation of the consent or waiver is not made on the Security. Any such Holder or subsequent Holder may revoke the consent or waiver as to such Holder's Security or portion of the Security if the Trustee receives the notice of revocation before the date the amendment, supplement or waiver becomes effective or otherwise in accordance with any related solicitation documents. After an amendment, supplement or waiver becomes effective, it shall bind every Securityholder unless it makes a change described in any of clauses (1) through (9) of *Section 9.2*, and in that case the amendment, supplement, waiver or other action shall bind each Securityholder who has consented to it and every subsequent Securityholder that evidences the same debt as the consenting Holder's Securities. An amendment, supplement or waiver under *Section 9.2* shall become effective upon receipt by the Trustee of the requisite number of consents, and in relation to any Securities evidenced by Global Securities, such consents need not be in written form and may be evidenced by any electronic transmissions that comport with the applicable procedures of DTC.

The Issuer may, but shall not be obligated to, fix a record date for the purpose of determining the Securityholders entitled to give their consent or take any other action described above or required or permitted to be taken pursuant to this Indenture. If a record date is fixed, then notwithstanding the immediately preceding paragraph, those Persons who were Securityholders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Holders after such record date. No such consent shall become valid or effective more than 120 days after such record date.

SECTION 9.5. Notation on or Exchange of Securities. If an amendment, supplement or waiver changes the terms of a Security, the Trustee may require the Holder of the Security to deliver it to the Trustee. The Trustee may place an appropriate notation on the Security regarding the changed terms and return it to the Holder. Alternatively, if the Issuer or the Trustee so determine, the Issuer in exchange for the Security shall issue and the Trustee shall authenticate a new Security that reflects the changed terms. Failure to make the appropriate notation or to issue a new Security shall not affect the validity of such amendment.

SECTION 9.6. Trustee to Sign Amendments. The Trustee shall sign any amendment, supplement or waiver authorized pursuant to this *Article IX* if the amendment, supplement or waiver does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may but need not sign it. In signing any amendment, supplement or waiver the Trustee shall be entitled to receive indemnity reasonably satisfactory to it and shall be provided with, and (subject to *Sections 7.1* and *7.2*) shall be fully protected in relying upon, an Officers' Certificate and an Opinion of Counsel stating that such amendment, supplement or waiver is authorized or permitted by this Indenture and that such amendment, supplement or waiver is the legal, valid and binding obligation of the Issuer and any Guarantors, enforceable against them in accordance with its terms, subject to customary exceptions, and complies with the provisions hereof (including *Section 9.3*).

ARTICLE X

GUARANTEE

SECTION 10.1. Guarantee. Subject to the provisions of this *Article X*, each Guarantor hereby fully, unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, jointly and severally with each other Guarantor, to each Holder of the Securities, to the extent lawful, and the Trustee the full and punctual payment when due, whether at final maturity, by acceleration, by redemption or otherwise, of the Obligations. Each Guarantor agrees that the Obligations will rank equally in right of payment with other Indebtedness of such Guarantor, except to the extent such other Indebtedness is subordinate to the Obligations. Each Guarantor further agrees (to the extent permitted by law) that the Obligations may be extended or renewed, in whole or in part, without notice or further

assent from it, and that it will remain bound under this *Article X* notwithstanding any extension or renewal of any Obligation.

Each Guarantor waives presentation to, demand of payment from and protest to the Issuer of any of the Obligations and also waives notice of protest for nonpayment. Each Guarantor waives notice of any default under the Securities or the Obligations.

Each Guarantor further agrees that its Guarantee herein constitutes a guarantee of payment when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Holder to any security held for payment of the Obligations.

Except as set forth in *Section 10.2*, the obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason (other than payment of the Obligations in full), including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor herein shall not be discharged or impaired or otherwise affected by (a) the failure of any Holder to assert any claim or demand or to enforce any right or remedy against the Issuer or any other person under this Indenture, the Securities or any other agreement or otherwise; (b) any extension or renewal of any thereof; (c) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Securities or any other agreement; (d) the release of any security held by any Holder for the Obligations or any of them; (e) the failure of any Holder to exercise any right or remedy against any other Guarantor; (f) any change in the ownership of the Issuer; (g) any default, failure or delay, willful or otherwise, in the performance of the Obligations; or (h) any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of any Guarantor or would otherwise operate as a discharge of such Guarantor as a matter of law or equity.

Each Guarantor agrees that its Guarantee herein shall remain in full force and effect until payment in full of all the Obligations or such Guarantor is released from its Guarantee upon the merger or the sale of all the Capital Stock or assets of the Guarantor or otherwise in compliance with *Section 4.1*, *Section 10.2* or *Article VIII*, as applicable. Each Guarantor further agrees that its Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of, premium, if any, or interest on any of the Obligations is rescinded or must otherwise be restored by any Holder upon the bankruptcy or reorganization of the Issuer or otherwise.

In furtherance of the foregoing and not in limitation of any other right which any Holder has at law or in equity against any Guarantor by virtue hereof, upon the failure of the Issuer to pay any of the Obligations when and as the same shall become due, whether at final maturity, by acceleration, by redemption or otherwise, each Guarantor hereby promises to and will, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Trustee or the Trustee on behalf of the Holders an amount equal to the sum of (i) the unpaid amount of such Obligations then due and owing and (ii) accrued and unpaid interest (including Additional Interest) on such Obligations then due and owing (but only to the extent not prohibited by law).

Each Guarantor further agrees that, as between such Guarantor, on the one hand, and the Holders, on the other hand, (x) the maturity of the Obligations guaranteed hereby may be accelerated as provided in this Indenture for the purposes of its Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Obligations guaranteed hereby and (y) in the event of any such declaration of acceleration of such Obligations, such Obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantor for the purposes of this Guarantee.

Each Guarantor also agrees to pay any and all reasonable costs and expenses (including reasonable attorneys' fees) incurred by the Trustee or the Holders in enforcing any rights under this Section.

Neither the Issuer nor the Guarantors shall be required to make a notation on the Securities to reflect any Guarantee or any release, termination or discharge thereof and any such notation shall not be a condition to the validity of any Guarantee.

SECTION 10.2. Limitation on Liability; Termination, Release and Discharge.

(a) Any term or provision of this Indenture to the contrary notwithstanding, the obligations of each Guarantor hereunder will be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such Guarantor (including, without limitation, any guarantees under the Senior Secured Credit Agreement) and after giving effect to any collections from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its Guarantee or pursuant to its contribution obligations under this Indenture, result in the obligations of such Guarantor under its Guarantee not constituting a fraudulent conveyance or fraudulent transfer under federal or state law and not otherwise being void or voidable under any similar laws affecting the rights of creditors generally.

(b) Upon the sale or disposition of a Subsidiary Guarantor (by merger, consolidation, the sale of its Capital Stock or the sale of all or substantially all of its assets (other than by lease)) and whether or not the Subsidiary Guarantor is the surviving entity in such transaction, to a Person which is not the Parent Guarantor or a Restricted Subsidiary of the Parent Guarantor, such Subsidiary Guarantor will be automatically released from all its obligations under this Indenture and its Subsidiary Guarantee if the sale or other disposition does not violate *Section 3.5*.

(c) Each Subsidiary Guarantor will be released from its obligations under this Indenture and its Subsidiary Guarantee upon the release or discharge of such Subsidiary Guarantor from its guarantee of the other Indebtedness that resulted in the obligation of such Subsidiary Guarantor to guarantee the Securities pursuant to *Section 3.11(b)*, except a discharge or release by or as a result of payment under such guarantee.

(d) Each Subsidiary Guarantor will be released from its obligations under this Indenture and its Subsidiary Guarantee if the Parent Guarantor designates such Subsidiary Guarantor as an Unrestricted Subsidiary and such designation complies with the other applicable provisions of this Indenture.

(e) Each Subsidiary Guarantor will be deemed released from all its obligations under this Indenture and its Subsidiary Guarantee, and such Subsidiary Guarantee will terminate, upon the legal defeasance or covenant defeasance of the Securities or upon satisfaction and discharge of this Indenture, in each case pursuant to the provisions of *Article VIII* hereof.

(f) The Parent Guarantor will be released from its obligations under this Indenture and the Parent Guarantee, and such Parent Guarantee will terminate, upon the legal defeasance of the Securities or the satisfaction and discharge of this Indenture pursuant to the provisions of *Article VIII* hereof.

(g) The release of any Guarantor from its obligations pursuant to this *Section 10.2* shall be conditioned upon such Guarantor delivering to the Trustee an Officers' Certificate and an Opinion of Counsel stating that all conditions precedent provided for in this Indenture relating to the transactions specified in clauses (b), (c), (d), (e) or (f) of this *Section 10.2* have been complied with.

SECTION 10.3. Right of Contribution. Each Guarantor hereby agrees that to the extent that any Guarantor shall have paid more than its proportionate share of any payment made on the obligations under the Guarantees, such Guarantor shall be entitled to seek and receive contribution from and against the Issuer or any other Guarantor who has not paid its proportionate share of such payment. The provisions of this *Section 10.3* shall in no respect limit the obligations and liabilities of each

Guarantor to the Trustee and the Holders and each Guarantor shall remain liable to the Trustee and the Holders for the full amount guaranteed by such Guarantor hereunder.

SECTION 10.4. No Subrogation. Notwithstanding any payment or payments made by each Guarantor hereunder, no Guarantor shall be entitled to be subrogated to any of the rights of the Trustee or any Holder against the Issuer or any other Guarantor or guarantee or right of offset held by the Trustee or any Holder for the payment of the Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Issuer or any other Guarantor in respect of payments made by such Guarantor hereunder, until all amounts owing to the Trustee and the Holders by the Issuer on account of the Obligations are paid in full. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been paid in full, such amount shall be held by such Guarantor in trust for the Trustee and the Holders, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Trustee in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Trustee, if required), to be applied against the Obligations.

ARTICLE XI

[RESERVED]

ARTICLE XII

MISCELLANEOUS

SECTION 12.1. Trust Indenture Act Controls. If and to the extent that any provision of this Indenture limits, qualifies or conflicts with another provision which is required to be included in this Indenture by the TIA, the provision required by the TIA shall control. Each Guarantor in addition to performing its obligations under its Guarantee shall perform such other obligations as may be imposed upon it with respect to this Indenture under the TIA.

SECTION 12.2. Notices. Any notice or communication shall be in writing in the English language and delivered in person, sent by facsimile, other electronic means, delivered by commercial courier service or mailed by first-class mail, postage prepaid, addressed as follows:

if to the Issuer or to any Guarantor:

Antero Resources LLC
1625 17th Street, 3rd Floor
Denver, Colorado 80202
Attention: Chief Financial Officer
Telecopy: (303) 357-7299

with a copy to:

Vinson & Elkins L.L.P.
First City Tower
1001 Fannin Street, Suite 2500
Houston, Texas 77002-6760
Attention: David P. Oelman, Esq.
Telecopy: (713) 615-5861

if to the Trustee, at its corporate trust office in Dallas, Texas, which corporate trust office for purposes of this Indenture is at the date hereof located at:

Wells Fargo Bank, National Association
1445 Ross Avenue, 2nd Floor
Dallas, Texas 75202-2812
Attention: Corporate Trust Administration
Telecopy: (214) 777-4086

with a copy to:

Sabharwal Nordin & Finkel
Empire State Building, Suite 5900
350 Fifth Avenue
New York, New York 10118
Attention: H. Bertil Nordin
Telecopy: (212) 601-2883

The Issuer, any Guarantor or the Trustee by written notice to the others may designate additional or different addresses for subsequent notices or communications.

Any notice or communication to the Issuer or the Guarantors shall be deemed to have been given or made as of the date so delivered if personally delivered; when receipt is acknowledged, if telecopied; and five calendar days after mailing if sent by U.S. Postal Service registered or certified mail, postage prepaid (except that a notice of change of address shall not be deemed to have been given until actually received by the addressee). Any notice or communication to the Trustee shall be deemed delivered upon receipt by a Trust Officer. Notices given by publication will be deemed given on the first date on which publication is made.

Any notice or communication mailed to a Securityholder shall be mailed to the Securityholder at the Securityholder's address as it appears in the Securities Register and shall be sufficiently given if so mailed within the time prescribed.

Failure to mail a notice or communication to a Securityholder or any defect in it shall not affect its sufficiency with respect to other Securityholders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it, except that notices to the Trustee shall be effective only upon receipt.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

SECTION 12.3. Communication by Holders with other Holders. Securityholders may communicate pursuant to TIA § 312(b) with other Securityholders with respect to their rights under this Indenture or the Securities. The Issuer, the Trustee, the Registrar and anyone else shall have the protection of TIA § 312(c).

SECTION 12.4. Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Issuer to the Trustee to take or refrain from taking any action under this Indenture (except in connection with the original issuance of Securities on the date hereof), the Issuer shall furnish to the Trustee:

(1) an Officers' Certificate in form reasonably satisfactory to the Trustee stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(2) an Opinion of Counsel in form reasonably satisfactory to the Trustee stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

SECTION 12.5. Statements Required in Certificate or Opinion. Each certificate or opinion with respect to compliance with a covenant or condition provided for in this Indenture shall include:

(1) a statement that the individual making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether or not, in the opinion of such individual, such covenant or condition has been complied with.

In giving such Opinion of Counsel, counsel may rely as to factual matters on an Officers' Certificate or on certificates of public officials.

SECTION 12.6. When Securities Disregarded. In determining whether the Holders of the required aggregate principal amount of Securities have concurred in any direction, waiver or consent, Securities owned by the Issuer, any Guarantor or any Affiliate of them shall be disregarded and deemed not to be outstanding, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Securities which the Trustee actually knows are so owned shall be so disregarded. Also, subject to the foregoing, only Securities outstanding at the time shall be considered in any such determination.

SECTION 12.7. Rules by Trustee, Paying Agent and Registrar. The Trustee may make reasonable rules for action by, or at meetings of, Securityholders. The Registrar and the Paying Agent may make reasonable rules for their functions.

SECTION 12.8. Legal Holidays. A "*Legal Holiday*" is a Saturday, a Sunday or other day on which commercial banking institutions are authorized or required to be closed in New York, New York. If a payment date is a Legal Holiday, payment shall be made on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period. If a regular record date is a Legal Holiday, the record date shall not be affected.

SECTION 12.9. GOVERNING LAW. THIS INDENTURE, THE SECURITIES AND THE GUARANTEES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 12.10. No Personal Liability of Directors, Officers, Employees and Stockholders. No director, officer, employee, incorporator, stockholder, member, partner or trustee of the Parent Guarantor, the Issuer or any Subsidiary Guarantor, as such, shall have any liability for any obligations of the Parent Guarantor, the Issuer or any Subsidiary Guarantor under the Securities, this Indenture or the Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Security waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Securities.

SECTION 12.11. Successors. All agreements of the Issuer and each Guarantor in this Indenture and the Securities shall bind their respective successors. All agreements of the Trustee in this Indenture shall bind its successors.

SECTION 12.12. Multiple Originals. The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Indenture.

SECTION 12.13. Qualification of Indenture. The Issuer has agreed to qualify this Indenture under the TIA in accordance with the terms and conditions of the initial Registration Rights Agreement, and the Trustee shall be entitled to receive from the Issuer such evidence as it may reasonably request of such qualification.

SECTION 12.14. Table of Contents; Headings. The table of contents, cross-reference sheet and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

IN WITNESS WHEREOF, the parties have caused this Indenture to be duly executed all as of the date and year first written above.

ANTERO RESOURCES FINANCE CORPORATION

By: /s/ ALVYN A. SCHOPP

Name: Alvyn A. Schopp
Title: Vice President and Treasurer

Guarantors:

ANTERO RESOURCES LLC
ANTERO RESOURCES CORPORATION
ANTERO RESOURCES MIDSTREAM CORPORATION
ANTERO RESOURCES PICEANCE CORPORATION
ANTERO RESOURCES PIPELINE CORPORATION
ANTERO RESOURCES APPALACHIAN CORPORATION

By: /s/ ALVYN A. SCHOPP

Name: Alvyn A. Schopp
Title: Vice President and Treasurer

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: /s/ PATRICK GIORDANO

Name: Patrick Giordano
Title: Vice President

EXHIBIT A

[FORM OF FACE OF INITIAL SECURITY]

[Applicable Restricted Securities Legend]
[Depository Legend, if applicable]

No. [ ]

Principal Amount $ [ ], as revised by the Schedule of Increases and Decreases in Global Security attached hereto
CUSIP NO(1).
ISIN(2):

(1) to be inserted as appropriate: 144A Note—03674P AA1; Reg S Note—U00188 AA7; IAI Note—03674P AB9

(2) to be inserted as appropriate: 144A Note—US03674PAA12; Reg S Note—USU00188AA70; IAI Note—US03674PAB94

9.375% Senior Notes, Series A, due 2017

Antero Resources Finance Corporation, a Delaware corporation, promises to pay to CEDE & CO., or registered assigns, the principal sum of [ ] Dollars, as revised by the Schedule of Increases and Decreases in Global Security attached hereto, on December 1, 2017.

Interest Payment Dates: June 1 and December 1
Record Dates: May 15 and November 15

Additional provisions of this Security are set forth on the other side of this Security.

ANTERO RESOURCES
FINANCE
CORPORATION

By: _____

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities described in the within-mentioned Indenture.

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee,

By: _____ Dated: _____

Authorized Officer

[FORM OF REVERSE SIDE OF NOTE]

ANTERO RESOURCES FINANCE CORPORATION

9.375% Senior Notes, Series A, due 2017

1. *Interest*

Antero Resources Finance Corporation, a Delaware corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called the "*Issuer*"), promises to pay interest on the principal amount of this Security at the rate per annum shown above.

The Issuer will pay interest semiannually on June 1 and December 1 of each year commencing June 1, 2010. Interest on the Securities will accrue from the most recent date to which interest has been paid on the Securities or, if no interest has been paid, from November 17, 2009. The Issuer shall pay interest on overdue principal, and on overdue premium (plus interest on such interest to the extent lawful), at the rate borne by the Securities to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

If an exchange offer (the "*Exchange Offer*") registered under the Securities Act is not consummated or a shelf registration statement (the "*Shelf Registration Statement*") under the Securities Act with respect to resales of the Securities is not declared effective by the SEC or does not become automatically effective on or before the date that is 360 days after the Issue Date (the "*Target Registration Date*") in accordance with the terms of the Registration Rights Agreement, dated as of November 17, 2009 (the "*Registration Rights Agreement*"), among the Issuer, the Guarantors and the initial purchasers named therein, the annual interest rate borne by the Securities shall be increased from the rate shown above by 1.00% per annum thereafter, until the Exchange Offer is completed or the Shelf Registration Statement is declared effective or becomes automatically effective. The Holder of this Note is entitled to the benefits of such Registration Rights Agreement. Additional Interest shall be paid to the same Persons, in the same manner and at the same times as regular interest.

2. *Method of Payment*

By no later than 11:00 a.m. (New York City time) on the date on which any principal of, premium, if any, or interest on any Security is due and payable, the Issuer shall irrevocably deposit with the Trustee or the Paying Agent money sufficient to pay such principal, premium, if any, and/or interest (including Additional Interest). The Issuer will pay interest (except Defaulted Interest) to the Persons who are registered Holders of Securities at the close of business on the May 15 or November 15 next preceding the interest payment date even if Securities are cancelled, repurchased or redeemed after the record date and on or before the interest payment date. Holders must surrender Securities to a Paying Agent to collect principal payments. The Issuer will pay principal, premium, if any, and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts. Payments in respect of Securities represented by a Global Security (including principal, premium, if any, and interest) will be made by the transfer of immediately available funds to the accounts specified by The Depository Trust Company or any successor depository. The Issuer will make all payments in respect of a Definitive Security (including principal, premium, if any, and interest) by mailing a check to the registered address of each Holder thereof; *provided, however*, that payments on the Securities may also be made, at the Issuer's option, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if the Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 15 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. *Paying Agent and Registrar*

Initially, Wells Fargo Bank, National Association (the "*Trustee*") will act as Trustee, Paying Agent and Registrar. The Issuer may appoint and change any Paying Agent, Registrar or co-registrar without notice to any Securityholder. The Parent Guarantor or any of its Restricted Subsidiaries may act as Paying Agent or Registrar.

4. *Indenture*

The Issuer issued the Securities under an Indenture dated as of November 17, 2009 (as it may be amended or supplemented from time to time in accordance with the terms thereof, the "*Indenture*"), among the Issuer, the Guarantors and the Trustee. The terms of the Securities include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 *U.S.C.* §§ 77aaa-77bbbb) as in effect on the date of the Indenture (the "*Act*"). Capitalized terms used herein and not defined herein have the meanings ascribed thereto in the Indenture. The Securities are subject to all terms and provisions of the Indenture, and Securityholders are referred to the Indenture and the Act for a statement of those terms.

The Securities are senior obligations of the Issuer. The aggregate principal amount of Securities that may be authenticated and delivered under the Indenture is unlimited. This Security is one of the 9.375% Senior Notes, Series A, due 2017 referred to in the Indenture. The Securities include (i) $375,000,000 aggregate principal amount of the Issuer's 9.375% Senior Notes, Series A, due 2017 issued under the Indenture on November 17, 2009 (herein called "*Initial Securities*"), (ii) if and when issued, additional 9.375% Senior Notes, Series A, due 2017 or 9.375% Senior Notes, Series B, due 2017 of the Issuer that may be issued from time to time under the Indenture subsequent to November 17, 2009 (herein called "*Additional Securities*") as provided in *Section 2.1(a)* of the Indenture and (iii) if and when issued, the Issuer's 9.375% Senior Notes, Series B, due 2017 that may be issued from time to time under the Indenture in exchange for Initial Securities or Additional Securities in an offer registered under the Securities Act as provided in a Registration Rights Agreement (herein called "*Exchange Securities*"). The Initial Securities, Additional Securities and Exchange Securities are treated as a single class of securities under the Indenture. The Indenture imposes certain limitations on the incurrence of indebtedness, the making of restricted payments, the sale of assets and subsidiary stock, the incurrence of certain liens, the making of payments for consents, the entering into of agreements that restrict distribution from restricted subsidiaries and the consummation of mergers and consolidations. The Indenture also imposes requirements with respect to the provision of financial information and the provision of guarantees of the Securities by certain subsidiaries.

To guarantee the due and punctual payment of the principal, premium, if any, and interest (including post-filing or post-petition interest) on the Securities and all other amounts payable by the Issuer under the Indenture, the Securities and the Registration Rights Agreement when and as the same shall be due and payable, whether at maturity, by acceleration or otherwise, according to the terms of the Securities and the Indenture, the Guarantors have unconditionally guaranteed (and future guarantors, together with the Guarantors, will unconditionally Guarantee), jointly and severally, such obligations on a senior basis pursuant to the terms of the Indenture.

5. *Redemption*

Except as set forth below or in the penultimate paragraph of Section 3.9 of the Indenture, the Securities will not be redeemable at the option of the Issuer prior to December 1, 2013. On and after such date, the Securities will be redeemable, at the Issuer's option, in whole or in part, at any time upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each Holder's registered address, at the following redemption prices (expressed in percentages of principal amount), plus accrued and unpaid interest (including Additional Interest) to the applicable Redemption Date

(subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date):

If redeemed during the 12-month period commencing on December 1 of the years set forth below:

Period	Redemption Price
2013	104.688%
2014	102.344%
2015 and thereafter	100.000%

In addition, at any time and from time to time on or prior to December 1, 2012, the Issuer may redeem in the aggregate up to 35% of the original principal amount of the Securities (calculated after giving effect to any issuance of Additional Notes) with the Net Cash Proceeds of one or more Equity Offerings at a redemption price (expressed as a percentage of principal amount) of 109.375% of the principal amount thereof, plus accrued and unpaid interest (including Additional Interest), if any, to the Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided, that:*

(1) at least 65% of the original principal amount of the Securities (calculated after giving effect to any issuance of Additional Securities) must remain outstanding after each such redemption; and

(2) each such redemption occurs within 180 days of the date of closing of such Equity Offering.

If the Redemption Date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest (including Additional Interest), if any, will be paid on such Redemption Date to the Person in whose name the Security is registered at the close of business on such record date, and no Additional Interest will be payable to Holders whose Securities will be subject to redemption by the Issuer.

In the case of any partial redemption, selection of the Securities for redemption will be made by the Trustee in compliance with the requirements of the of the principal national securities exchange, if any, on which such Securities are listed, or, if such Securities are not so listed, by lot or by such other method as the Trustee in its sole discretion shall deem to be fair and appropriate, although no Security of $2,000 in original principal amount or less will be redeemed in part. If any Security is to be redeemed in part only, the notice of redemption relating to such Security shall state the portion of the principal amount thereof to be redeemed. A new Security in principal amount equal to the unredeemed portion thereof will be issued in the name of the Holder thereof upon cancellation of the original Security. On and after the Redemption Date, interest will cease to accrue on Securities or portions thereof called for redemption as long as the Issuer has deposited with the Paying Agent funds in satisfaction of the applicable redemption price pursuant to the Indenture.

In addition, at any time prior to December 1, 2013, upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each Holder's registered address, the Issuer may redeem the Securities, in whole or in part, at a redemption price equal to 100% of the principal amount thereof plus the Applicable Premium plus accrued and unpaid interest, if any, to the Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

"Applicable Premium" means, with respect to a Security at any Redemption Date, the greater of (i) 1.0% of the principal amount of such Security or (ii) the excess, if any, of (A) the present value at such Redemption Date of (1) the redemption price of such Security on December 1, 2013 (such redemption price being described in this *paragraph 5*) plus (2) all required interest payments (excluding accrued and unpaid interest to such Redemption Date) due on such Security through December 1,

2013, computed using a discount rate equal to the Treasury Rate as of such Redemption Date plus 50 basis points, over (B) the principal amount of such Security.

"Treasury Rate" means, as of any Redemption Date, the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) which has become publicly available at least two Business Days prior to the Redemption Date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the Redemption Date to December 1, 2013; provided, however, that if the period from the Redemption Date to December 1, 2013 is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the Redemption Date to December 1, 2013 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

The Issuer will (a) calculate the Treasury Rate as of the second Business Day preceding the applicable Redemption Date and (b) prior to such Redemption Date file with the Trustee an Officers' Certificate setting forth the Applicable Premium and the Treasury Rate and showing the calculation of each in reasonable detail. Prior to the mailing of any notice of redemption of the Securities with the proceeds of an Equity Offering, the Issuer shall deliver to the Trustee an Officers' Certificate stating that the Issuer is entitled to effect such redemption, accompanied by an Opinion of Counsel satisfactory to the Trustee, acting reasonably, that the conditions precedent to the right of redemption have occurred. Any such notice to the Trustee may be cancelled at any time prior to notice of such redemption being mailed to any Holder and shall thereby be void and of no effect. The Issuer will be bound to redeem the Securities on the date fixed for redemption.

The Issuer is not required to make any mandatory redemption payments or sinking fund payments with respect to the Securities.

The Parent Guarantor and its Subsidiaries may acquire Securities by means other than a redemption or required repurchase, whether by tender offer, open market purchases, negotiated transactions or otherwise, in accordance with applicable securities laws, so long as such acquisition does not otherwise violate the terms of the Indenture.

6. *Repurchase Provisions*

If a Change of Control occurs, unless the Issuer has exercised its right to redeem all of the Securities as described under *paragraph 5* of the Securities, each Holder will have the right to require the Issuer to repurchase from each Holder all or any part (equal to $2,000 or an integral multiple of $1,000 in excess thereof) of such Holder's Securities at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) as provided in, and subject to the terms of, the Indenture.

7. *Denominations; Transfer; Exchange*

The Securities are in registered form without coupons in denominations of principal amount of $2,000 and whole multiples of $1,000 in excess thereof. A Holder may transfer or exchange Securities in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay a sum sufficient to cover any taxes and fees required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange of any Security (A) for a period (1) of 15 days before a selection of Securities to be redeemed or (2) beginning 15 days before an interest payment date and ending on such interest

payment date or (B) selected for redemption, except the unredeemed portion of any Security being redeemed in part.

8. *Persons Deemed Owners*

The registered Holder of this Security may be treated as the owner of it for all purposes.

9. *Unclaimed Money*

If money for the payment of principal, premium, if any, or interest remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Issuer at its request unless an abandoned property law designates another Person. After any such payment, Holders entitled to the money must look only to the Issuer for payment as unsecured general creditors unless an abandoned property law designates another Person and not to the Trustee for payment.

10. *Defeasance*

Subject to certain exceptions and conditions set forth in the Indenture, the Issuer at any time may terminate some or all of its obligations under the Securities and the Indenture if the Issuer deposits with the Trustee money or U.S. Government Obligations for the payment of principal, premium, if any, and interest on the Securities to redemption or final maturity, as the case may be.

11. *Amendment, Supplement, Waiver*

Subject to certain exceptions set forth in the Indenture, (i) the Indenture, the Securities or the Guarantees may be amended or supplemented by the Issuer, the Guarantors and the Trustee with the consent of the Holders of at least a majority in principal amount of the then outstanding Securities and (ii) any default (other than with respect to nonpayment or in respect of a provision that cannot be amended without the written consent of each Securityholder affected) or noncompliance with any provision may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Securities. Subject to certain exceptions set forth in the Indenture, without the consent of any Securityholder, the Issuer, the Guarantors and the Trustee may amend or supplement the Indenture, the Securities or the Guarantees to cure any ambiguity, omission, defect, mistake or inconsistency, to comply with *Article IV* of the Indenture, to provide for uncertificated Securities in addition to, or in place of, certificated Securities, to add Guarantors with respect to the Securities, including Subsidiary Guarantors, or release a Subsidiary Guarantor from its Subsidiary Guarantee and terminate such Subsidiary Guarantee, *provided* that the release and termination is in accordance with the Indenture, to secure the Securities or the Guarantees, to add additional covenants of the Parent Guarantor, the Issuer or a Subsidiary Guarantor for the benefit of the Holders or to surrender any right or power conferred on the Parent Guarantor, the Issuer or a Subsidiary Guarantor, to comply with any requirement of the SEC in connection with qualifying the Indenture under the Act, to make any change that does not adversely affect the rights of any Securityholder, to evidence and provide for the appointment of a successor Trustee or to provide for the issuance of Additional Securities in accordance with limitations set forth in the Indenture.

12. *Defaults and Remedies*

Under the Indenture, Events of Default include (each of which is described in greater detail in the Indenture): (i) default in any payment of interest or Additional Interest, if any (as required by the Registration Rights Agreement), on any Security when due, continued for 30 days; (ii) default in the payment of principal of or premium, if any, on any Security when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration of acceleration or otherwise; (iii) failure by the Issuer or any Guarantor to comply with its obligations under *Section 4.1* of the Indenture; (iv) failure by the Parent Guarantor or the Issuer to comply for 30 days (or 180 days in the case of a Reporting Failure) after notice as provided with *Section 3.9* or under *Sections 3.2*, *3.3*, *3.4*, *3.5*, *3.6*, *3.8*, *3.10*, *3.11*, *3.15* and *3.18* of the Indenture (in each case, other than a failure to purchase

Securities which will constitute an Event of Default under clause (ii) above and other than a failure to comply with *Section 4.1* of the Indenture which is covered by clause (iii)); (v) failure by the Parent Guarantor or the Issuer to comply for 60 days after written notice with its other agreements contained in the Indenture; (vi) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Parent Guarantor or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Parent Guarantor or any of its Restricted Subsidiaries), other than Indebtedness owed to the Parent Guarantor or a Restricted Subsidiary, whether such Indebtedness or guarantee now exists, or is created after the date of the Indenture, which default: (a) is caused by a failure to pay principal of, or interest or premium, if any, on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness (and any extensions of any grace period) ("*payment default*"); or (b) results in the acceleration of such Indebtedness prior to its Stated Maturity; and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates $10.0 million or more; (vii) certain events of bankruptcy, insolvency or reorganization of the Parent Guarantor, the Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Parent Guarantor and its Restricted Subsidiaries), would constitute a Significant Subsidiary; (viii) failure by the Parent Guarantor, the Issuer or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Parent Guarantor and its Restricted Subsidiaries), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of $10.0 million (to the extent not covered by insurance by a reputable and creditworthy insurance company as to which the insurer has not disclaimed coverage), which judgments are not paid or discharged, and there shall be a period of 60 consecutive days following entry of such final judgment or decree during which a stay of enforcement of such final judgment or decree, by reason of pending appeal or otherwise, shall not be in effect; or (ix) the Parent Guarantee or any Subsidiary Guarantee of a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Parent Guarantor and its Restricted Subsidiaries) would constitute a Significant Subsidiary, ceases to be in full force and effect (except as contemplated by the terms of the Indenture) or is declared null and void in a judicial proceeding or the Parent Guarantor or any Subsidiary Guarantor that is a Significant Subsidiary or group of Subsidiary Guarantors that, taken together (as of the latest audited consolidated financial statements of the Parent Guarantor and its Restricted Subsidiaries) would constitute a Significant Subsidiary, denies or disaffirms its obligations under the Indenture or its Guarantee.

If an Event of Default (other than an Event of Default described in (vii) hereof) occurs and is continuing, the Trustee by notice to the Parent Guarantor and the Issuer, or the Holders of at least 25% in principal amount of the outstanding Securities by notice to the Parent Guarantor and the Issuer and the Trustee, may, and the Trustee at the request of such Holders shall, declare all the Securities to be due and payable immediately. If an Event of Default described in clause (vii) of the foregoing paragraph occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest (including Additional Interest) on all the Securities will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

Securityholders may not enforce the Indenture or the Securities except as provided in the Indenture. Subject to the provisions of the Indenture relating to the duties of the Trustee if an Event of Default exists, the Trustee may refuse to enforce the Indenture or the Securities unless it receives reasonable indemnity or security. Subject to certain limitations, Holders of a majority in principal amount of the Securities may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Securityholders notice of any continuing Default or Event of Default (except a Default or Event of Default in payment of principal, premium, if any, or interest) if it determines that withholding notice is in their interest.

13. *Trustee Dealings with the Issuer*

Subject to certain limitations set forth in the Indenture, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with and collect obligations owed to it by the Issuer or its Affiliates and may otherwise deal with the Issuer or its Affiliates with the same rights it would have if it were not Trustee.

14. *No personal liability of directors, officers, employees and stockholders*

No director, officer, employee, incorporator, stockholder, member, partner or trustee of the Parent Guarantor, the Issuer or any Subsidiary Guarantor, as such, shall have any liability for any obligations of the Parent Guarantor, the Issuer or any Subsidiary Guarantor under the Securities, the Indenture or the Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Security waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Securities.

15. *Authentication*

This Security shall not be valid until an authorized officer of the Trustee (or an Authenticating Agent acting on its behalf) manually signs the certificate of authentication on the other side of this Security.

16. *Abbreviations*

Customary abbreviations may be used in the name of a Securityholder or an assignee, such as TEN COM (= tenants in common), TEN ENT (= tenants by the entirety), JT TEN (= joint tenants with rights of survivorship and not as tenants in common), CUST (= custodian) and U/G/M/A (= Uniform Gift to Minors Act).

17. *CUSIP, Common Code and ISIN Numbers*

The Issuer has caused CUSIP, Common Code and ISIN numbers, if applicable, to be printed on the Securities and has directed the Trustee to use CUSIP, Common Code and ISIN numbers, if applicable, in notices of redemption or purchase as a convenience to Securityholders. No representation is made as to the accuracy of such numbers either as printed on the Securities or as contained in any notice of redemption or purchase and reliance may be placed only on the other identification numbers placed thereon.

18. *Governing Law*

This Security shall be governed by, and construed in accordance with, the laws of the State of New York.

The Issuer will furnish to any Securityholder upon written request and without charge to the Securityholder a copy of the Indenture, which has in it the text of this Security in larger type. Requests may be made to:

Antero Resources LLC
1625 17th Street, 3rd Floor
Denver, Colorado 80202
Attention: Chief Financial Officer

19. *Patriot Act*

The parties hereto acknowledge that in accordance with Section 326 of the Patriot Act, the Trustee is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to the Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the Patriot Act.

ASSIGNMENT FORM

To assign this Security, fill in the form below:

I or we assign and transfer this Security to:

(Print or type assignee's name, address and zip code)

(Insert assignee's social security or tax I.D. No.)

and irrevocably appoint agent to transfer this Security on the books of the Issuer. The agent may substitute another to act for him.

Date: Your Signature:

Signature Guarantee:

(Signature must be guaranteed)

Sign exactly as your name appears on the other side of this Security.

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

The undersigned hereby certifies that it ☐ is / ☐ is not an Affiliate of the Issuer and that, to its knowledge, the proposed transferee ☐ is / ☐ is not an Affiliate of the Issuer.

In connection with any transfer or exchange of any of the Securities evidenced by this certificate occurring prior to the date that is one year (or 40 days in the case of any Regulation S Notes) after the later of the date of original issuance of such Securities and the last date, if any, on which such Securities were owned by the Issuer or any Affiliate of the Issuer, the undersigned confirms that such Securities are being:

CHECK ONE BOX BELOW:

(1) ☐ acquired for the undersigned's own account, without transfer; or

(2) ☐ transferred to the Issuer; or

(3) ☐ transferred pursuant to and in compliance with Rule 144A under the Securities Act of 1933, as amended (the "*Securities Act*"); or

(4) ☐ transferred pursuant to an effective registration statement under the Securities Act; or

(5) ☐ transferred pursuant to and in compliance with Regulation S under the Securities Act; or

(6) ☐ transferred to an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act), that has furnished to the Trustee a signed letter containing certain representations and agreements (the form of which letter appears as Section 2.8 of the Indenture); or

(7) ☐ transferred pursuant to another available exemption from the registration requirements of the Securities Act of 1933, as amended.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Securities evidenced by this certificate in the name of any person other than the registered Holder thereof; *provided, however*, that if box (5), (6) or (7) is checked, the Issuer may require, prior to registering any such transfer of the Securities, in its sole discretion, such legal opinions, certifications and other information as the Issuer may reasonably request to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933, as amended, such as the exemption provided by Rule 144 under such Act.

Signature

Signature Guarantee:

(Signature must be guaranteed) Signature

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

TO BE COMPLETED BY PURCHASER IF BOX (1) OR (3) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Security for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, as amended, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Issuer as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated:

[TO BE ATTACHED TO GLOBAL SECURITIES]

SCHEDULE OF INCREASES AND DECREASES IN GLOBAL SECURITY

The following increases or decreases in this Global Security have been made:

Date of increase/decrease	Amount of decrease in Principal Amount of this Global Security	Amount of increase in Principal Amount of this Global Security	Principal Amount of this Global Security following such decrease or increase	Signature of authorized signatory of Trustee or Securities Custodian

OPTION OF HOLDER TO ELECT PURCHASE

If you elect to have this Security purchased by the Issuer pursuant to Section 3.5 or 3.9 of the Indenture, check either box:

☐ 3.5 ☐ 3.9

If you want to elect to have only part of this Security purchased by the Issuer pursuant to Section 3.5 or Section 3.9 of the Indenture, state the amount in principal amount (must be in denominations of $2,000 or an integral multiple of $1,000 in excess thereof): $ and specify the denomination or denominations (which shall not be less than the minimum authorized denomination) of the Securities to be issued to the Holder for the portion of the within Security not being repurchased (in the absence of any such specification, one such Security will be issued for the portion not being repurchased): $.

Date: _____ Your Signature _____

(Sign exactly as your name appears on the other side of the Security)

Signature Guarantee: _____

(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

EXHIBIT B

[FORM OF FACE OF SERIES B NOTE]

[Depository Legend, if applicable]

No. [ ] Principal Amount $ [ ], as revised by the Schedule of Increases and Decreases in Global Security attached hereto

CUSIP NO. 03674P AC7
ISIN: US03674PAC77

9.375% Senior Notes, Series B, due 2017

Antero Resources Finance Corporation, a Delaware corporation, promises to pay to CEDE & CO., or registered assigns, the principal sum of [ ] Dollars, as revised by the Schedule of Increases and Decreases in Global Security attached hereto, on December 1, 2017.

Interest Payment Dates: June 1 and December 1
Record Dates: May 15 and November 15

Additional provisions of this Security are set forth on the other side of this Security.

ANTERO RESOURCES
FINANCE
CORPORATION

By: _____

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities described in the within-mentioned Indenture.

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: _____ Dated: _____

Authorized Officer

[FORM OF REVERSE SIDE OF SERIES B NOTE]

ANTERO RESOURCES FINANCE CORPORATION

9.375% Senior Notes, Series B, due 2017

1. *Interest*

Antero Resources Finance Corporation, a Delaware corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called the "*Issuer*"), promises to pay interest on the principal amount of this Security at the rate per annum shown above.

The Issuer will pay interest semiannually on June 1 and December 1 of each year commencing June 1, 2010. Interest on the Securities will accrue from the most recent date to which interest has been paid on the Securities or, if no interest has been paid, from November 17, 2009. The Issuer shall pay interest on overdue principal, and on overdue premium (plus interest on such interest to the extent lawful), at the rate borne by the Securities to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

2. *Method of Payment*

By no later than 11:00 a.m. (New York City time) on the date on which any principal of, premium, if any, or interest on any Security is due and payable, the Issuer shall irrevocably deposit with the Trustee or the Paying Agent money sufficient to pay such principal, premium, if any, and/or interest (including Additional Interest). The Issuer will pay interest (except Defaulted Interest) to the Persons who are registered Holders of Securities at the close of business on the May 15 or November 15 next preceding the interest payment date even if Securities are cancelled, repurchased or redeemed after the record date and on or before the interest payment date. Holders must surrender Securities to a Paying Agent to collect principal payments. The Issuer will pay principal, premium, if any, and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts. Payments in respect of Securities represented by a Global Security (including principal, premium, if any, and interest) will be made by the transfer of immediately available funds to the accounts specified by The Depository Trust Company or any successor depository. The Issuer will make all payments in respect of a Definitive Security (including principal, premium, if any, and interest) by mailing a check to the registered address of each Holder thereof; *provided, however*, that payments on the Securities may also be made, at the Issuer's option, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if the Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 15 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. *Paying Agent and Registrar*

Initially, Wells Fargo Bank, National Association (the "*Trustee*") will act as Trustee, Paying Agent and Registrar. The Issuer may appoint and change any Paying Agent, Registrar or co-registrar without notice to any Securityholder. The Parent Guarantor or any of its Restricted Subsidiaries may act as Paying Agent or Registrar.

4. *Indenture*

The Issuer issued the Securities under an Indenture dated as of November 17, 2009 (as it may be amended or supplemented from time to time in accordance with the terms thereof, the "*Indenture*"), among the Issuer, the Guarantors and the Trustee. The terms of the Securities include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 *U.S.C.* §§ 77aaa-77bbbb) as in effect on the date of the Indenture (the "*Act*"). Capitalized terms used herein and not defined herein have the meanings ascribed thereto in the Indenture. The Securities

are subject to all terms and provisions of the Indenture, and Securityholders are referred to the Indenture and the Act for a statement of those terms.

The Securities are senior obligations of the Issuer. The aggregate principal amount of Securities that may be authenticated and delivered under the Indenture is unlimited. This Security is one of the 9.375% Senior Notes, Series B, due 2017 referred to in the Indenture. The Securities include (i) $375,000,000 aggregate principal amount of the Issuer's 9.375% Senior Notes, Series A, due 2017 issued under the Indenture on November 17, 2009 (herein called "*Initial Securities*"), (ii) if and when issued, additional 9.375% Senior Notes, Series A, due 2017 or 9.375% Senior Notes, Series B, due 2017 of the Issuer that may be issued from time to time under the Indenture subsequent to November 17, 2009 (herein called "*Additional Securities*") as provided in *Section 2.1(a)* of the Indenture and (iii) if and when issued, the Issuer's 9.375% Senior Notes, Series B, due 2017 that may be issued from time to time under the Indenture in exchange for Initial Securities or Additional Securities in an offer registered under the Securities Act as provided in a Registration Rights Agreement (herein called "*Exchange Securities*"). The Initial Securities, Additional Securities and Exchange Securities are treated as a single class of securities under the Indenture. The Indenture imposes certain limitations on the incurrence of indebtedness, the making of restricted payments, the sale of assets and subsidiary stock, the incurrence of certain liens, the making of payments for consents, the entering into of agreements that restrict distribution from restricted subsidiaries and the consummation of mergers and consolidations. The Indenture also imposes requirements with respect to the provision of financial information and the provision of guarantees of the Securities by certain subsidiaries.

To guarantee the due and punctual payment of the principal, premium, if any, and interest (including post-filing or post-petition interest) on the Securities and all other amounts payable by the Issuer under the Indenture, the Securities and the Registration Rights Agreement applicable to the Securities when and as the same shall be due and payable, whether at maturity, by acceleration or otherwise, according to the terms of the Securities and the Indenture, the Guarantors have unconditionally guaranteed (and future guarantors, together with the Guarantors, will unconditionally Guarantee), jointly and severally, such obligations on a senior basis pursuant to the terms of the Indenture.

5. *Redemption*

Except as set forth below or in the penultimate paragraph of Section 3.9 of the Indenture, the Securities will not be redeemable at the option of the Issuer prior to December 1, 2013. On and after such date, the Securities will be redeemable, at the Issuer' option, in whole or in part, at any time upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each Holder's registered address, at the following redemption prices (expressed in percentages of principal amount), plus accrued and unpaid interest (including Additional Interest) to the applicable Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date):

If redeemed during the 12-month period commencing on December 1 of the years set forth below:

Period	Redemption Price
2013	104.688%
2014	102.344%
2015 and thereafter	100.000%

In addition, at any time and from time to time on or prior to December 1, 2012, the Issuer may redeem in the aggregate up to 35% of the original principal amount of the Securities (calculated after giving effect to any issuance of Additional Notes) with the Net Cash Proceeds of one or more Equity Offerings at a redemption price (expressed as a percentage of principal amount) of 109.375% of the

principal amount thereof, plus accrued and unpaid interest (including Additional Interest), if any, to the Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided, that:*

(1) at least 65% of the original principal amount of the Securities (calculated after giving effect to any issuance of Additional Securities) must remain outstanding after each such redemption; and

(2) each such redemption occurs within 180 days of the date of closing of such Equity Offering.

If the Redemption Date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest (including Additional Interest), if any, will be paid on such Redemption Date to the Person in whose name the Security is registered at the close of business on such record date, and no Additional Interest will be payable to Holders whose Securities will be subject to redemption by the Issuer.

In the case of any partial redemption, selection of the Securities for redemption will be made by the Trustee in compliance with the requirements of the of the principal national securities exchange, if any, on which such Securities are listed, or, if such Securities are not so listed, by lot or by such other method as the Trustee in its sole discretion shall deem to be fair and appropriate, although no Security of $2,000 in original principal amount or less will be redeemed in part. If any Security is to be redeemed in part only, the notice of redemption relating to such Security shall state the portion of the principal amount thereof to be redeemed. A new Security in principal amount equal to the unredeemed portion thereof will be issued in the name of the Holder thereof upon cancellation of the original Security. On and after the Redemption Date, interest will cease to accrue on Securities or portions thereof called for redemption as long as the Issuer has deposited with the Paying Agent funds in satisfaction of the applicable redemption price pursuant to the Indenture.

In addition, at any time prior to December 1, 2013, upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each Holder's registered address, the Issuer may redeem the Securities, in whole or in part, at a redemption price equal to 100% of the principal amount thereof plus the Applicable Premium plus accrued and unpaid interest, if any, to the Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

"Applicable Premium" means, with respect to a Security at any Redemption Date, the greater of (i) 1.0% of the principal amount of such Security or (ii) the excess, if any, of (A) the present value at such Redemption Date of (1) the redemption price of such Security on December 1, 2013 (such redemption price being described in this *paragraph 5*) plus (2) all required interest payments (excluding accrued and unpaid interest to such Redemption Date) due on such Security through December 1, 2013, computed using a discount rate equal to the Treasury Rate as of such Redemption Date plus 50 basis points, over (B) the principal amount of such Security.

"Treasury Rate" means, as of any Redemption Date, the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) which has become publicly available at least two Business Days prior to the Redemption Date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the Redemption Date to December 1, 2013; provided, however, that if the period from the Redemption Date to December 1, 2013 is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the Redemption Date to December 1, 2013 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

The Issuer will (a) calculate the Treasury Rate as of the second Business Day preceding the applicable Redemption Date and (b) prior to such Redemption Date file with the Trustee an Officers' Certificate setting forth the Applicable Premium and the Treasury Rate and showing the calculation of each in reasonable detail. Prior to the mailing of any notice of redemption of the Securities with the proceeds of an Equity Offering, the Issuer shall deliver to the Trustee an Officers' Certificate stating that the Issuer is entitled to effect such redemption, accompanied by an Opinion of Counsel satisfactory to the Trustee, acting reasonably, that the conditions precedent to the right of redemption have occurred. Any such notice to the Trustee may be cancelled at any time prior to notice of such redemption being mailed to any Holder and shall thereby be void and of no effect. The Issuer will be bound to redeem the Securities on the date fixed for redemption.

The Issuer is not required to make any mandatory redemption payments or sinking fund payments with respect to the Securities.

The Parent Guarantor and its Subsidiaries may acquire Securities by means other than a redemption or required repurchase, whether by tender offer, open market purchases, negotiated transactions or otherwise, in accordance with applicable securities laws, so long as such acquisition does not otherwise violate the terms of the Indenture.

6. *Repurchase Provisions*

If a Change of Control occurs, unless the Issuer has exercised its right to redeem all of the Securities as described under *paragraph 5* of the Securities, each Holder will have the right to require the Issuer to repurchase from each Holder all or any part (equal to $2,000 or an integral multiple of $1,000 in excess thereof) of such Holder's Securities at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) as provided in, and subject to the terms of, the Indenture.

7. *Denominations; Transfer; Exchange*

The Securities are in registered form without coupons in denominations of principal amount of $2,000 and whole multiples of $1,000 in excess thereof. A Holder may transfer or exchange Securities in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements or transfer documents and to pay a sum sufficient to cover any taxes and fees required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange of any Security (A) for a period (1) of 15 days before a selection of Securities to be redeemed or (2) beginning 15 days before an interest payment date and ending on such interest payment date or (B) selected for redemption, except the unredeemed portion of any Security being redeemed in part.

8. *Persons Deemed Owners*

The registered Holder of this Security may be treated as the owner of it for all purposes.

9. *Unclaimed Money*

If money for the payment of principal, premium, if any, or interest remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Issuer at its request unless an abandoned property law designates another Person. After any such payment, Holders entitled to the money must look only to the Issuer for payment as unsecured general creditors unless an abandoned property law designates another Person and not to the Trustee for payment.

10. *Defeasance*

Subject to certain exceptions and conditions set forth in the Indenture, the Issuer at any time may terminate some or all of its obligations under the Securities and the Indenture if the Issuer deposits

with the Trustee money or U.S. Government Obligations for the payment of principal, premium, if any, and interest on the Securities to redemption or final maturity, as the case may be.

11. *Amendment, Supplement, Waiver*

Subject to certain exceptions set forth in the Indenture, (i) the Indenture, the Securities or the Guarantees may be amended or supplemented by the Issuer, the Guarantors and the Trustee with the consent of the Holders of at least a majority in principal amount of the then outstanding Securities and (ii) any default (other than with respect to nonpayment or in respect of a provision that cannot be amended without the written consent of each Securityholder affected) or noncompliance with any provision may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Securities. Subject to certain exceptions set forth in the Indenture, without the consent of any Securityholder, the Issuer, the Guarantors and the Trustee may amend or supplement the Indenture, the Securities or the Guarantees to cure any ambiguity, omission, defect, mistake or inconsistency, to comply with *Article IV* of the Indenture, to provide for uncertificated Securities in addition to, or in place of, certificated Securities, to add Guarantors with respect to the Securities, including Subsidiary Guarantors, or release a Subsidiary Guarantor from its Subsidiary Guarantee and terminate such Subsidiary Guarantee, *provided* that the release and termination is in accordance with the Indenture, to secure the Securities or the Guarantees, to add additional covenants of the Parent Guarantor, the Issuer or a Subsidiary Guarantor for the benefit of the Holders or to surrender any right or power conferred on the Parent Guarantor, the Issuer or a Subsidiary Guarantor, to comply with any requirement of the SEC in connection with qualifying the Indenture under the Act, to make any change that does not adversely affect the rights of any Securityholder, to evidence and provide for the appointment of a successor Trustee or to provide for the issuance of Additional Securities in accordance with limitations set forth in the Indenture.

12. *Defaults and Remedies*

Under the Indenture, Events of Default include (each of which is described in greater detail in the Indenture): (i) default in any payment of interest on any Security when due, continued for 30 days; (ii) default in the payment of principal of or premium, if any, on any Security when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration of acceleration or otherwise; (iii) failure by the Issuer or any Guarantor to comply with its obligations under *Section 4.1* of the Indenture; (iv) failure by the Parent Guarantor or the Issuer to comply for 30 days (or 180 days in the case of a Reporting Failure) after notice as provided with *Section 3.9* or under *Sections 3.2*, *3.3*, *3.4*, *3.5*, *3.6*, *3.8*, *3.10*, *3.11*, *3.15* and *3.18* of the Indenture (in each case, other than a failure to purchase Securities which will constitute an Event of Default under clause (ii) above and other than a failure to comply with *Section 4.1* of the Indenture which is covered by clause (iii)); (v) failure by the Parent Guarantor or the Issuer to comply for 60 days after written notice with its other agreements contained in the Indenture; (vi) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Parent Guarantor or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Parent Guarantor or any of its Restricted Subsidiaries), other than Indebtedness owed to the Parent Guarantor or a Restricted Subsidiary, whether such Indebtedness or guarantee now exists, or is created after the date of the Indenture, which default: (a) is caused by a failure to pay principal of, or interest or premium, if any, on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness (and any extensions of any grace period) ("*payment default*"); or (b) results in the acceleration of such Indebtedness prior to its Stated Maturity; and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates $10.0 million or more; (vii) certain events of bankruptcy, insolvency or reorganization of the Parent Guarantor, the Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the

Parent Guarantor and its Restricted Subsidiaries), would constitute a Significant Subsidiary; (viii) failure by the Parent Guarantor, the Issuer or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Parent Guarantor and its Restricted Subsidiaries), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of $10.0 million (to the extent not covered by insurance by a reputable and creditworthy insurance company as to which the insurer has not disclaimed coverage), which judgments are not paid or discharged, and there shall be a period of 60 consecutive days following entry of such final judgment or decree during which a stay of enforcement of such final judgment or decree, by reason of pending appeal or otherwise, shall not be in effect; or (ix) the Parent Guarantee or any Subsidiary Guarantee of a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Parent Guarantor and its Restricted Subsidiaries) would constitute a Significant Subsidiary, ceases to be in full force and effect (except as contemplated by the terms of the Indenture) or is declared null and void in a judicial proceeding or the Parent Guarantor or any Subsidiary Guarantor that is a Significant Subsidiary or group of Subsidiary Guarantors that, taken together (as of the latest audited consolidated financial statements of the Parent Guarantor and its Restricted Subsidiaries) would constitute a Significant Subsidiary, denies or disaffirms its obligations under the Indenture or its Guarantee.

If an Event of Default (other than an Event of Default described in (vii) hereof) occurs and is continuing, the Trustee by notice to the Parent Guarantor and the Issuer, or the Holders of at least 25% in principal amount of the outstanding Securities by notice to the Parent Guarantor and the Issuer and the Trustee, may, and the Trustee at the request of such Holders shall, declare all the Securities to be due and payable immediately. If an Event of Default described in clause (vii) of the foregoing paragraph occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest (including Additional Interest) on all the Securities will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

Securityholders may not enforce the Indenture or the Securities except as provided in the Indenture. Subject to the provisions of the Indenture relating to the duties of the Trustee if an Event of Default exists, the Trustee may refuse to enforce the Indenture or the Securities unless it receives reasonable indemnity or security. Subject to certain limitations, Holders of a majority in principal amount of the Securities may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Securityholders notice of any continuing Default or Event of Default (except a Default or Event of Default in payment of principal, premium, if any, or interest) if it determines that withholding notice is in their interest.

13. *Trustee Dealings with the Issuer*

Subject to certain limitations set forth in the Indenture, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with and collect obligations owed to it by the Issuer or its Affiliates and may otherwise deal with the Issuer or its Affiliates with the same rights it would have if it were not Trustee.

14. *No personal liability of directors, officers, employees and stockholders*

No director, officer, employee, incorporator, stockholder, member, partner or trustee of the Parent Guarantor, the Issuer or any Subsidiary Guarantor, as such, shall have any liability for any obligations of the Parent Guarantor, the Issuer or any Subsidiary Guarantor under the Securities, the Indenture or the Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Security waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Securities.

15. *Authentication*

This Security shall not be valid until an authorized officer of the Trustee (or an Authenticating Agent acting on its behalf) manually signs the certificate of authentication on the other side of this Security.

16. *Abbreviations*

Customary abbreviations may be used in the name of a Securityholder or an assignee, such as TEN COM (= tenants in common), TEN ENT (= tenants by the entirety), JT TEN (= joint tenants with rights of survivorship and not as tenants in common), CUST (= custodian) and U/G/M/A (= Uniform Gift to Minors Act).

17. *CUSIP, Common Code and ISIN Numbers*

The Issuer has caused CUSIP, Common Code and ISIN numbers, if applicable, to be printed on the Securities and has directed the Trustee to use CUSIP, Common Code and ISIN numbers, if applicable, in notices of redemption or purchase as a convenience to Securityholders. No representation is made as to the accuracy of such numbers either as printed on the Securities or as contained in any notice of redemption or purchase and reliance may be placed only on the other identification numbers placed thereon.

18. *Governing Law*

This Security shall be governed by, and construed in accordance with, the laws of the State of New York.

The Issuer will furnish to any Securityholder upon written request and without charge to the Securityholder a copy of the Indenture, which has in it the text of this Security in larger type. Requests may be made to:

Antero Resources LLC
1625 17th Street, 3rd Floor
Denver, Colorado 80202
Attention: Chief Financial Officer

19. *Patriot Act*

The parties hereto acknowledge that in accordance with Section 326 of the Patriot Act, the Trustee is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to the Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the Patriot Act.

ASSIGNMENT FORM

To assign this Security, fill in the form below:

I or we assign and transfer this Security to:

(Print or type assignee's name, address and zip code)

(Insert assignee's social security or tax I.D. No.)

and irrevocably appoint agent to transfer this Security on the books of the Issuer. The agent may substitute another to act for him.

Date: Your Signature:

Signature Guarantee:

(Signature must be guaranteed)

Sign exactly as your name appears on the other side of this Security.

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

[TO BE ATTACHED TO GLOBAL SECURITIES]

SCHEDULE OF INCREASES AND DECREASES IN GLOBAL SECURITY

The following increases or decreases in this Global Security have been made:

Date of increase/decrease	Amount of decrease in Principal Amount of this Global Security	Amount of increase in Principal Amount of this Global Security	Principal Amount of this Global Security following such decrease or increase	Signature of authorized signatory of Trustee or Securities Custodian

OPTION OF HOLDER TO ELECT PURCHASE

If you elect to have this Security purchased by the Issuer pursuant to Section 3.5 or 3.9 of the Indenture, check either box:

☐ 3.5 ☐ 3.9

If you want to elect to have only part of this Security purchased by the Issuer pursuant to Section 3.5 or Section 3.9 of the Indenture, state the amount in principal amount (must be in denominations of $2,000 or an integral multiple of $1,000 in excess thereof): $ and specify the denomination or denominations (which shall not be less than the minimum authorized denomination) of the Securities to be issued to the Holder for the portion of the within Security not being repurchased (in the absence of any such specification, one such Security will be issued for the portion not being repurchased): $.

Date: _____ Your Signature: _____

(Sign exactly as your name appears on the other side of the Security)

Signature Guarantee: _____

(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

FORM OF INDENTURE SUPPLEMENT TO ADD SUBSIDIARY GUARANTORS

This Supplemental Indenture, dated as of [ ], 20 (this "*Supplemental Indenture*" or "*Guarantee*"), is among [*name of future Guarantor*] (the "*Guarantor*"), Antero Resources Finance Corporation (together with its successors and assigns, the "*Issuer*"), Antero Resources LLC (the "*Parent Guarantor*"), each other then existing Subsidiary Guarantor under the Indenture referred to below, and Wells Fargo Bank, National Association, as Trustee under the Indenture referred to below.

W I T N E S S E T H:

WHEREAS, the Issuer, the Parent Guarantor, the Subsidiary Guarantors and the Trustee have heretofore executed and delivered an Indenture, dated as of November 17, 2009 (as amended, supplemented, waived or otherwise modified, the "*Indenture*"), providing for the issuance of an aggregate principal amount of $375.0 million of 9.375% Senior Notes due 2017 of the Issuer (the "*Securities*");

WHEREAS, *Section 3.11* of the Indenture provides that after the Issue Date the Parent Guarantor is required to cause (a) each Wholly-Owned Subsidiary of the Parent Guarantor (other than a Foreign Subsidiary) formed or acquired after the Issue Date and (b) any other Domestic Subsidiary (except the Issuer) that is not already a Subsidiary Guarantor that guarantees any Indebtedness of the Parent Guarantor, the Issuer or a Subsidiary Guarantor, in each case to execute and deliver to the Trustee a supplemental indenture pursuant to which such Subsidiary will unconditionally guarantee, on a joint and several basis with the other Guarantors, the full and prompt payment of the principal of, premium, if any, and interest on the Securities; and

WHEREAS, pursuant to *Section 9.1* of the Indenture, the Trustee, the Guarantors and the Issuer are authorized to execute and deliver this Supplemental Indenture to amend or supplement the Indenture, without the consent of any Securityholder;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guarantor, the Issuer, the Parent Guarantor, the other Subsidiary Guarantors and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Securities as follows:

ARTICLE I

Definitions

SECTION 1.1 *Defined Terms.* As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as therein defined. The words "herein," "hereof" and "hereby" and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

ARTICLE II

Agreement to be Bound; Guarantee

SECTION 2.1 *Agreement to be Bound.* The Guarantor hereby becomes a party to the Indenture as a Subsidiary Guarantor and as such will have all of the rights and be subject to all of the obligations and agreements of a Subsidiary Guarantor under the Indenture. The Guarantor agrees to be bound by all of the provisions of the Indenture applicable to a Subsidiary Guarantor and to perform all of the obligations and agreements of a Subsidiary Guarantor under the Indenture.

SECTION 2.2 *Guarantee.* The Guarantor agrees, on a joint and several basis with all the existing Guarantors, to fully, unconditionally and irrevocably Guarantee to each Holder of the Securities and the Trustee the Obligations pursuant to *Article X* of the Indenture.

ARTICLE III

Miscellaneous

SECTION 3.1 *Notices.* All notices and other communications to the Guarantor shall be given as provided in the Indenture to the Guarantor, at its address set forth below, with a copy to the Issuer as provided in the Indenture for notices to the Issuer.

SECTION 3.2 *Parties.* Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the Holders and the Trustee, any legal or equitable right, remedy or claim under or in respect of this Supplemental Indenture or the Indenture or any provision herein or therein contained.

SECTION 3.3 *Governing Law.* This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 3.4 *Severability Clause.* In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

SECTION 3.5 *Ratification of Indenture; Supplemental Indentures Part of Indenture.* Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Securities heretofore or hereafter authenticated and delivered shall be bound hereby. The Trustee makes no representation or warranty as to the validity or sufficiency of this Supplemental Indenture or with respect to the recitals contained herein, all of which recitals are made solely by the other parties hereto.

SECTION 3.6 *Counterparts.* The parties hereto may sign one or more copies of this Supplemental Indenture in counterparts, all of which together shall constitute one and the same agreement.

SECTION 3.7 *Headings.* The headings of the Articles and the sections in this Supplemental Indenture are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

[SUBSIDIARY GUARANTOR],
as a Guarantor

By: _____

Name:
Title:
[Address]

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: _____

Name:
Title:

ANTERO RESOURCES FINANCE CORPORATION

By: _____

Name:
Title:

ANTERO RESOURCES LLC

By: _____

Name:
Title:

ANTERO RESOURCES CORPORATION

By: _____

Name:
Title:

ANTERO RESOURCES MIDSTREAM CORPORATION

By: _____

Name:
Title:

ANTERO RESOURCES PICEANCE CORPORATION

By: _____

Name:
Title:

ANTERO RESOURCES PIPELINE CORPORATION

By: _____

Name:
Title:

ANTERO RESOURCES APPALACHIAN CORPORATION

By: _____

Name:
Title:

QuickLinks

Exhibit 4.2

EXECUTION VERSION

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT dated November 17, 2009 (the "Agreement") is entered into by and among Antero Resources Finance Corporation, a Delaware corporation (the "Company"), an indirect wholly owned subsidiary of Antero Resources LLC (the "Parent"), the guarantors listed in Schedule 1 hereto (together with the Parent, the "Guarantors"), and J.P. Morgan Securities Inc. ("JPMorgan"), as representative of the several initial purchasers listed in Schedule 1 of the Purchase Agreement (collectively, the "Initial Purchasers").

The Company, the Guarantors and the Initial Purchasers are parties to the Purchase Agreement dated November 12, 2009 (the "Purchase Agreement"), which provides for the sale by the Company to the Initial Purchasers of $375,000,000 aggregate principal amount of the Company's 9.375% Senior Notes due 2017 (the "Securities") which will be guaranteed on an unsecured senior basis by each of the Guarantors. As an inducement to the Initial Purchasers to enter into the Purchase Agreement, the Company and the Guarantors have agreed to provide to the Initial Purchasers and their direct and indirect transferees the registration rights set forth in this Agreement. The execution and delivery of this Agreement is a condition to the closing under the Purchase Agreement.

In consideration of the foregoing, the parties hereto agree as follows:

1. *Definitions.* As used in this Agreement, the following terms shall have the following meanings:

"Additional Guarantor" shall mean any subsidiary of the Parent that executes a Subsidiary Guarantee under the Indenture after the date of this Agreement.

"Business Day" shall mean any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed.

"Company" shall have the meaning set forth in the preamble and shall also include the Company's successors.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time and the rules and regulations of the SEC promulgated thereunder.

"Exchange Dates" shall have the meaning set forth in Section 2(a)(ii) hereof.

"Exchange Offer" shall mean the exchange offer by the Company and the Guarantors of Exchange Securities for Registrable Securities pursuant to Section 2(a) hereof.

"Exchange Offer Registration" shall mean a registration under the Securities Act effected pursuant to Section 2(a) hereof.

"Exchange Offer Registration Statement" shall mean an exchange offer registration statement on Form S-4 (or, if applicable, on another appropriate form) under the Securities Act with respect to the Exchange Offer and all amendments and supplements to such registration statement, in each case including the Prospectus contained therein or deemed a part thereof, all exhibits thereto and any document incorporated by reference therein.

"Exchange Securities" shall mean senior notes issued by the Company and guaranteed by the Guarantors under the Indenture containing terms identical to the Securities (except that the Exchange Securities will not be subject to restrictions on transfer or to any increase in annual interest rate for failure to comply with this Agreement) and to be offered to Holders of Securities in exchange for Securities pursuant to the Exchange Offer.

"Free Writing Prospectus" means each free writing prospectus (as defined in Rule 405 under the Securities Act) prepared by or on behalf of the Company or used or referred to by the Company in connection with the sale of the Securities or the Exchange Securities.

"Guarantors" shall mean, collectively, the Parent and the guarantors listed on Schedule 1 hereto, any successors thereof and any Additional Guarantors.

"Holders" shall mean the Initial Purchasers, for so long as they own any Registrable Securities, and each of their successors, assigns and direct and indirect transferees who become owners of Registrable Securities under the Indenture; provided that for purposes of Sections 4 and 5 of this Agreement, the term "Holders" shall include Participating Broker-Dealers.

"Indemnified Person" shall have the meaning set forth in Section 5(c) hereof.

"Indemnifying Person" shall have the meaning set forth in Section 5(c) hereof.

"Indenture" shall mean the Indenture relating to the Securities dated as of November 17, 2009 among the Company, the Guarantors and Wells Fargo Bank, National Association, as trustee, and as the same may be amended from time to time in accordance with the terms thereof.

"Initial Purchasers" shall have the meaning set forth in the preamble.

"Inspector" shall have the meaning set forth in Section 3(a)(xiv) hereof.

"Issuer Information" shall have the meaning set forth in Section 5(a) hereof.

"JPMorgan" shall have the meaning set forth in the preamble.

"Majority Holders" shall mean the Holders of a majority of the aggregate principal amount of the outstanding Registrable Securities; provided that whenever the consent or approval of Holders of a specified percentage of Registrable Securities is required hereunder, any Registrable Securities owned directly or indirectly by the Company or any of its affiliates shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage or amount; and provided, further, that if the Company shall issue any additional Securities under the Indenture prior to consummation of the Exchange Offer or, if applicable, the effectiveness of any Shelf Registration Statement, such additional Securities and the Registrable Securities to which this Agreement relates shall be treated together as one class for purposes of determining whether the consent or approval of Holders of a specified percentage of Registrable Securities has been obtained.

"Participating Broker-Dealer" shall have the meaning set forth in Section 4(a) hereof.

"Person" shall mean an individual, partnership, limited liability company, corporation, trust or unincorporated organization, or other legal entity or a government or agency or political subdivision thereof.

"Prospectus" shall mean the prospectus included in, or, pursuant to the rules and regulations of the Securities Act, deemed a part of, a Registration Statement, including any preliminary prospectus, and any such prospectus as amended or supplemented by any prospectus supplement, including a prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by a Shelf Registration Statement, and by all other amendments and supplements to such prospectus, and in each case including any document incorporated by reference therein.

"Purchase Agreement" shall have the meaning set forth in the preamble.

"Registrable Securities" shall mean the Securities; provided that the Securities shall cease to be Registrable Securities (i) when a Registration Statement with respect to such Securities has become effective under the Securities Act and such Securities have been exchanged or disposed of pursuant to such Registration Statement or (ii) when such Securities cease to be outstanding.

"Registration Expenses" shall mean any and all expenses incident to performance of or compliance by the Company and the Guarantors with this Agreement, including without limitation: (i) all SEC, stock exchange or Financial Industry Regulatory Authority registration and filing fees, (ii) all fees and

expenses incurred in connection with compliance with state securities or blue sky laws (including reasonable fees and disbursements of counsel for any Underwriters or Holders in connection with blue sky qualification of any Exchange Securities or Registrable Securities), (iii) all expenses of any Persons in preparing or assisting in preparing, word processing, printing and distributing any Registration Statement, any Prospectus, any Free Writing Prospectus and any amendments or supplements thereto, any underwriting agreements, securities sales agreements or other similar agreements and any other documents relating to the performance of and compliance with this Agreement (other than the fees of counsel to the Initial Purchasers incurred in connection with the preparation and review of the Exchange Offer Registration Statement or in connection with the Exchange Offer), (iv) all rating agency fees, (v) all fees and disbursements relating to the qualification of the Indenture under applicable securities laws, (vi) the fees and disbursements of the Trustee and its counsel, (vii) the fees and disbursements of counsel for the Company and the Guarantors and, in the case of a Shelf Registration Statement, the fees and disbursements of one counsel for the Holders (which counsel shall be selected by the Majority Holders and which counsel may also be counsel for the Initial Purchasers) and (viii) the fees and disbursements of the independent public accountants of the Company and the Guarantors, including the expenses of any special audits or "comfort" letters required by or incident to the performance of and compliance with this Agreement, but excluding fees and expenses of counsel to the Underwriters (other than fees and expenses set forth in clause (ii) above) or the Holders and underwriting discounts and commissions, brokerage commissions and transfer taxes, if any, relating to the sale or disposition of Registrable Securities by a Holder.

"Registration Statement" shall mean any registration statement filed under the Securities Act of the Company and the Guarantors that covers any of the Exchange Securities or Registrable Securities pursuant to the provisions of this Agreement and all amendments and supplements to any such registration statement, including post-effective amendments, in each case including the Prospectus contained therein or deemed a part thereof, all exhibits thereto and any document incorporated by reference therein.

"SEC" shall mean the United States Securities and Exchange Commission.

"Securities" shall have the meaning set forth in the preamble.

"Securities Act" shall mean the Securities Act of 1933, as amended from time to time and the rules and regulations of the SEC promulgated thereunder.

"Shelf Effectiveness Period" shall have the meaning set forth in Section 2(b) hereof.

"Shelf Registration" shall mean a registration effected pursuant to Section 2(b) hereof.

"Shelf Registration Statement" shall mean a "shelf" registration statement of the Company and the Guarantors that covers all or a portion of the Registrable Securities (but no other securities unless approved by a majority of the Holders whose Registrable Securities are to be covered by such Shelf Registration Statement) on an appropriate form under Rule 415 under the Securities Act, or any similar rule that may be adopted by the SEC, and all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein or deemed a part thereof, all exhibits thereto and any document incorporated by reference therein.

"Shelf Request" shall have the meaning set forth in Section 2(b) hereof.

"Subsidiary Guarantees" shall mean the guarantees of the Securities and Exchange Securities by the Guarantors under the Indenture.

"Staff" shall mean the staff of the SEC.

"Target Registration Date" shall have the meaning set forth in Section 2(d) hereof.

"Trust Indenture Act" shall mean the Trust Indenture Act of 1939, as amended from time to time.

"Trustee" shall mean the trustee with respect to the Securities under the Indenture.

"Underwriter" shall have the meaning set forth in Section 3(e) hereof.

"Underwritten Offering" shall mean an offering in which Registrable Securities are sold to an Underwriter for reoffering to the public.

2. *Registration Under the Securities Act.* (a) To the extent not prohibited by any applicable law or applicable interpretations of the Staff, the Company and the Guarantors shall use their commercially reasonable efforts to (i) cause to be filed an Exchange Offer Registration Statement covering an offer to the Holders to exchange all the Registrable Securities for Exchange Securities and (ii) have such Registration Statement remain effective until 180 days after the last Exchange Date for use by one or more Participating Broker-Dealers. The Company and the Guarantors shall commence the Exchange Offer promptly after the Exchange Offer Registration Statement is declared effective by the SEC.

The Company and the Guarantors shall commence the Exchange Offer by mailing the related Prospectus, appropriate letters of transmittal and other accompanying documents to each Holder stating, in addition to such other disclosures as are required by applicable law, substantially the following:

(i) that the Exchange Offer is being made pursuant to this Agreement and that all Registrable Securities validly tendered and not properly withdrawn will be accepted for exchange;

(ii) the dates of acceptance for exchange (which shall be a period of at least 20 Business Days from the date such notice is mailed) (the "Exchange Dates");

(iii) that any Registrable Security not tendered will remain outstanding and continue to accrue interest but will not retain any rights under this Agreement, except as otherwise specified herein;

(iv) that any Holder electing to have a Registrable Security exchanged pursuant to the Exchange Offer will be required to (A) surrender such Registrable Security, together with the appropriate letters of transmittal, to the institution and at the address and in the manner specified in the notice, or (B) effect such exchange otherwise in compliance with the applicable procedures of the depositary for such Registrable Security, in each case prior to the close of business on the last Exchange Date; and

(v) that any Holder will be entitled to withdraw its election, not later than the close of business on the last Exchange Date, by (A) sending to the institution and at the address specified in the notice, a telegram, telex, facsimile transmission or letter setting forth the name of such Holder, the principal amount of Registrable Securities delivered for exchange and a statement that such Holder is withdrawing its election to have such Registrable Securities exchanged or (B) effecting such withdrawal in compliance with the applicable procedures of the depositary for the Registrable Securities.

As a condition to participating in the Exchange Offer, a Holder will be required to represent to the Company and the Guarantors that (i) any Exchange Securities to be received by it will be acquired in the ordinary course of its business, (ii) at the time of the commencement of the Exchange Offer it has no arrangement or understanding with any Person to participate in the distribution (within the meaning of the Securities Act) of the Exchange Securities in violation of the provisions of the Securities Act, (iii) it is not an "affiliate" (within the meaning of Rule 405 under the Securities Act) of the Company or any Guarantor and (iv) if such Holder is a broker-dealer that will receive Exchange Securities for its own account in exchange for Registrable Securities that were acquired as a result of market-making or other trading activities, then such Holder will deliver a Prospectus (or, to the extent permitted by law, make available a Prospectus to purchasers) in connection with any resale of such Exchange Securities.

As soon as practicable after the last Exchange Date, the Company and the Guarantors shall:

(i) accept for exchange Registrable Securities or portions thereof validly tendered and not properly withdrawn pursuant to the Exchange Offer; and

(ii) deliver, or cause to be delivered, to the Trustee for cancellation all Registrable Securities or portions thereof so accepted for exchange by the Company and issue, and cause the Trustee to promptly authenticate and deliver to each Holder, Exchange Securities equal in principal amount to the principal amount of the Registrable Securities tendered by such Holder.

The Company and the Guarantors shall use their commercially reasonable efforts to complete the Exchange Offer as provided above and shall comply with the applicable requirements of the Securities Act, the Exchange Act and other applicable laws and regulations in connection with the Exchange Offer. The Exchange Offer shall not be subject to any conditions, other than that the Exchange Offer does not violate any applicable law or applicable interpretations of the Staff.

(b) In the event that (i) the Company and the Guarantors determine that the Exchange Offer Registration provided for in Section 2(a) above is not available or may not be completed as soon as practicable after the last Exchange Date because it would violate any applicable law or applicable interpretations of the Staff, (ii) the Exchange Offer is not for any other reason completed by November 12, 2010 or (iii) upon receipt of a written request (a "Shelf Request") from any Initial Purchaser representing that it holds Registrable Securities that are or were ineligible to be exchanged in the Exchange Offer (which Shelf Request must be made to the Company and the Guarantors on or before the 270th day following the date of this Agreement), the Company and the Guarantors shall use their commercially reasonable efforts to cause to be filed as soon as practicable after such determination, date or Shelf Request, as the case may be, a Shelf Registration Statement providing for the sale of all the Registrable Securities by the Holders thereof and to have such Shelf Registration Statement become effective.

In the event that the Company and the Guarantors are required to file a Shelf Registration Statement pursuant to clause (iii) of the preceding sentence, the Company and the Guarantors shall use their commercially reasonable efforts to file and have become effective both an Exchange Offer Registration Statement pursuant to Section 2(a) with respect to all Registrable Securities and a Shelf Registration Statement (which may be a combined Registration Statement with the Exchange Offer Registration Statement) with respect to offers and sales of Registrable Securities held by the Initial Purchasers after completion of the Exchange Offer.

In the event that the Company and the Guarantors are required to file a Shelf Registration Statement pursuant to this Section 2(b), the Company and the Guarantors agree to use their commercially reasonable efforts to keep the Shelf Registration Statement continuously effective until the earlier of (i) one year following the effective date of such Shelf Registration Statement or (ii) such shorter period that will terminate when all the Registrable Securities covered by the Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement (the "Shelf Effectiveness Period"). The Company and the Guarantors further agree to supplement or amend the Shelf Registration Statement, the related Prospectus and any Free Writing Prospectus if required by the rules, regulations or instructions applicable to the registration form used by the Company for such Shelf Registration Statement or by the Securities Act or by any other rules and regulations thereunder or if reasonably requested by a Holder of Registrable Securities with respect to information relating to such Holder, and to use their commercially reasonable efforts to cause any such amendment to become effective, if required, and such Shelf Registration Statement, Prospectus or Free Writing Prospectus, as the case may be, to become usable as soon as thereafter practicable. The Company and the Guarantors agree to furnish to the Holders of Registrable Securities copies of any such supplement or amendment promptly after its being used or filed with the SEC.

(c) The Company and the Guarantors shall pay all Registration Expenses in connection with any registration pursuant to Section 2(a) or Section 2(b) hereof. Each Holder shall pay all underwriting discounts and commissions, brokerage commissions and transfer taxes, if any, relating to the sale or disposition of such Holder's Registrable Securities pursuant to the Shelf Registration Statement.

(d) An Exchange Offer Registration Statement pursuant to Section 2(a) hereof will not be deemed to have become effective unless it has been declared effective by the SEC. A Shelf Registration Statement pursuant to Section 2(b) hereof will not be deemed to have become effective unless it has been declared effective by the SEC or is automatically effective upon filing with the SEC as provided by Rule 462 under the Securities Act.

In the event that either the Exchange Offer is not completed or the Shelf Registration Statement, if required pursuant to Section 2(b)(i), 2(b)(ii) or 2(b)(iii) hereof, does not become effective on or prior to November 12, 2010 (the "Target Registration Date"), the interest rate on the Registrable Securities will be increased by 1.00% per annum until the Exchange Offer is completed or the Shelf Registration Statement, if required hereby, becomes effective.

If the Shelf Registration Statement, if required hereby, has become effective and thereafter either ceases to be effective or the Prospectus contained therein ceases to be usable, in each case whether or not permitted by this Agreement, at any time during the Shelf Effectiveness Period, and such failure to remain effective or usable exists for more than 30 days (whether or not consecutive) in any 12-month period, then the interest rate on the Registrable Securities will be increased by 1.00% per annum commencing on the 31st day in such 12-month period and ending on such date that the Shelf Registration Statement has again become effective or the Prospectus again becomes usable.

(e) The provisions for the payment of additional interest set forth in Section 2(d) shall be the only monetary remedy available to Holders for the Company's and the Guarantors' failure to cause the Exchange Offer Registration Statement or the Shelf Registration Statement to become effective, or continue to be effective, as the case may be, in accordance with the provisions of this Agreement.

3. *Registration Procedures.* (a) In connection with their obligations pursuant to Section 2(a) and Section 2(b) hereof, the Company and the Guarantors shall as expeditiously as possible:

(i) prepare and file with the SEC a Registration Statement on the appropriate registration form under the Securities Act, which form (x) shall be selected by the Company and the Guarantors, (y) shall, in the case of a Shelf Registration, be available for the resale of the Registrable Securities by the Holders thereof and (z) shall comply as to form in all material respects with the requirements of the applicable form and include all financial statements required by the SEC to be filed therewith; and use their commercially reasonable efforts to cause such Registration Statement to become effective and remain effective for the applicable period in accordance with Section 2 hereof;

(ii) prepare and file with the SEC such amendments and post-effective amendments to each Registration Statement as may be necessary to keep such Registration Statement effective for the applicable period in accordance with Section 2 hereof and cause each Prospectus to be supplemented by any required prospectus supplement and, as so supplemented, to be filed pursuant to Rule 424 under the Securities Act; and keep each Prospectus current during the period described in Section 4(3) of and Rule 174 under the Securities Act that is applicable to transactions by brokers or dealers with respect to the Registrable Securities or Exchange Securities;

(iii) to the extent any Free Writing Prospectus is used, file with the SEC any Free Writing Prospectus that is required to be filed by the Company or the Guarantors with the SEC in accordance with the Securities Act and to retain any Free Writing Prospectus not required to be filed;

(iv) in the case of a Shelf Registration, furnish to each Holder of Registrable Securities, to counsel for the Initial Purchasers, to counsel for such Holders and to each Underwriter of an Underwritten

Offering of Registrable Securities, if any, without charge, as many copies of each Prospectus, preliminary prospectus or Free Writing Prospectus, and any amendment or supplement thereto, as such Holder, counsel or Underwriter may reasonably request in order to facilitate the sale or other disposition of the Registrable Securities thereunder; and the Company and the Guarantors consent to the use of such Prospectus, preliminary prospectus or such Free Writing Prospectus and any amendment or supplement thereto in accordance with applicable law by each of the Holders of Registrable Securities and any such Underwriters in connection with the offering and sale of the Registrable Securities covered by and in the manner described in such Prospectus, preliminary prospectus or such Free Writing Prospectus or any amendment or supplement thereto in accordance with applicable law;

(v) use their commercially reasonable efforts to register or qualify the Registrable Securities under all applicable state securities or blue sky laws of such jurisdictions as any Holder of Registrable Securities covered by a Registration Statement shall reasonably request in writing by the time the applicable Registration Statement becomes effective; cooperate with such Holders in connection with any filings required to be made with Financial Industry Regulatory Authority; and do any and all other acts and things that may be reasonably necessary or advisable to enable each Holder to complete the disposition in each such jurisdiction of the Registrable Securities owned by such Holder; *provided* that neither the Company nor any Guarantor shall be required to (1) qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction where it would not otherwise be required to so qualify, (2) file any general consent to service of process in any such jurisdiction or (3) subject itself to taxation in any such jurisdiction if it is not so subject;

(vi) notify counsel for the Initial Purchasers and, in the case of a Shelf Registration, notify each Holder of Registrable Securities and counsel for such Holders promptly and, if requested by any such Holder or counsel, confirm such advice in writing (1) when a Registration Statement has become effective, when any post-effective amendment thereto has been filed and becomes effective, when any Free Writing Prospectus has been filed or any amendment or supplement to the Prospectus or any Free Writing Prospectus has been filed, (2) of any request by the SEC or any state securities authority for amendments and supplements to a Registration Statement, Prospectus or any Free Writing Prospectus or for additional information after the Registration Statement has become effective, (3) of the issuance by the SEC or any state securities authority of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose, including the receipt by the Company of any notice of objection of the SEC to the use of a Shelf Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act, (4) if, between the applicable effective date of a Shelf Registration Statement and the closing of any sale of Registrable Securities covered thereby, the representations and warranties of the Company or any Guarantor contained in any underwriting agreement, securities sales agreement or other similar agreement, if any, relating to an offering of such Registrable Securities cease to be true and correct in all material respects or if the Company or any Guarantor receives any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation of any proceeding for such purpose, (5) of the happening of any event during the period a Registration Statement is effective that makes any statement made in such Registration Statement or the related Prospectus or any Free Writing Prospectus untrue in any material respect or that requires the making of any changes in such Registration Statement or Prospectus or any Free Writing Prospectus in order to make the statements therein not misleading and (6) of any determination by the Company or any Guarantor that a post-effective amendment to a Registration Statement or any amendment or supplement to the Prospectus or any Free Writing Prospectus would be appropriate;

(vii) use their commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of a Registration Statement or, in the case of a Shelf Registration, the resolution of any objection of the SEC pursuant to Rule 401(g)(2), including by filing an amendment to such Shelf Registration Statement on the proper form, at the earliest possible moment and provide immediate notice to each Holder of the withdrawal of any such order or such resolution;

(viii) in the case of a Shelf Registration, furnish to each Holder of Registrable Securities, without charge, at least one conformed copy of each Registration Statement and any post-effective amendment thereto (without any documents incorporated therein by reference or exhibits thereto, unless requested);

(ix) in the case of a Shelf Registration, cooperate with the Holders of Registrable Securities to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends and enable such Registrable Securities to be issued in such denominations and registered in such names (consistent with the provisions of the Indenture) as such Holders may reasonably request at least one Business Day prior to the closing of any sale of Registrable Securities;

(x) in the case of a Shelf Registration, upon the occurrence of any event contemplated by Section 3(a)(vi)(5) hereof, use their commercially reasonable efforts to prepare and file with the SEC a supplement or post-effective amendment to such Shelf Registration Statement or the related Prospectus or any Free Writing Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered (or, to the extent permitted by law, made available) to purchasers of the Registrable Securities, such Prospectus or Free Writing Prospectus, as the case may be, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and the Company and the Guarantors shall notify the Holders of Registrable Securities to suspend use of the Prospectus or any Free Writing Prospectus as promptly as practicable after the occurrence of such an event, and such Holders hereby agree to suspend use of the Prospectus or any Free Writing Prospectus, as the case may be, until the Company and the Guarantors have amended or supplemented the Prospectus or the Free Writing Prospectus, as the case may be, to correct such misstatement or omission;

(xi) a reasonable time prior to the filing of any Registration Statement, any Prospectus, any Free Writing Prospectus, any amendment to a Registration Statement or amendment or supplement to a Prospectus or a Free Writing Prospectus or of any document that is to be incorporated by reference into a Registration Statement, a Prospectus or a Free Writing Prospectus after initial filing of a Registration Statement, provide copies of such document to the Initial Purchasers and their counsel (and, in the case of a Shelf Registration Statement, to the Holders of Registrable Securities and their counsel) and make such of the representatives of the Company and the Guarantors as shall be reasonably requested by the Initial Purchasers or their counsel (and, in the case of a Shelf Registration Statement, the Holders of Registrable Securities or their counsel) available for discussion of such document; and the Company and the Guarantors shall not, at any time after initial filing of a Registration Statement, use or file any Prospectus, any Free Writing Prospectus, any amendment of or supplement to a Registration Statement or a Prospectus or a Free Writing Prospectus, or any document that is to be incorporated by reference into a Registration Statement, a Prospectus or a Free Writing Prospectus, of which the Initial Purchasers and their counsel (and, in the case of a Shelf Registration Statement, the Holders of Registrable Securities and their counsel) shall not have previously been advised and furnished a copy or to which the Initial Purchasers or their counsel (and, in the case of a Shelf Registration Statement, the Holders of Registrable Securities or their counsel) shall object;

(xii) obtain a CUSIP number for all Exchange Securities or Registrable Securities, as the case may be, not later than the initial effective date of a Registration Statement;

(xiii) cause the Indenture to be qualified under the Trust Indenture Act in connection with the registration of the Exchange Securities or Registrable Securities, as the case may be; cooperate with the Trustee and the Holders to effect such changes to the Indenture as may be required for the Indenture to be so qualified in accordance with the terms of the Trust Indenture Act; and execute, and use their commercially reasonable efforts to cause the Trustee to execute, all documents as may be required to

effect such changes and all other forms and documents required to be filed with the SEC to enable the Indenture to be so qualified in a timely manner;

(xiv) in the case of a Shelf Registration, make available for inspection by a representative of the Holders of the Registrable Securities (an "Inspector"), any Underwriter participating in any disposition pursuant to such Shelf Registration Statement, any attorneys and accountants designated by a majority of the Holders of Registrable Securities to be included in such Shelf Registration and any attorneys and accountants designated by such Underwriter, at reasonable times and in a reasonable manner, all pertinent financial and other records, documents and properties of the Company and its subsidiaries, and cause the respective officers, directors and employees of the Company and the Guarantors to supply all information reasonably requested by any such Inspector, Underwriter, attorney or accountant in connection with a Shelf Registration Statement; *provided* that if any such information is identified by the Company or any Guarantor as being confidential or proprietary, each Person receiving such information shall take such actions as are reasonably necessary to protect the confidentiality of such information to the extent such action is otherwise not inconsistent with, an impairment of or in derogation of the rights and interests of any Inspector, Holder or Underwriter;

(xv) in the case of a Shelf Registration, use their commercially reasonable efforts to cause all Registrable Securities to be listed on any securities exchange or any automated quotation system on which similar securities issued or guaranteed by the Company or any Guarantor are then listed if requested by the Majority Holders, to the extent such Registrable Securities satisfy applicable listing requirements;

(xvi) if reasonably requested by any Holder of Registrable Securities covered by a Shelf Registration Statement, promptly include in a Prospectus supplement or post-effective amendment such information with respect to such Holder as such Holder reasonably requests to be included therein and make all required filings of such Prospectus supplement or such post-effective amendment as soon as the Company has received notification of the matters to be so included in such filing;

(xvii) in the case of an Underwritten Offering pursuant to a Shelf Registration Statement, enter into such customary agreements and take all such other actions in connection therewith (including those requested by the Holders of a majority in principal amount of the Registrable Securities covered by the Shelf Registration Statement) in order to expedite or facilitate the disposition of such Registrable Securities and in such connection, (1) to the extent possible, make such representations and warranties to the Holders and any Underwriters of such Registrable Securities with respect to the business of the Company and its subsidiaries and the Registration Statement, Prospectus, any Free Writing Prospectus and documents incorporated by reference or deemed incorporated by reference, if any, in each case, in form, substance and scope as are customarily made by issuers to underwriters in underwritten offerings and confirm the same if and when requested, (2) obtain opinions of counsel to the Company and the Guarantors (which counsel and opinions, in form, scope and substance, shall be reasonably satisfactory to such Underwriters and their counsel) addressed to each Underwriter of Registrable Securities, covering the matters customarily covered in opinions requested in underwritten offerings, (3) obtain "comfort" letters from the independent certified public accountants of the Company and the Guarantors (and, if necessary, any other certified public accountant of any subsidiary of the Company or any Guarantor, or of any business acquired by the Company or any Guarantor for which financial statements and financial data are or are required to be included in the Registration Statement) addressed to each selling Holder (to the extent permitted by applicable professional standards) and Underwriter of Registrable Securities, such letters to be in customary form and covering matters of the type customarily covered in "comfort" letters in connection with underwritten offerings, including but not limited to financial information contained in any preliminary prospectus, Prospectus or Free Writing Prospectus (4) reserve report confirmation letters from the independent reserve engineers of the Company and the Guarantors in the customary form and covering matters of the type customarily included in such letters to underwriters in connection with primary underwritten offerings

and (5) deliver such documents and certificates as may be reasonably requested by the Holders of a majority in principal amount of the Registrable Securities being sold or the Underwriters, and which are customarily delivered in underwritten offerings, to evidence the continued validity of the representations and warranties of the Company and the Guarantors made pursuant to clause (1) above and to evidence compliance with any customary conditions contained in an underwriting agreement; and

(xviii) so long as any Registrable Securities remain outstanding, cause each Additional Guarantor upon the creation or acquisition by the Company of such Additional Guarantor, to execute a counterpart to this Agreement in the form attached hereto as Annex A and to deliver such counterpart, together with an opinion of counsel as to the enforceability thereof against such entity, to the Initial Purchasers no later than five Business Days following the execution thereof.

(b) In the case of a Shelf Registration Statement, the Company may require each Holder of Registrable Securities to furnish to the Company such information regarding such Holder and the proposed disposition by such Holder of such Registrable Securities as the Company and the Guarantors may from time to time reasonably request in writing.

(c) In the case of a Shelf Registration Statement, each Holder of Registrable Securities covered in such Shelf Registration Statement agrees that, upon receipt of any notice from the Company and the Guarantors of the happening of any event of the kind described in Section 3(a)(vi)(3) or 3(a)(vi)(5) hereof, such Holder will forthwith discontinue disposition of Registrable Securities pursuant to the Shelf Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus and any Free Writing Prospectus contemplated by Section 3(a)(x) hereof and, if so directed by the Company and the Guarantors, such Holder will deliver to the Company and the Guarantors all copies in its possession, other than permanent file copies then in such Holder's possession, of the Prospectus and any Free Writing Prospectus covering such Registrable Securities that is current at the time of receipt of such notice.

(d) If the Company and the Guarantors shall give any notice to suspend the disposition of Registrable Securities pursuant to a Registration Statement, the Company and the Guarantors shall extend the period during which such Registration Statement shall be maintained effective pursuant to this Agreement by the number of days during the period from and including the date of the giving of such notice to and including the date when the Holders of such Registrable Securities shall have received copies of the supplemented or amended Prospectus or any Free Writing Prospectus necessary to resume such dispositions. The Company and the Guarantors may give any such notice only twice during any 365-day period and any such suspensions shall not exceed 30 days for each suspension and there shall not be more than two suspensions in effect during any 365-day period.

(e) The Holders of Registrable Securities covered by a Shelf Registration Statement who desire to do so may sell such Registrable Securities in an Underwritten Offering. In any such Underwritten Offering, the investment bank or investment banks and manager or managers (each an "Underwriter") that will administer the offering will be selected by the Holders of a majority in principal amount of the Registrable Securities included in such offering.

4. *Participation of Broker-Dealers in Exchange Offer.* (a) The Staff has taken the position that any broker-dealer that receives Exchange Securities for its own account in the Exchange Offer in exchange for Securities that were acquired by such broker-dealer as a result of market-making or other trading activities (a "Participating Broker-Dealer") may be deemed to be an "underwriter" within the meaning of the Securities Act and must deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such Exchange Securities.

The Company and the Guarantors understand that it is the Staff's position that if the Prospectus contained in the Exchange Offer Registration Statement includes a plan of distribution containing a

statement to the above effect and the means by which Participating Broker-Dealers may resell the Exchange Securities, without naming the Participating Broker-Dealers or specifying the amount of Exchange Securities owned by them, such Prospectus may be delivered by Participating Broker-Dealers (or, to the extent permitted by law, made available to purchasers) to satisfy their prospectus delivery obligation under the Securities Act in connection with resales of Exchange Securities for their own accounts, so long as the Prospectus otherwise meets the requirements of the Securities Act.

(b) In light of the above, and notwithstanding the other provisions of this Agreement, the Company and the Guarantors agree to amend or supplement the Prospectus contained in the Exchange Offer Registration Statement for a period of up to 180 days after the last Exchange Date (as such period may be extended pursuant to Section 3(d) of this Agreement), in order to expedite or facilitate the disposition of any Exchange Securities by Participating Broker-Dealers consistent with the positions of the Staff recited in Section 4(a) above. The Company and the Guarantors further agree that Participating Broker-Dealers shall be authorized to deliver such Prospectus (or, to the extent permitted by law, make available) during such period in connection with the resales contemplated by this Section 4.

(c) The Initial Purchasers shall have no liability to the Company, any Guarantor or any Holder with respect to any request that they may make pursuant to Section 4(b) above.

5. *Indemnification and Contribution.* (a) The Company and each Guarantor, jointly and severally, agree to indemnify and hold harmless each Initial Purchaser and each Holder, their respective affiliates, directors and officers and each Person, if any, who controls any Initial Purchaser or any Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), joint or several, that arise out of, or are based upon, (1) any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement or any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein not misleading, or (2) any untrue statement or alleged untrue statement of a material fact contained in any Prospectus, any Free Writing Prospectus or any "issuer information" ("Issuer Information") filed or required to be filed pursuant to Rule 433(d) under the Securities Act, or any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to any Initial Purchaser or information relating to any Holder furnished to the Company in writing through JPMorgan or any selling Holder, respectively, expressly for use therein. In connection with any Underwritten Offering permitted by Section 3, the Company and the Guarantors, jointly and severally, will also indemnify the Underwriters, their affiliates and each Person who controls such Underwriters (within the meaning of the Securities Act and the Exchange Act) to the same extent as provided above with respect to the indemnification of the Holders, if requested in connection with any Registration Statement, any Prospectus, any Free Writing Prospectus or any Issuer Information.

(b) Each Holder agrees, severally and not jointly, to indemnify and hold harmless the Company, the Guarantors, the Initial Purchasers and the other selling Holders, the directors of the Company and the Guarantors, each officer of the Company and the Guarantors who signed the Registration Statement and each Person, if any, who controls the Company, the Guarantors, any Initial Purchaser and any other selling Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in

conformity with any information relating to such Holder furnished to the Company in writing by such Holder expressly for use in any Registration Statement, any Prospectus and any Free Writing Prospectus.

(c) If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any Person in respect of which indemnification may be sought pursuant to either paragraph (a) or (b) above, such Person (the "Indemnified Person") shall promptly notify the Person against whom such indemnification may be sought (the "Indemnifying Person") in writing; *provided* that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under this Section 5 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and *provided*, *further*, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under this Section 5. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section 5 that the Indemnifying Person may designate in such proceeding and shall pay the fees and expenses of such proceeding and shall pay the fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons, and that all such fees and expenses shall be reimbursed as they are incurred. Any such separate firm (x) for any Initial Purchaser, its affiliates, directors and officers and any control Persons of such Initial Purchaser shall be designated in writing by JPMorgan, (y) for any Holder, its directors and officers and any control Persons of such Holder shall be designated in writing by the Majority Holders and (z) in all other cases shall be designated in writing by the Company. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement or judgment. No Indemnifying Person shall, without the written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification could have been sought hereunder by such Indemnified Person, unless such settlement (A) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (B) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(d) If the indemnification provided for in paragraphs (a) and (b) above is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the

relative benefits received by the Company and the Guarantors from the offering of the Securities and the Exchange Securities, on the one hand, and by the Holders from receiving Securities or Exchange Securities registered under the Securities Act, on the other hand, or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Company and the Guarantors on the one hand and the Holders on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative fault of the Company and the Guarantors on the one hand and the Holders on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company and the Guarantors or by the Holders and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) The Company, the Guarantors and the Holders agree that it would not be just and equitable if contribution pursuant to this Section 5 were determined by *pro rata* allocation (even if the Holders were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in paragraph (d) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses incurred by such Indemnified Person in connection with any such action or claim. Notwithstanding the provisions of this Section 5, in no event shall a Holder be required to contribute any amount in excess of the amount by which the total price at which the Securities or Exchange Securities sold by such Holder exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The Holders' obligations to contribute pursuant to this Section 5 are several and not joint.

(f) The remedies provided for in this Section 5 are not exclusive and shall not limit any rights or remedies that may otherwise be available to any Indemnified Person at law or in equity.

(g) The indemnity and contribution provisions contained in this Section 5 shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of the Initial Purchasers or any Holder or any Person controlling any Initial Purchaser or any Holder, or by or on behalf of the Company or the Guarantors or the officers or directors of or any Person controlling the Company or the Guarantors, (iii) acceptance of any of the Exchange Securities and (iv) any sale of Registrable Securities pursuant to a Shelf Registration Statement.

6. *General.*

(a) *No Inconsistent Agreements.* The Company and the Guarantors represent, warrant and agree that (i) the rights granted to the Holders hereunder do not in any way conflict with and are not inconsistent with the rights granted to the holders of any other outstanding securities issued or guaranteed by the Company or any Guarantor under any other agreement and (ii) neither the Company nor any Guarantor has entered into, or on or after the date of this Agreement will enter into, any agreement that is inconsistent with the rights granted to the Holders of Registrable Securities in this Agreement or otherwise conflicts with the provisions hereof.

(b) *Amendments and Waivers.* The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given unless the Company and the Guarantors have obtained the

written consent of Holders of at least a majority in aggregate principal amount of the outstanding Registrable Securities affected by such amendment, modification, supplement, waiver or consent; *provided* that no amendment, modification, supplement, waiver or consent to any departure from the provisions of Section 5 hereof shall be effective as against any Holder of Registrable Securities unless consented to in writing by such Holder. Any amendments, modifications, supplements, waivers or consents pursuant to this Section 6(b) shall be by a writing executed by each of the parties hereto.

(c) *Notices.* All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, registered first-class mail, telex, telecopier, or any courier guaranteeing overnight delivery (i) if to a Holder, at the most current address given by such Holder to the Company by means of a notice given in accordance with the provisions of this Section 6(c), which address initially is, with respect to the Initial Purchasers, the address set forth in the Purchase Agreement; (ii) if to the Company and the Guarantors, initially at the Company's address set forth in the Purchase Agreement and thereafter at such other address, notice of which is given in accordance with the provisions of this Section 6(c); and (iii) to such other persons at their respective addresses as provided in the Purchase Agreement and thereafter at such other address, notice of which is given in accordance with the provisions of this Section 6(c). All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt is acknowledged, if telecopied; and on the next Business Day if timely delivered to an air courier guaranteeing overnight delivery. Copies of all such notices, demands or other communications shall be concurrently delivered by the Person giving the same to the Trustee, at the address specified in the Indenture.

(d) *Successors and Assigns.* This Agreement shall inure to the benefit of and be binding upon the successors, assigns and transferees of each of the parties, including, without limitation and without the need for an express assignment, subsequent Holders; *provided* that nothing herein shall be deemed to permit any assignment, transfer or other disposition of Registrable Securities in violation of the terms of the Purchase Agreement or the Indenture. If any transferee of any Holder shall acquire Registrable Securities in any manner, whether by operation of law or otherwise, such Registrable Securities shall be held subject to all the terms of this Agreement, and by taking and holding such Registrable Securities such Person shall be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of this Agreement and such Person shall be entitled to receive the benefits hereof. The Initial Purchasers (in their capacity as Initial Purchasers) shall have no liability or obligation to the Company or the Guarantors with respect to any failure by a Holder to comply with, or any breach by any Holder of, any of the obligations of such Holder under this Agreement.

(e) *Third Party Beneficiaries.* Each Holder shall be a third party beneficiary to the agreements made hereunder between the Company and the Guarantors, on the one hand, and the Initial Purchasers, on the other hand, and shall have the right to enforce such agreements directly to the extent it deems such enforcement necessary or advisable to protect its rights or the rights of other Holders hereunder.

(f) *Counterparts.* This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(g) *Headings.* The headings in this Agreement are for convenience of reference only, are not a part of this Agreement and shall not limit or otherwise affect the meaning hereof.

(h) *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(j) *Entire Agreement; Severability.* This Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements and prior writings with respect thereto. If any term, provision, covenant or restriction contained in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable or against public policy, the remainder of the terms, provisions, covenants and restrictions contained herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated. The Company, the Guarantors and the Initial Purchasers shall endeavor in good faith negotiations to replace the invalid, void or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, void or unenforceable provisions.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

ANTERO RESOURCES FINANCE CORPORATION

By: /s/ ALVYN A. SCHOPP

Name: Alvyn A. Schopp
Title: Vice President and Treasurer

Guarantors:

ANTERO RESOURCES LLC
ANTERO RESOURCES CORPORATION
ANTERO RESOURCES MIDSTREAM CORPORATION
ANTERO RESOURCES PICEANCE CORPORATION
ANTERO RESOURCES PIPELINE CORPORATION
ANTERO RESOURCES APPALACHIAN CORPORATION

By: /s/ ALVYN A. SCHOPP

Name: Alvyn A. Schopp
Title: Vice President and Treasurer

Confirmed and accepted as of the date first above written:

J.P. MORGAN SECURITIES INC.

For itself and on behalf of the
several Initial Purchasers

By /s/ ROBERT MERTENSOTTO

Authorized Signatory

Guarantors

Antero Resources Corporation
Antero Resources Midstream Corporation
Antero Resources Piceance Corporation
Antero Resources Pipeline Corporation
Antero Resources Appalachian Corporation

Annex A

Counterpart to Registration Rights Agreement

The undersigned hereby absolutely, unconditionally and irrevocably agrees as a Guarantor (as defined in the Registration Rights Agreement, dated as of November 17, 2009 by and among Antero Resources Finance Corporation, a Delaware corporation, the guarantors party thereto and J.P. Morgan Securities Inc., on behalf of itself and the other Initial Purchasers) to be bound by the terms and provisions of such Registration Rights Agreement.

IN WITNESS WHEREOF, the undersigned has executed this counterpart as of .

[NAME]

By: _____

Name:
Title:

QuickLinks

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 4.3

EXECUTION VERSION

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT dated January 19, 2010 (the "Agreement") is entered into by and among Antero Resources Finance Corporation, a Delaware corporation (the "Company"), an indirect wholly owned subsidiary of Antero Resources LLC (the "Parent"), the guarantors listed in Schedule 1 hereto (together with the Parent, the "Guarantors"), and J.P. Morgan Securities Inc. ("JPMorgan"), as representative of the several initial purchasers listed in Schedule 1 of the Purchase Agreement (collectively, the "Initial Purchasers").

The Company, the Guarantors and the Initial Purchasers are parties to the Purchase Agreement dated January 13, 2010 (the "Purchase Agreement"), which provides for the sale by the Company to the Initial Purchasers of $150,000,000 aggregate principal amount of the Company's 9.375% Senior Notes due 2017 (the "Securities") which will be guaranteed on an unsecured senior basis by each of the Guarantors. The Company previously issued on November 17, 2009, $375,000,000 aggregate principal amount of 9.375% senior notes due 2017 under the Indenture. The Securities and the notes previously issued under the Indenture on November 17, 2009 will be deemed to be the same series of notes under the Indenture. As an inducement to the Initial Purchasers to enter into the Purchase Agreement, the Company and the Guarantors have agreed to provide to the Initial Purchasers and their direct and indirect transferees the registration rights set forth in this Agreement. The execution and delivery of this Agreement is a condition to the closing under the Purchase Agreement.

In consideration of the foregoing, the parties hereto agree as follows:

1. *Definitions.* As used in this Agreement, the following terms shall have the following meanings:

"Additional Guarantor" shall mean any subsidiary of the Parent that executes a Subsidiary Guarantee under the Indenture after the date of this Agreement.

"Business Day" shall mean any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed.

"Company" shall have the meaning set forth in the preamble and shall also include the Company's successors.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time and the rules and regulations of the SEC promulgated thereunder.

"Exchange Dates" shall have the meaning set forth in Section 2(a)(ii) hereof.

"Exchange Offer" shall mean the exchange offer by the Company and the Guarantors of Exchange Securities for Registrable Securities pursuant to Section 2(a) hereof.

"Exchange Offer Registration" shall mean a registration under the Securities Act effected pursuant to Section 2(a) hereof.

"Exchange Offer Registration Statement" shall mean an exchange offer registration statement on Form S-4 (or, if applicable, on another appropriate form) under the Securities Act with respect to the Exchange Offer and all amendments and supplements to such registration statement, in each case including the Prospectus contained therein or deemed a part thereof, all exhibits thereto and any document incorporated by reference therein.

"Exchange Securities" shall mean senior notes issued by the Company and guaranteed by the Guarantors under the Indenture containing terms identical to the Securities (except that the Exchange Securities will not be subject to restrictions on transfer or to any increase in annual interest rate for failure to comply with this Agreement) and to be offered to Holders of Securities in exchange for Securities pursuant to the Exchange Offer.

"Free Writing Prospectus" means each free writing prospectus (as defined in Rule 405 under the Securities Act) prepared by or on behalf of the Company or used or referred to by the Company in connection with the sale of the Securities or the Exchange Securities.

"Guarantors" shall mean, collectively, the Parent and the guarantors listed on Schedule 1 hereto, any successors thereof and any Additional Guarantors.

"Holders" shall mean the Initial Purchasers, for so long as they own any Registrable Securities, and each of their successors, assigns and direct and indirect transferees who become owners of Registrable Securities under the Indenture; provided that for purposes of Sections 4 and 5 of this Agreement, the term "Holders" shall include Participating Broker-Dealers.

"Indemnified Person" shall have the meaning set forth in Section 5(c) hereof.

"Indemnifying Person" shall have the meaning set forth in Section 5(c) hereof.

"Indenture" shall mean the Indenture relating to the Securities dated as of November 17, 2009 among the Company, the Guarantors and Wells Fargo Bank, National Association, as trustee, and as the same may be amended from time to time in accordance with the terms thereof.

"Initial Purchasers" shall have the meaning set forth in the preamble.

"Inspector" shall have the meaning set forth in Section 3(a)(xiv) hereof.

"Issuer Information" shall have the meaning set forth in Section 5(a) hereof.

"JPMorgan" shall have the meaning set forth in the preamble.

"Majority Holders" shall mean the Holders of a majority of the aggregate principal amount of the outstanding Registrable Securities; provided that whenever the consent or approval of Holders of a specified percentage of Registrable Securities is required hereunder, any Registrable Securities owned directly or indirectly by the Company or any of its affiliates shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage or amount; and provided, further, that if the Company shall issue any additional Securities under the Indenture prior to consummation of the Exchange Offer or, if applicable, the effectiveness of any Shelf Registration Statement, such additional Securities and the Registrable Securities to which this Agreement relates shall be treated together as one class for purposes of determining whether the consent or approval of Holders of a specified percentage of Registrable Securities has been obtained.

"Participating Broker-Dealer" shall have the meaning set forth in Section 4(a) hereof.

"Person" shall mean an individual, partnership, limited liability company, corporation, trust or unincorporated organization, or other legal entity or a government or agency or political subdivision thereof.

"Prospectus" shall mean the prospectus included in, or, pursuant to the rules and regulations of the Securities Act, deemed a part of, a Registration Statement, including any preliminary prospectus, and any such prospectus as amended or supplemented by any prospectus supplement, including a prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by a Shelf Registration Statement, and by all other amendments and supplements to such prospectus, and in each case including any document incorporated by reference therein.

"Purchase Agreement" shall have the meaning set forth in the preamble.

"Registrable Securities" shall mean the Securities; provided that the Securities shall cease to be Registrable Securities (i) when a Registration Statement with respect to such Securities has become effective under the Securities Act and such Securities have been exchanged or disposed of pursuant to such Registration Statement or (ii) when such Securities cease to be outstanding.

"Registration Expenses" shall mean any and all expenses incident to performance of or compliance by the Company and the Guarantors with this Agreement, including without limitation: (i) all SEC, stock exchange or Financial Industry Regulatory Authority registration and filing fees, (ii) all fees and expenses incurred in connection with compliance with state securities or blue sky laws (including reasonable fees and disbursements of counsel for any Underwriters or Holders in connection with blue sky qualification of any Exchange Securities or Registrable Securities), (iii) all expenses of any Persons in preparing or assisting in preparing, word processing, printing and distributing any Registration Statement, any Prospectus, any Free Writing Prospectus and any amendments or supplements thereto, any underwriting agreements, securities sales agreements or other similar agreements and any other documents relating to the performance of and compliance with this Agreement (other than the fees of counsel to the Initial Purchasers incurred in connection with the preparation and review of the Exchange Offer Registration Statement or in connection with the Exchange Offer), (iv) all rating agency fees, (v) all fees and disbursements relating to the qualification of the Indenture under applicable securities laws, (vi) the fees and disbursements of the Trustee and its counsel, (vii) the fees and disbursements of counsel for the Company and the Guarantors and, in the case of a Shelf Registration Statement, the fees and disbursements of one counsel for the Holders (which counsel shall be selected by the Majority Holders and which counsel may also be counsel for the Initial Purchasers) and (viii) the fees and disbursements of the independent public accountants of the Company and the Guarantors, including the expenses of any special audits or "comfort" letters required by or incident to the performance of and compliance with this Agreement, but excluding fees and expenses of counsel to the Underwriters (other than fees and expenses set forth in clause (ii) above) or the Holders and underwriting discounts and commissions, brokerage commissions and transfer taxes, if any, relating to the sale or disposition of Registrable Securities by a Holder.

"Registration Statement" shall mean any registration statement filed under the Securities Act of the Company and the Guarantors that covers any of the Exchange Securities or Registrable Securities pursuant to the provisions of this Agreement and all amendments and supplements to any such registration statement, including post-effective amendments, in each case including the Prospectus contained therein or deemed a part thereof, all exhibits thereto and any document incorporated by reference therein; provided, that any such Registration Statement may be combined with any registration statement with respect to the registration of the Initial Securities filed pursuant to the terms of the Registration Rights dated November 17, 2009 by and among the Company, the Guarantors and JP Morgan.

"SEC" shall mean the United States Securities and Exchange Commission.

"Securities" shall have the meaning set forth in the preamble.

"Securities Act" shall mean the Securities Act of 1933, as amended from time to time and the rules and regulations of the SEC promulgated thereunder.

"Shelf Effectiveness Period" shall have the meaning set forth in Section 2(b) hereof.

"Shelf Registration" shall mean a registration effected pursuant to Section 2(b) hereof.

"Shelf Registration Statement" shall mean a "shelf" registration statement of the Company and the Guarantors that covers all or a portion of the Registrable Securities (but no other securities unless approved by a majority of the Holders whose Registrable Securities are to be covered by such Shelf Registration Statement) on an appropriate form under Rule 415 under the Securities Act, or any similar rule that may be adopted by the SEC, and all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein or deemed a part thereof, all exhibits thereto and any document incorporated by reference therein.

"Shelf Request" shall have the meaning set forth in Section 2(b) hereof.

"Subsidiary Guarantees" shall mean the guarantees of the Securities and Exchange Securities by the Guarantors under the Indenture.

"Staff" shall mean the staff of the SEC.

"Target Registration Date" shall have the meaning set forth in Section 2(d) hereof.

"Trust Indenture Act" shall mean the Trust Indenture Act of 1939, as amended from time to time.

"Trustee" shall mean the trustee with respect to the Securities under the Indenture.

"Underwriter" shall have the meaning set forth in Section 3(e) hereof.

"Underwritten Offering" shall mean an offering in which Registrable Securities are sold to an Underwriter for reoffering to the public.

2. *Registration Under the Securities Act.* (a) To the extent not prohibited by any applicable law or applicable interpretations of the Staff, the Company and the Guarantors shall use their commercially reasonable efforts to (i) cause to be filed an Exchange Offer Registration Statement covering an offer to the Holders to exchange all the Registrable Securities for Exchange Securities and (ii) have such Registration Statement remain effective until 180 days after the last Exchange Date for use by one or more Participating Broker-Dealers. The Company and the Guarantors shall commence the Exchange Offer promptly after the Exchange Offer Registration Statement is declared effective by the SEC.

The Company and the Guarantors shall commence the Exchange Offer by mailing the related Prospectus, appropriate letters of transmittal and other accompanying documents to each Holder stating, in addition to such other disclosures as are required by applicable law, substantially the following:

(i) that the Exchange Offer is being made pursuant to this Agreement and that all Registrable Securities validly tendered and not properly withdrawn will be accepted for exchange;

(ii) the dates of acceptance for exchange (which shall be a period of at least 20 Business Days from the date such notice is mailed) (the "Exchange Dates");

(iii) that any Registrable Security not tendered will remain outstanding and continue to accrue interest but will not retain any rights under this Agreement, except as otherwise specified herein;

(iv) that any Holder electing to have a Registrable Security exchanged pursuant to the Exchange Offer will be required to (A) surrender such Registrable Security, together with the appropriate letters of transmittal, to the institution and at the address and in the manner specified in the notice, or (B) effect such exchange otherwise in compliance with the applicable procedures of the depositary for such Registrable Security, in each case prior to the close of business on the last Exchange Date; and

(v) that any Holder will be entitled to withdraw its election, not later than the close of business on the last Exchange Date, by (A) sending to the institution and at the address specified in the notice, a telegram, telex, facsimile transmission or letter setting forth the name of such Holder, the principal amount of Registrable Securities delivered for exchange and a statement that such Holder is withdrawing its election to have such Registrable Securities exchanged or (B) effecting such withdrawal in compliance with the applicable procedures of the depositary for the Registrable Securities.

As a condition to participating in the Exchange Offer, a Holder will be required to represent to the Company and the Guarantors that (i) any Exchange Securities to be received by it will be acquired in the ordinary course of its business, (ii) at the time of the commencement of the Exchange Offer it has no arrangement or understanding with any Person to participate in the distribution (within the meaning of the Securities Act) of the Exchange Securities in violation of the provisions of the

Securities Act, (iii) it is not an "affiliate" (within the meaning of Rule 405 under the Securities Act) of the Company or any Guarantor and (iv) if such Holder is a broker-dealer that will receive Exchange Securities for its own account in exchange for Registrable Securities that were acquired as a result of market-making or other trading activities, then such Holder will deliver a Prospectus (or, to the extent permitted by law, make available a Prospectus to purchasers) in connection with any resale of such Exchange Securities.

As soon as practicable after the last Exchange Date, the Company and the Guarantors shall:

(i) accept for exchange Registrable Securities or portions thereof validly tendered and not properly withdrawn pursuant to the Exchange Offer; and

(ii) deliver, or cause to be delivered, to the Trustee for cancellation all Registrable Securities or portions thereof so accepted for exchange by the Company and issue, and cause the Trustee to promptly authenticate and deliver to each Holder, Exchange Securities equal in principal amount to the principal amount of the Registrable Securities tendered by such Holder.

The Company and the Guarantors shall use their commercially reasonable efforts to complete the Exchange Offer as provided above and shall comply with the applicable requirements of the Securities Act, the Exchange Act and other applicable laws and regulations in connection with the Exchange Offer. The Exchange Offer shall not be subject to any conditions, other than that the Exchange Offer does not violate any applicable law or applicable interpretations of the Staff.

(b) In the event that (i) the Company and the Guarantors determine that the Exchange Offer Registration provided for in Section 2(a) above is not available or may not be completed as soon as practicable after the last Exchange Date because it would violate any applicable law or applicable interpretations of the Staff, (ii) the Exchange Offer is not for any other reason completed by November 12, 2010 or (iii) upon receipt of a written request (a "Shelf Request") from any Initial Purchaser representing that it holds Registrable Securities that are or were ineligible to be exchanged in the Exchange Offer (which Shelf Request must be made to the Company and the Guarantors on or before the 270th day following November 17, 2009), the Company and the Guarantors shall use their commercially reasonable efforts to cause to be filed as soon as practicable after such determination, date or Shelf Request, as the case may be, a Shelf Registration Statement providing for the sale of all the Registrable Securities by the Holders thereof and to have such Shelf Registration Statement become effective.

In the event that the Company and the Guarantors are required to file a Shelf Registration Statement pursuant to clause (iii) of the preceding sentence, the Company and the Guarantors shall use their commercially reasonable efforts to file and have become effective both an Exchange Offer Registration Statement pursuant to Section 2(a) with respect to all Registrable Securities and a Shelf Registration Statement (which may be a combined Registration Statement with the Exchange Offer Registration Statement) with respect to offers and sales of Registrable Securities held by the Initial Purchasers after completion of the Exchange Offer.

In the event that the Company and the Guarantors are required to file a Shelf Registration Statement pursuant to this Section 2(b), the Company and the Guarantors agree to use their commercially reasonable efforts to keep the Shelf Registration Statement continuously effective until the earlier of (i) one year following the effective date of such Shelf Registration Statement or (ii) such shorter period that will terminate when all the Registrable Securities covered by the Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement (the "Shelf Effectiveness Period"). The Company and the Guarantors further agree to supplement or amend the Shelf Registration Statement, the related Prospectus and any Free Writing Prospectus if required by the rules, regulations or instructions applicable to the registration form used by the Company for such Shelf Registration Statement or by the Securities Act or by any other rules and regulations thereunder

or if reasonably requested by a Holder of Registrable Securities with respect to information relating to such Holder, and to use their commercially reasonable efforts to cause any such amendment to become effective, if required, and such Shelf Registration Statement, Prospectus or Free Writing Prospectus, as the case may be, to become usable as soon as thereafter practicable. The Company and the Guarantors agree to furnish to the Holders of Registrable Securities copies of any such supplement or amendment promptly after its being used or filed with the SEC.

(c) The Company and the Guarantors shall pay all Registration Expenses in connection with any registration pursuant to Section 2(a) or Section 2(b) hereof. Each Holder shall pay all underwriting discounts and commissions, brokerage commissions and transfer taxes, if any, relating to the sale or disposition of such Holder's Registrable Securities pursuant to the Shelf Registration Statement.

(d) An Exchange Offer Registration Statement pursuant to Section 2(a) hereof will not be deemed to have become effective unless it has been declared effective by the SEC. A Shelf Registration Statement pursuant to Section 2(b) hereof will not be deemed to have become effective unless it has been declared effective by the SEC or is automatically effective upon filing with the SEC as provided by Rule 462 under the Securities Act.

In the event that either the Exchange Offer is not completed or the Shelf Registration Statement, if required pursuant to Section 2(b)(i), 2(b)(ii) or 2(b)(iii) hereof, does not become effective on or prior to November 12, 2010 (the "Target Registration Date"), the interest rate on the Registrable Securities will be increased by 1.00% per annum until the Exchange Offer is completed or the Shelf Registration Statement, if required hereby, becomes effective.

If the Shelf Registration Statement, if required hereby, has become effective and thereafter either ceases to be effective or the Prospectus contained therein ceases to be usable, in each case whether or not permitted by this Agreement, at any time during the Shelf Effectiveness Period, and such failure to remain effective or usable exists for more than 30 days (whether or not consecutive) in any 12-month period, then the interest rate on the Registrable Securities will be increased by 1.00% per annum commencing on the 31st day in such 12-month period and ending on such date that the Shelf Registration Statement has again become effective or the Prospectus again becomes usable.

(e) The provisions for the payment of additional interest set forth in Section 2(d) shall be the only monetary remedy available to Holders for the Company's and the Guarantors' failure to cause the Exchange Offer Registration Statement or the Shelf Registration Statement to become effective, or continue to be effective, as the case may be, in accordance with the provisions of this Agreement.

3. *Registration Procedures.* (a) In connection with their obligations pursuant to Section 2(a) and Section 2(b) hereof, the Company and the Guarantors shall as expeditiously as possible:

(i) prepare and file with the SEC a Registration Statement on the appropriate registration form under the Securities Act, which form (x) shall be selected by the Company and the Guarantors, (y) shall, in the case of a Shelf Registration, be available for the resale of the Registrable Securities by the Holders thereof and (z) shall comply as to form in all material respects with the requirements of the applicable form and include all financial statements required by the SEC to be filed therewith; and use their commercially reasonable efforts to cause such Registration Statement to become effective and remain effective for the applicable period in accordance with Section 2 hereof;

(ii) prepare and file with the SEC such amendments and post-effective amendments to each Registration Statement as may be necessary to keep such Registration Statement effective for the applicable period in accordance with Section 2 hereof and cause each Prospectus to be supplemented by any required prospectus supplement and, as so supplemented, to be filed pursuant to Rule 424 under the Securities Act; and keep each Prospectus current during the period described in Section 4(3) of and Rule 174 under the Securities Act that is applicable to transactions by brokers or dealers with respect to the Registrable Securities or Exchange Securities;

(iii) to the extent any Free Writing Prospectus is used, file with the SEC any Free Writing Prospectus that is required to be filed by the Company or the Guarantors with the SEC in accordance with the Securities Act and to retain any Free Writing Prospectus not required to be filed;

(iv) in the case of a Shelf Registration, furnish to each Holder of Registrable Securities, to counsel for the Initial Purchasers, to counsel for such Holders and to each Underwriter of an Underwritten Offering of Registrable Securities, if any, without charge, as many copies of each Prospectus, preliminary prospectus or Free Writing Prospectus, and any amendment or supplement thereto, as such Holder, counsel or Underwriter may reasonably request in order to facilitate the sale or other disposition of the Registrable Securities thereunder; and the Company and the Guarantors consent to the use of such Prospectus, preliminary prospectus or such Free Writing Prospectus and any amendment or supplement thereto in accordance with applicable law by each of the Holders of Registrable Securities and any such Underwriters in connection with the offering and sale of the Registrable Securities covered by and in the manner described in such Prospectus, preliminary prospectus or such Free Writing Prospectus or any amendment or supplement thereto in accordance with applicable law;

(v) use their commercially reasonable efforts to register or qualify the Registrable Securities under all applicable state securities or blue sky laws of such jurisdictions as any Holder of Registrable Securities covered by a Registration Statement shall reasonably request in writing by the time the applicable Registration Statement becomes effective; cooperate with such Holders in connection with any filings required to be made with Financial Industry Regulatory Authority; and do any and all other acts and things that may be reasonably necessary or advisable to enable each Holder to complete the disposition in each such jurisdiction of the Registrable Securities owned by such Holder; *provided* that neither the Company nor any Guarantor shall be required to (1) qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction where it would not otherwise be required to so qualify, (2) file any general consent to service of process in any such jurisdiction or (3) subject itself to taxation in any such jurisdiction if it is not so subject;

(vi) notify counsel for the Initial Purchasers and, in the case of a Shelf Registration, notify each Holder of Registrable Securities and counsel for such Holders promptly and, if requested by any such Holder or counsel, confirm such advice in writing (1) when a Registration Statement has become effective, when any post-effective amendment thereto has been filed and becomes effective, when any Free Writing Prospectus has been filed or any amendment or supplement to the Prospectus or any Free Writing Prospectus has been filed, (2) of any request by the SEC or any state securities authority for amendments and supplements to a Registration Statement, Prospectus or any Free Writing Prospectus or for additional information after the Registration Statement has become effective, (3) of the issuance by the SEC or any state securities authority of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose, including the receipt by the Company of any notice of objection of the SEC to the use of a Shelf Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act, (4) if, between the applicable effective date of a Shelf Registration Statement and the closing of any sale of Registrable Securities covered thereby, the representations and warranties of the Company or any Guarantor contained in any underwriting agreement, securities sales agreement or other similar agreement, if any, relating to an offering of such Registrable Securities cease to be true and correct in all material respects or if the Company or any Guarantor receives any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation of any proceeding for such purpose, (5) of the happening of any event during the period a Registration Statement is effective that makes any statement made in such Registration Statement or the related Prospectus or any Free Writing Prospectus untrue in any material respect or that requires the making of any changes in such Registration Statement or Prospectus or any Free Writing Prospectus in order to make the statements therein not misleading and (6) of any determination by the Company or any

Guarantor that a post-effective amendment to a Registration Statement or any amendment or supplement to the Prospectus or any Free Writing Prospectus would be appropriate;

(vii) use their commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of a Registration Statement or, in the case of a Shelf Registration, the resolution of any objection of the SEC pursuant to Rule 401(g)(2), including by filing an amendment to such Shelf Registration Statement on the proper form, at the earliest possible moment and provide immediate notice to each Holder of the withdrawal of any such order or such resolution;

(viii) in the case of a Shelf Registration, furnish to each Holder of Registrable Securities, without charge, at least one conformed copy of each Registration Statement and any post-effective amendment thereto (without any documents incorporated therein by reference or exhibits thereto, unless requested);

(ix) in the case of a Shelf Registration, cooperate with the Holders of Registrable Securities to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends and enable such Registrable Securities to be issued in such denominations and registered in such names (consistent with the provisions of the Indenture) as such Holders may reasonably request at least one Business Day prior to the closing of any sale of Registrable Securities;

(x) in the case of a Shelf Registration, upon the occurrence of any event contemplated by Section 3(a)(vi)(5) hereof, use their commercially reasonable efforts to prepare and file with the SEC a supplement or post-effective amendment to such Shelf Registration Statement or the related Prospectus or any Free Writing Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered (or, to the extent permitted by law, made available) to purchasers of the Registrable Securities, such Prospectus or Free Writing Prospectus, as the case may be, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and the Company and the Guarantors shall notify the Holders of Registrable Securities to suspend use of the Prospectus or any Free Writing Prospectus as promptly as practicable after the occurrence of such an event, and such Holders hereby agree to suspend use of the Prospectus or any Free Writing Prospectus, as the case may be, until the Company and the Guarantors have amended or supplemented the Prospectus or the Free Writing Prospectus, as the case may be, to correct such misstatement or omission;

(xi) a reasonable time prior to the filing of any Registration Statement, any Prospectus, any Free Writing Prospectus, any amendment to a Registration Statement or amendment or supplement to a Prospectus or a Free Writing Prospectus or of any document that is to be incorporated by reference into a Registration Statement, a Prospectus or a Free Writing Prospectus after initial filing of a Registration Statement, provide copies of such document to the Initial Purchasers and their counsel (and, in the case of a Shelf Registration Statement, to the Holders of Registrable Securities and their counsel) and make such of the representatives of the Company and the Guarantors as shall be reasonably requested by the Initial Purchasers or their counsel (and, in the case of a Shelf Registration Statement, the Holders of Registrable Securities or their counsel) available for discussion of such document; and the Company and the Guarantors shall not, at any time after initial filing of a Registration Statement, use or file any Prospectus, any Free Writing Prospectus, any amendment of or supplement to a Registration Statement or a Prospectus or a Free Writing Prospectus, or any document that is to be incorporated by reference into a Registration Statement, a Prospectus or a Free Writing Prospectus, of which the Initial Purchasers and their counsel (and, in the case of a Shelf Registration Statement, the Holders of Registrable Securities and their counsel) shall not have previously been advised and furnished a copy or to which the Initial Purchasers or their counsel (and, in the case of a Shelf Registration Statement, the Holders of Registrable Securities or their counsel) shall object;

(xii) obtain a CUSIP number for all Exchange Securities or Registrable Securities, as the case may be, not later than the initial effective date of a Registration Statement;

(xiii) cause the Indenture to be qualified under the Trust Indenture Act in connection with the registration of the Exchange Securities or Registrable Securities, as the case may be; cooperate with the Trustee and the Holders to effect such changes to the Indenture as may be required for the Indenture to be so qualified in accordance with the terms of the Trust Indenture Act; and execute, and use their commercially reasonable efforts to cause the Trustee to execute, all documents as may be required to effect such changes and all other forms and documents required to be filed with the SEC to enable the Indenture to be so qualified in a timely manner;

(xiv) in the case of a Shelf Registration, make available for inspection by a representative of the Holders of the Registrable Securities (an "Inspector"), any Underwriter participating in any disposition pursuant to such Shelf Registration Statement, any attorneys and accountants designated by a majority of the Holders of Registrable Securities to be included in such Shelf Registration and any attorneys and accountants designated by such Underwriter, at reasonable times and in a reasonable manner, all pertinent financial and other records, documents and properties of the Company and its subsidiaries, and cause the respective officers, directors and employees of the Company and the Guarantors to supply all information reasonably requested by any such Inspector, Underwriter, attorney or accountant in connection with a Shelf Registration Statement; *provided* that if any such information is identified by the Company or any Guarantor as being confidential or proprietary, each Person receiving such information shall take such actions as are reasonably necessary to protect the confidentiality of such information to the extent such action is otherwise not inconsistent with, an impairment of or in derogation of the rights and interests of any Inspector, Holder or Underwriter;

(xv) in the case of a Shelf Registration, use their commercially reasonable efforts to cause all Registrable Securities to be listed on any securities exchange or any automated quotation system on which similar securities issued or guaranteed by the Company or any Guarantor are then listed if requested by the Majority Holders, to the extent such Registrable Securities satisfy applicable listing requirements;

(xvi) if reasonably requested by any Holder of Registrable Securities covered by a Shelf Registration Statement, promptly include in a Prospectus supplement or post-effective amendment such information with respect to such Holder as such Holder reasonably requests to be included therein and make all required filings of such Prospectus supplement or such post-effective amendment as soon as the Company has received notification of the matters to be so included in such filing;

(xvii) in the case of an Underwritten Offering pursuant to a Shelf Registration Statement, enter into such customary agreements and take all such other actions in connection therewith (including those requested by the Holders of a majority in principal amount of the Registrable Securities covered by the Shelf Registration Statement) in order to expedite or facilitate the disposition of such Registrable Securities and in such connection, (1) to the extent possible, make such representations and warranties to the Holders and any Underwriters of such Registrable Securities with respect to the business of the Company and its subsidiaries and the Registration Statement, Prospectus, any Free Writing Prospectus and documents incorporated by reference or deemed incorporated by reference, if any, in each case, in form, substance and scope as are customarily made by issuers to underwriters in underwritten offerings and confirm the same if and when requested, (2) obtain opinions of counsel to the Company and the Guarantors (which counsel and opinions, in form, scope and substance, shall be reasonably satisfactory to such Underwriters and their counsel) addressed to each Underwriter of Registrable Securities, covering the matters customarily covered in opinions requested in underwritten offerings, (3) obtain "comfort" letters from the independent certified public accountants of the Company and the Guarantors (and, if necessary, any other certified public accountant of any subsidiary of the Company or any Guarantor, or of any business acquired by the Company or any Guarantor for

which financial statements and financial data are or are required to be included in the Registration Statement) addressed to each selling Holder (to the extent permitted by applicable professional standards) and Underwriter of Registrable Securities, such letters to be in customary form and covering matters of the type customarily covered in "comfort" letters in connection with underwritten offerings, including but not limited to financial information contained in any preliminary prospectus, Prospectus or Free Writing Prospectus (4) reserve report confirmation letters from the independent reserve engineers of the Company and the Guarantors in the customary form and covering matters of the type customarily included in such letters to underwriters in connection with primary underwritten offerings and (5) deliver such documents and certificates as may be reasonably requested by the Holders of a majority in principal amount of the Registrable Securities being sold or the Underwriters, and which are customarily delivered in underwritten offerings, to evidence the continued validity of the representations and warranties of the Company and the Guarantors made pursuant to clause (1) above and to evidence compliance with any customary conditions contained in an underwriting agreement; and

(xviii) so long as any Registrable Securities remain outstanding, cause each Additional Guarantor upon the creation or acquisition by the Company of such Additional Guarantor, to execute a counterpart to this Agreement in the form attached hereto as Annex A and to deliver such counterpart, together with an opinion of counsel as to the enforceability thereof against such entity, to the Initial Purchasers no later than five Business Days following the execution thereof.

(b) In the case of a Shelf Registration Statement, the Company may require each Holder of Registrable Securities to furnish to the Company such information regarding such Holder and the proposed disposition by such Holder of such Registrable Securities as the Company and the Guarantors may from time to time reasonably request in writing.

(c) In the case of a Shelf Registration Statement, each Holder of Registrable Securities covered in such Shelf Registration Statement agrees that, upon receipt of any notice from the Company and the Guarantors of the happening of any event of the kind described in Section 3(a)(vi)(3) or 3(a)(vi)(5) hereof, such Holder will forthwith discontinue disposition of Registrable Securities pursuant to the Shelf Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus and any Free Writing Prospectus contemplated by Section 3(a)(x) hereof and, if so directed by the Company and the Guarantors, such Holder will deliver to the Company and the Guarantors all copies in its possession, other than permanent file copies then in such Holder's possession, of the Prospectus and any Free Writing Prospectus covering such Registrable Securities that is current at the time of receipt of such notice.

(d) If the Company and the Guarantors shall give any notice to suspend the disposition of Registrable Securities pursuant to a Registration Statement, the Company and the Guarantors shall extend the period during which such Registration Statement shall be maintained effective pursuant to this Agreement by the number of days during the period from and including the date of the giving of such notice to and including the date when the Holders of such Registrable Securities shall have received copies of the supplemented or amended Prospectus or any Free Writing Prospectus necessary to resume such dispositions. The Company and the Guarantors may give any such notice only twice during any 365-day period and any such suspensions shall not exceed 30 days for each suspension and there shall not be more than two suspensions in effect during any 365-day period.

(e) The Holders of Registrable Securities covered by a Shelf Registration Statement who desire to do so may sell such Registrable Securities in an Underwritten Offering. In any such Underwritten Offering, the investment bank or investment banks and manager or managers (each an "Underwriter") that will administer the offering will be selected by the Holders of a majority in principal amount of the Registrable Securities included in such offering.

4. *Participation of Broker-Dealers in Exchange Offer.* (a) The Staff has taken the position that any broker-dealer that receives Exchange Securities for its own account in the Exchange Offer in exchange for Securities that were acquired by such broker-dealer as a result of market-making or other trading activities (a "Participating Broker-Dealer") may be deemed to be an "underwriter" within the meaning of the Securities Act and must deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such Exchange Securities.

The Company and the Guarantors understand that it is the Staff's position that if the Prospectus contained in the Exchange Offer Registration Statement includes a plan of distribution containing a statement to the above effect and the means by which Participating Broker-Dealers may resell the Exchange Securities, without naming the Participating Broker-Dealers or specifying the amount of Exchange Securities owned by them, such Prospectus may be delivered by Participating Broker-Dealers (or, to the extent permitted by law, made available to purchasers) to satisfy their prospectus delivery obligation under the Securities Act in connection with resales of Exchange Securities for their own accounts, so long as the Prospectus otherwise meets the requirements of the Securities Act.

(b) In light of the above, and notwithstanding the other provisions of this Agreement, the Company and the Guarantors agree to amend or supplement the Prospectus contained in the Exchange Offer Registration Statement for a period of up to 180 days after the last Exchange Date (as such period may be extended pursuant to Section 3(d) of this Agreement), in order to expedite or facilitate the disposition of any Exchange Securities by Participating Broker-Dealers consistent with the positions of the Staff recited in Section 4(a) above. The Company and the Guarantors further agree that Participating Broker-Dealers shall be authorized to deliver such Prospectus (or, to the extent permitted by law, make available) during such period in connection with the resales contemplated by this Section 4.

(c) The Initial Purchasers shall have no liability to the Company, any Guarantor or any Holder with respect to any request that they may make pursuant to Section 4(b) above.

5. *Indemnification and Contribution.* (a) The Company and each Guarantor, jointly and severally, agree to indemnify and hold harmless each Initial Purchaser and each Holder, their respective affiliates, directors and officers and each Person, if any, who controls any Initial Purchaser or any Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), joint or several, that arise out of, or are based upon, (1) any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement or any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein not misleading, or (2) any untrue statement or alleged untrue statement of a material fact contained in any Prospectus, any Free Writing Prospectus or any "issuer information" ("Issuer Information") filed or required to be filed pursuant to Rule 433(d) under the Securities Act, or any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to any Initial Purchaser or information relating to any Holder furnished to the Company in writing through JPMorgan or any selling Holder, respectively, expressly for use therein. In connection with any Underwritten Offering permitted by Section 3, the Company and the Guarantors, jointly and severally, will also indemnify the Underwriters, their affiliates and each Person who controls such Underwriters (within the meaning of the Securities Act and the Exchange Act) to the same extent as provided above with respect to the indemnification of the Holders, if requested in connection with any Registration Statement, any Prospectus, any Free Writing Prospectus or any Issuer Information.

(b) Each Holder agrees, severally and not jointly, to indemnify and hold harmless the Company, the Guarantors, the Initial Purchasers and the other selling Holders, the directors of the Company and the Guarantors, each officer of the Company and the Guarantors who signed the Registration Statement and each Person, if any, who controls the Company, the Guarantors, any Initial Purchaser and any other selling Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Holder furnished to the Company in writing by such Holder expressly for use in any Registration Statement, any Prospectus and any Free Writing Prospectus.

(c) If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any Person in respect of which indemnification may be sought pursuant to either paragraph (a) or (b) above, such Person (the "Indemnified Person") shall promptly notify the Person against whom such indemnification may be sought (the "Indemnifying Person") in writing; *provided* that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under this Section 5 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and *provided*, *further*, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under this Section 5. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section 5 that the Indemnifying Person may designate in such proceeding and shall pay the fees and expenses of such proceeding and shall pay the fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons, and that all such fees and expenses shall be reimbursed as they are incurred. Any such separate firm (x) for any Initial Purchaser, its affiliates, directors and officers and any control Persons of such Initial Purchaser shall be designated in writing by JPMorgan, (y) for any Holder, its directors and officers and any control Persons of such Holder shall be designated in writing by the Majority Holders and (z) in all other cases shall be designated in writing by the Company. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement or judgment. No Indemnifying Person shall, without the written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification could have been sought hereunder by such Indemnified Person, unless such settlement (A) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person,

from all liability on claims that are the subject matter of such proceeding and (B) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(d) If the indemnification provided for in paragraphs (a) and (b) above is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Guarantors from the offering of the Securities and the Exchange Securities, on the one hand, and by the Holders from receiving Securities or Exchange Securities registered under the Securities Act, on the other hand, or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Company and the Guarantors on the one hand and the Holders on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative fault of the Company and the Guarantors on the one hand and the Holders on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company and the Guarantors or by the Holders and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) The Company, the Guarantors and the Holders agree that it would not be just and equitable if contribution pursuant to this Section 5 were determined by *pro rata* allocation (even if the Holders were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in paragraph (d) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses incurred by such Indemnified Person in connection with any such action or claim. Notwithstanding the provisions of this Section 5, in no event shall a Holder be required to contribute any amount in excess of the amount by which the total price at which the Securities or Exchange Securities sold by such Holder exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The Holders' obligations to contribute pursuant to this Section 5 are several and not joint.

(f) The remedies provided for in this Section 5 are not exclusive and shall not limit any rights or remedies that may otherwise be available to any Indemnified Person at law or in equity.

(g) The indemnity and contribution provisions contained in this Section 5 shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of the Initial Purchasers or any Holder or any Person controlling any Initial Purchaser or any Holder, or by or on behalf of the Company or the Guarantors or the officers or directors of or any Person controlling the Company or the Guarantors, (iii) acceptance of any of the Exchange Securities and (iv) any sale of Registrable Securities pursuant to a Shelf Registration Statement.

6. *General.*

(a) *No Inconsistent Agreements.* The Company and the Guarantors represent, warrant and agree that (i) the rights granted to the Holders hereunder do not in any way conflict with and are not

inconsistent with the rights granted to the holders of any other outstanding securities issued or guaranteed by the Company or any Guarantor under any other agreement and (ii) neither the Company nor any Guarantor has entered into, or on or after the date of this Agreement will enter into, any agreement that is inconsistent with the rights granted to the Holders of Registrable Securities in this Agreement or otherwise conflicts with the provisions hereof.

(b) *Amendments and Waivers.* The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given unless the Company and the Guarantors have obtained the written consent of Holders of at least a majority in aggregate principal amount of the outstanding Registrable Securities affected by such amendment, modification, supplement, waiver or consent; *provided* that no amendment, modification, supplement, waiver or consent to any departure from the provisions of Section 5 hereof shall be effective as against any Holder of Registrable Securities unless consented to in writing by such Holder. Any amendments, modifications, supplements, waivers or consents pursuant to this Section 6(b) shall be by a writing executed by each of the parties hereto.

(c) *Notices.* All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, registered first-class mail, telex, telecopier, or any courier guaranteeing overnight delivery (i) if to a Holder, at the most current address given by such Holder to the Company by means of a notice given in accordance with the provisions of this Section 6(c), which address initially is, with respect to the Initial Purchasers, the address set forth in the Purchase Agreement; (ii) if to the Company and the Guarantors, initially at the Company's address set forth in the Purchase Agreement and thereafter at such other address, notice of which is given in accordance with the provisions of this Section 6(c); and (iii) to such other persons at their respective addresses as provided in the Purchase Agreement and thereafter at such other address, notice of which is given in accordance with the provisions of this Section 6(c). All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt is acknowledged, if telecopied; and on the next Business Day if timely delivered to an air courier guaranteeing overnight delivery. Copies of all such notices, demands or other communications shall be concurrently delivered by the Person giving the same to the Trustee, at the address specified in the Indenture.

(d) *Successors and Assigns.* This Agreement shall inure to the benefit of and be binding upon the successors, assigns and transferees of each of the parties, including, without limitation and without the need for an express assignment, subsequent Holders; *provided* that nothing herein shall be deemed to permit any assignment, transfer or other disposition of Registrable Securities in violation of the terms of the Purchase Agreement or the Indenture. If any transferee of any Holder shall acquire Registrable Securities in any manner, whether by operation of law or otherwise, such Registrable Securities shall be held subject to all the terms of this Agreement, and by taking and holding such Registrable Securities such Person shall be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of this Agreement and such Person shall be entitled to receive the benefits hereof. The Initial Purchasers (in their capacity as Initial Purchasers) shall have no liability or obligation to the Company or the Guarantors with respect to any failure by a Holder to comply with, or any breach by any Holder of, any of the obligations of such Holder under this Agreement.

(e) *Third Party Beneficiaries.* Each Holder shall be a third party beneficiary to the agreements made hereunder between the Company and the Guarantors, on the one hand, and the Initial Purchasers, on the other hand, and shall have the right to enforce such agreements directly to the extent it deems such enforcement necessary or advisable to protect its rights or the rights of other Holders hereunder.

(f) *Counterparts.* This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(g) *Headings.* The headings in this Agreement are for convenience of reference only, are not a part of this Agreement and shall not limit or otherwise affect the meaning hereof.

(h) *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(j) *Entire Agreement; Severability.* This Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements and prior writings with respect thereto. If any term, provision, covenant or restriction contained in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable or against public policy, the remainder of the terms, provisions, covenants and restrictions contained herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated. The Company, the Guarantors and the Initial Purchasers shall endeavor in good faith negotiations to replace the invalid, void or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, void or unenforceable provisions.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

ANTERO RESOURCES FINANCE CORPORATION

By: /s/ ALVYN A. SCHOPP

Name: Alvyn A. Schopp
Title: Vice President and Treasurer

Guarantors:

ANTERO RESOURCES LLC
ANTERO RESOURCES CORPORATION
ANTERO RESOURCES MIDSTREAM CORPORATION
ANTERO RESOURCES PICEANCE CORPORATION
ANTERO RESOURCES PIPELINE CORPORATION
ANTERO RESOURCES APPALACHIAN CORPORATION

By: /s/ ALVYN A. SCHOPP

Name: Alvyn A. Schopp
Title: Vice President and Treasurer

Confirmed and accepted as of the date first above written:

J.P. MORGAN SECURITIES INC.

For itself and on behalf of the
several Initial Purchasers

By /s/ ROBERT MERTENSOTTO

Authorized Signatory

Guarantors

Antero Resources Corporation
Antero Resources Midstream Corporation
Antero Resources Piceance Corporation
Antero Resources Pipeline Corporation
Antero Resources Appalachian Corporation

Annex A

Counterpart to Registration Rights Agreement

The undersigned hereby absolutely, unconditionally and irrevocably agrees as a Guarantor (as defined in the Registration Rights Agreement, dated as of January 19, 2010 by and among Antero Resources Finance Corporation, a Delaware corporation, the guarantors party thereto and J.P. Morgan Securities Inc., on behalf of itself and the other Initial Purchasers) to be bound by the terms and provisions of such Registration Rights Agreement.

IN WITNESS WHEREOF, the undersigned has executed this counterpart as of .

[NAME]

By: _____

Name:
Title:

QuickLinks

Exhibit 4.4

EXECUTION VERSION

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "***Agreement***"), dated as of November 3, 2009, is by and among Antero Resources LLC, a Delaware limited liability company (the "***Company***"), and each of the parties listed on *Annex A* (the "***Initial Members***", and as such *Annex A* is updated and amended pursuant to *Section 12(c)* hereof, the "***Members***").

WHEREAS, Antero Resources Corporation, Antero Resources Midstream Corporation, Antero Resources Piceance Corporation, Antero Resources Pipeline Corporation and Antero Resources Appalachian Corporation, each of which is a Delaware corporation (collectively, the "***Antero Subsidiaries***") and the Company, agreed to engage in a series of transactions whereby the Company will issue membership interests to all the stockholders of the Antero Subsidiaries in exchange for the contribution of all of the outstanding shares of each of the Antero Subsidiaries held by such stockholders (the "***Restructuring Transaction***");

WHEREAS, in connection with the Restructuring Transaction, the Company, the contributors named therein and the Antero Subsidiaries have entered into that certain Contribution Agreement dated as of the date hereof (the "***Contribution Agreement***") providing for the contribution of all issued and outstanding shares of each of the Antero Subsidiaries to the Company in exchange for the issuance of certain membership interests in the Company to the Contributors;

WHEREAS, in connection with the Restructuring Transaction, the Company has entered into that certain Unit Subscription Agreement dated as of the date hereof (the "***Unit Subscription Agreement***") with each of the investors signatory thereto (such investors collectively, the "***Investors***"), providing for issuances of Class I-4 Units to the Investors; and

WHEREAS, in connection with the Restructuring Transaction, the Members have requested, and the Company has agreed to provide, registration rights with respect to the Registrable Securities (as hereinafter defined), as set forth in this Agreement;

NOW, THEREFORE, for and in consideration of the mutual agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

Section 1. *Definitions*. As used in this Agreement, the following terms shall have the following meanings:

"***Affiliate***" means, when used with respect to any person, any person directly or indirectly controlling, controlled by, or under common control with such person. For the purposes of this definition, the terms "*controlling*", "*controlled by*", or "*under common control*" means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of securities or any partnership or other ownership interest, by contract or otherwise) of a person. Without limiting the foregoing, when used with respect to any Management Member, an "Affiliate" shall be deemed to specifically include (a) each of the Management Members, (b) any Relative of a Management Member or (c) any trust or other entity established for or owned by any of the persons described in *clause (a)* or clause (b) immediately preceding.

"***Class A-1 Units***" shall mean units of the Company's class of capital interests known as Class A-1 units.

"***Class A-3 Units***" shall mean units of the Company's class of capital interests known as Class A-3 units.

"***Class B-1 Units***" shall mean units of the Company's class of capital interests known as Class B-1 units.

"***Class B-3 Units***" shall mean units of the Company's class of capital interests known as Class B-3 units.

"***Class B-5 Units***" shall mean units of the Company's class of capital interests known as Class B-5 units.

"***Class I Units***" refers collectively, or sometimes individually, to Class I-1 Units, Class I-2 Units, Class I-3 Units and/or Class I-4 Units.

"***Class I-1 Units***" shall mean units of the Company's class of capital interests known as Class I-1 units.

"***Class I-2 Units***" shall mean units of the Company's class of capital interests known as Class I-2 units.

"***Class I-3 Units***" shall mean units of the Company's class of capital interests known as Class I-3 units.

"***Class I-4 Units***" shall mean units of the Company's class of capital interests known as Class I-4 units.

"***Demand Notice***" shall have the meaning set forth in *Section 3* hereof.

"***Demand Registration***" shall have the meaning set forth in *Section 3* hereof.

"***Equity Interests***" means, with respect to any person, any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent membership, partnership or other ownership interests in a person (other than a corporation) and any and all Equity Interest Equivalents.

"***Equity Interest Equivalents***" means, with respect to any person, without duplication with any other Equity Interests or Equity Interest Equivalents, any and all rights, warrants, options, convertible securities, or exchangeable securities or indebtedness, or other rights, exercisable for or convertible or exchangeable into, directly or indirectly, any Equity Interests or securities convertible or exchangeable into any Equity Interests, whether at the time of issuance or upon the passage of time or the occurrence of some future event.

"***Exchange Act***" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"***indemnified party***" shall have the meaning set forth in *Section 8(c)* hereto.

"***indemnifying party***" shall have the meaning set forth in *Section 8(c)* hereto.

"***Initial Public Offering***" shall mean the first underwritten registered public offering of equity securities of the Company pursuant to a registration statement that has been declared effective under the Securities Act.

"***Initiating Holders***" shall mean any Investor Member or Investor Members who hold outstanding Registrable Securities that, as of the date a Demand Notice is submitted by such Initiating Holders to the Company, either (a) constitute the Required Demand Securities or (b) are Registrable Securities which are expected to result in aggregate gross proceeds to the Initiating Holders of not less than $50,000,000 pursuant to a Demand Registration.

"***Investor Members***" shall mean the Initial Members listed on *Annex A* hereto under the heading "Investor Members."

"***IPO Issuer***" means the Company or a successor to the Company that is an Affiliate of the Company or a Subsidiary of the Company or any of the Company's Affiliates and which will be the issuer in a Qualified Public Offering. In the event that an IPO Issuer exists, all references in this Agreement to the "Company" shall be deemed to refer to such IPO Issuer.

"***IPO Securities***" shall mean the equity securities of the IPO Issuer of the same class or series as the securities of the IPO Issuer proposed to be offered to the public in the Qualified Public Offering that the then outstanding Units will be converted into in accordance with LLC Agreement.

"***LLC Agreement***" shall mean that certain limited liability company agreement of Antero Resources LLC, dated as of November 3, 2009, as such agreement may be amended from time to time.

"***Losses***" shall have the meaning set forth in *Section 8* hereof.

"***Management Members***" means the Initial Members listed on *Annex A* hereto under the heading "Management Member."

"***Management Units***" shall refer collectively, or sometimes individually, to Class A-1 Units, Class A-3 Units, Class B-1 Units, Class B-3 Units and/or Class B-5 Units.

"***Person***" shall mean an individual, partnership, corporation, limited partnership, limited liability company, foreign limited liability company, trust, estate, corporation, custodian, trustee-executor, administrator, nominee or entity in a representative capacity.

"***Piggyback Notice***" shall have the meaning set forth in *Section 4(a)* hereof.

"***Piggyback Registration***" shall have the meaning set forth in *Section 4(a)* hereof.

"***Proceeding***" shall mean an action, claim, suit, arbitration or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"***Prospectus***" shall mean the prospectus included in any Registration Statement (including, without limitation, a prospectus that discloses information previously omitted from a prospectus filed as part of an effective Registration Statement in reliance upon Rule 430A, Rule 430B or Rule 430C promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by such Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"***Qualified Public Offering***" shall mean the offering and sale of Registerable Securities in a firm commitment underwritten public offering registered under the Securities Act that results in (a) aggregate cash proceeds to the Company of not less than $50,000,000 (without deducting underwriting discounts, expenses, and commissions) and (b) the listing of such Registerable Securities on the New York Stock Exchange, the NYSE Euronext or admission to trading and quoted on the Nasdaq Stock Market.

"***Registrable Securities***" shall mean (a) the Management Units, (b) the Class I Units and (c) the IPO Securities. As to any particular Registrable Securities, once issued such securities shall cease to be Registrable Securities when (i) they are sold pursuant to an effective Registration Statement under the Securities Act, (ii) they are sold pursuant to Rule 144 (or any similar provision then in

force under the Securities Act) and the transferee thereof does not receive "restricted securities" as defined in Rule 144, (iii) they shall have ceased to be outstanding, (iv) they have been sold in a private transaction in which the transferor's rights under this Agreement are not assigned to the transferee of the securities or (v) they become eligible for resale pursuant to Rule 144(b) (or any similar rule then in effect under the Securities Act). No Registrable Securities may be registered under more than one Registration Statement at any one time

"***Registration Statement***" shall mean any registration statement of the Company under the Securities Act which permits the public offering of any of the Registrable Securities pursuant to the provisions of this Agreement, including the Prospectus, amendments and supplements to such registration statement, including post-effective amendments, all exhibits and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

"***Required Demand Securities***" shall mean:

(a) with respect to the first Demand Registration for which a request is submitted to the Company by Initiating Holders pursuant to *Section 3*, a number of Registrable Securities equal to not less than twenty-five percent (25%) of the total number of Registrable Securities outstanding, in each case held by the Members as of the date of such determination, and, subject to *Section 12(c)* hereof, any successor or assign of such Registrable Securities; and

(b) with respect to any Demand Registration after such first Demand Registration, a number of Registrable Securities equal to fifty percent (50%) of the total number of Registrable Securities outstanding, in each case held by the Members as of the date of such determination, and, subject to *Section 12(c)* hereof, any successor or assign of such Registrable Securities.

"***Required Member Approval***" shall have the meaning ascribed to such term in the LLC Agreement, as may be amended from time to time.

"***Rule 144***" shall mean Rule 144 under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

"***SEC***" shall mean the Securities and Exchange Commission or any successor agency having jurisdiction under the Securities Act.

"***Securities Act***" shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated by the SEC thereunder.

"***Subsidiary***" shall mean, a corporation, partnership, limited liability company or other entity of which Equity Interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership, limited liability company or other entity are at the time owned, or the management of which is otherwise controlled, in each case, directly or indirectly through one or more intermediaries, or both, by the Company, including, specifically, each of the Antero Subsidiaries.

"***Units***" shall refer collectively or sometimes individually to the Management Units and/or the Class I Units.

"***underwritten registration***" or "***underwritten offering***" shall mean a registration in which securities of the Company are sold to an underwriter for reoffering to the public.

Section 2. *[Intentionally Omitted*]

Section 3. *Demand Registration*.

(a) *Requests for Registration.* At any time after the first to occur of an Initial Public Offering and August 10, 2010, the Initiating Holders shall have the right by delivering a written notice to the Company (the "***Demand Notice***") to require the Company to register, pursuant to the terms of this Agreement under and in accordance with the provisions of the Securities Act, the number of Registrable Securities requested to be so registered pursuant to the terms of this Agreement (a "***Demand Registration***"); *provided*, *however*, that a Demand Notice (other than with respect to a Demand Registration that constitutes a "shelf" registration) may only be made if the sale of the Registrable Securities requested to be registered by such Initiating Holders is reasonably expected to result in aggregate gross cash proceeds in excess of $50,000,000. Following receipt of a Demand Notice for a Demand Registration, the Company shall use its reasonable best efforts to file a Registration Statement as promptly as practicable, but not later than thirty (30) days (or sixty (60) days if audited financial statements are required to be included but are not available), after such Demand Notice, and shall use its reasonable best efforts to cause such Registration Statement to be declared effective under the Securities Act as promptly as practicable after the filing thereof.

The Initiating Holders shall be entitled to a maximum of two (2) Demand Registrations; *provided*, *however*, that the Initiating Holders shall be entitled to four additional Demand Registrations that constitute "shelf" registrations as contemplated by the next succeeding sentence. After such time as the Company shall become eligible to use Form S-3 (or comparable form) for the registration under the Securities Act of any of its securities, the Initiating Holders shall be entitled to request that such Demand Registration be a "shelf" registration pursuant to Rule 415 under the Securities Act. Notwithstanding any other provisions of this *Section 3*, in no event shall more than one (1) Demand Registration occur during any six (6)-month period (measured from the effective date of the Registration Statement to the date of the next Demand Notice) or within one hundred eighty (180) days (with respect to the Initial Public Offering) or ninety (90) days (with respect to any underwritten public offering other than the Initial Public Offering) after the date of a final Prospectus filed by the Company; *provided*, that no Demand Registration may be prohibited for such one hundred eighty (180)-day or ninety (90)-day period, as the case may be, more often than once in a twelve (12)-month period.

No Demand Registration shall be deemed to have occurred for purposes of this *Section 3(a)* if the Registration Statement relating thereto does not become effective or is not maintained effective for the period required pursuant to this *Section 3(a)*, in which case such requesting holder of Registrable Securities shall be entitled to an additional Demand Registration in lieu thereof.

Within ten (10) days after receipt by the Company of a Demand Notice, the Company shall give written notice (the " ***Notice***") of such Demand Notice to all other holders of Registrable Securities and shall, subject to the provisions of *Section 3(b)* hereof, include in such registration all Registrable Securities with respect to which the Company received written requests for inclusion therein within ten (10) days after such Notice is given by the Company to such holders.

All requests made pursuant to this *Section 3* will specify the number of Registrable Securities to be registered and the intended methods of disposition thereof.

The Company shall be required to maintain the effectiveness of the Registration Statement with respect to any Demand Registration for a period of at least one hundred eighty (180) days (or two (2) years if a "shelf registration" is requested) after the effective date thereof or such shorter period in which all Registrable Securities included in such Registration Statement have actually been sold; *provided*, *however*, that such period shall be extended for a period of time equal to the period the holder of Registrable Securities refrains from selling any securities included in such registration at the request of an underwriter of the Company or the Company pursuant to this Agreement; and *provided*, *further*, *however*, that any Member owning Registrable Securities that

have been included on a shelf Registration Statement may request that such Registrable Securities be removed from such Registration Statement, in which event the Company shall promptly either withdraw such Registration Statement or file a post-effective amendment to such Registration Statement removing such Registrable Securities.

Notwithstanding anything contained herein to the contrary, the Company hereby agrees that (i) any Demand Registration that is a "shelf" registration pursuant to Rule 415 under the Securities Act shall contain all language (including, without limitation, on the Prospectus cover sheet, the principal unitholders' chart and the plan of distribution) as may be reasonably requested by a holder of Registrable Securities to allow for a distribution to, and resale by, the direct and indirect partners, members or stockholders of a holder of Registrable Securities (a "***Partner Distribution***") and (ii) the Company shall, at the request of any holder of Registrable Securities seeking to effect a Partner Distribution, file any Prospectus supplement or post-effective amendments and to otherwise take any action necessary to include such language, if such language was not included in the initial Registration Statement, or revise such language if deemed reasonably necessary by such holder to effect such Partner Distribution.

(b) *Priority on Demand Registration.* If any of the Registrable Securities registered pursuant to a Demand Registration are to be sold in a firm commitment underwritten offering, and the managing underwriter or underwriters advise the holders of such securities in writing that in its view the total number or dollar amount of Registrable Securities proposed to be sold in such offering is such as to adversely affect the success of such offering (including, without limitation, securities proposed to be included by other holders of securities entitled to include securities in such Registration Statement pursuant to incidental or piggyback registration rights), then there shall be included in such firm commitment underwritten offering the number or dollar amount of Registrable Securities that in the opinion of such managing underwriter can be sold without adversely affecting such offering, and such number of Registrable Securities shall be allocated as follows:

(i) first, pro rata among the Initiating Holders of such Demand Registration on the basis of the percentage of Registrable Securities for which the Demand Notice was submitted by each such Initiating Holder;

(ii) second, pro rata among the other holders of Registrable Securities who timely submitted a written request for inclusion of any of their Registrable Securities in such Demand Registration in accordance with this Agreement;

(iii) third, the securities for which inclusion in such Demand Registration was requested by the Company; and

(iv) fourth, subject to *subsection (e)* hereof, pro rata among the other Members of the Company based on the percentage of Registrable Securities for which the other Members timely submitted a request for inclusion.

In connection with any Demand Registration to which the provisions of this *subsection (b)* apply, no securities other than Registrable Securities shall be covered by such Demand Registration except as provided in *subsection (e)(ii)* hereof, and such registration shall not reduce the number of available registrations under this *Section 3* in the event that the Registration Statement excludes more than twenty-five percent (25%) of the aggregate number of Registrable Securities that holders requested be included.

(c) *Postponement of Demand Registration.* The Company shall be entitled to postpone (but not more than once in any twelve (12) month period), for a reasonable period of time not in excess of seventy-five (75) days, the filing of a Registration Statement if the Company delivers to the holders requesting registration a certificate signed by both the Chief Executive Officer and

Chief Financial Officer of the Company certifying that, in the good faith judgment of the Board of Directors of the Company, such registration and offering would reasonably be expected to materially adversely affect or materially interfere with any *bona fide* material financing of the Company or any material transaction under consideration by the Company or would require disclosure of information that has not been disclosed to the public, the premature disclosure of which would materially adversely affect the Company. Such certificate shall contain a statement of the reasons for such postponement and an approximation of the anticipated delay. The holders receiving such certificate shall keep the information contained in such certificate confidential subject to the same terms set forth in *Section 6(o)*. If the Company shall so postpone the filing of a Registration Statement, the holder who made the Demand Registration shall have the right to withdraw the request for registration by giving written notice to the Company within twenty (20) days of the anticipated termination date of the postponement period, as provided in the certificate delivered to the holders, and in the event of such withdrawal, such request shall not be counted for purposes of the number of Demand Registrations to which such holder is entitled pursuant to the terms of this Agreement.

(d) *Use, and Suspension of Use, of Shelf Registration Statement.* If the Company has filed a "shelf" Registration Statement and has included Registrable Securities therein, the Company shall be entitled to suspend, for a reasonable period of time not in excess of ninety (90) days in any twelve month period, the offer or sale of Registrable Securities pursuant to such Registration Statement by any holder of Registrable Securities if (i) a "road show" is not then in progress with respect to a proposed offering of Registrable Securities by such holder pursuant to such Registration Statement and such holder has not executed an underwriting agreement with respect to a pending sale of Registrable Securities pursuant to such Registration Statement and (ii) the Company delivers to the holders of Registrable Securities included in such Registration Statement a certificate signed by both the Chief Executive Officer and Chief Financial Officer of the Company certifying that, in the good faith judgment of the Board of Directors of the Company, such offer or sale would reasonably be expected to materially adversely affect or materially interfere with any *bona fide* material financing of the Company or any material transaction under consideration by the Company or would require disclosure of information that has not been disclosed to the public, the premature disclosure of which would materially adversely affect the Company. Such certificate shall contain a general statement of the reasons for such postponement and an approximation of the anticipated delay. The holders receiving such certificate shall keep the information contained in such certificate confidential subject to the same terms set forth in *Section 6(o)*.

(e) *Registration of Other Securities.* Whenever the Company shall effect a Demand Registration pursuant to this *Section 3* in connection with an underwritten offering by one or more holders of Registrable Securities, no securities other than Registrable Securities shall be included among the securities covered by such Demand Registration unless (i) the managing underwriter of such offering shall have advised each holder of Registrable Securities requesting such registration in writing that it believes that the inclusion of such other securities would not adversely affect such offering or (ii) the inclusion of such other securities has been approved by the affirmative vote of the Initiating Holders of such Demand Registration.

Section 4. *Piggyback Registration*.

(a) *Right to Piggyback.* If, at any time after an Initial Public Offering, the Company proposes to file a registration statement under the Securities Act with respect to an offering of Registrable Securities (other than a registration statement (i) on Form S-4, Form S-8 or any successor forms thereto or (ii) filed solely in connection with an exchange offer or any employee benefit or dividend reinvestment plan), whether or not for its own account, then, each such time, the Company shall give prompt written notice of such proposed filing at least fifteen (15) days

before the anticipated filing date (the "***Piggyback Notice***") to all of the holders of Registrable Securities. The Piggyback Notice shall offer such holders the opportunity to include in such registration statement the number of Registrable Securities as each such holder, including, without limitation, Registrable Securities held by any Member who is not an Initiating Holder, may request (a "***Piggyback Registration***"). Subject to *Section 4(b)* hereof, the Company shall include in each such Piggyback Registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within ten (10) days after notice has been given to the applicable holder. The eligible holders of Registrable Securities shall be permitted to withdraw all or part of the Registrable Securities from a Piggyback Registration at any time prior to the effective date of such Piggyback Registration. The Company shall not be required to maintain the effectiveness of the Registration Statement for a Piggyback Registration beyond the earlier to occur of (i) one hundred twenty (120) days after the effective date thereof or for two years in the case of a "shelf" Registration Statement and (ii) consummation of the distribution by the holders of the Registrable Securities included in such Registration Statement.

(b) *Priority on Piggyback Registrations.* The Company shall use reasonable efforts to cause the managing underwriter or underwriters of a proposed underwritten offering to permit holders of Registrable Securities requested to be included in the registration for such offering to include all such Registrable Securities on the same terms and conditions as any other shares of capital stock, if any, of the Company included therein. Notwithstanding the foregoing, if the managing underwriter or underwriters of such underwritten offering have informed the Company in writing that it is their good faith opinion that the total amount of securities that such holders, the Company and any other Persons having rights to participate in such registration, intend to include in such offering is such as to adversely affect the success of such offering, then the amount of securities to be offered (i) for the account of holders of Registrable Securities and (ii) for the account of all such other Persons (other than the Company) shall be reduced to the extent necessary to reduce the total amount of securities to be included in such offering to the amount recommended by such managing underwriter or underwriters by first reducing, or eliminating if necessary, all securities of the Company requested to be included by such other Persons (other than the Company) and then, if necessary, reducing the securities requested to be included by the holders of Registrable Securities requesting such registration pro rata among such holders on the basis of the percentage of the Registrable Securities requested to be included in such Registration Statement by such holders.

Notwithstanding anything contained herein to the contrary, the Company hereby agrees that (i) any Piggyback Registration that is a "shelf" registration pursuant to Rule 415 under the Securities Act shall contain all language (including, without limitation, on the Prospectus cover sheet, the principal unitholders' chart and the plan of distribution) as may be requested by a holder of Registrable Securities to allow for a Partner Distribution and (ii) the Company shall, at the request of any holder of Registrable Securities seeking to effect a Partner Distribution, file any Prospectus supplement or post-effective amendments and to otherwise take any action necessary to include such language, if such language was not included in the initial Registration Statement, or revise such language if deemed reasonably necessary by such holder to effect such Partner Distribution.

Section 5. *Restrictions on Public Sale by Holders of Registrable Securities.* Each Member agrees, in connection with the Initial Public Offering, and each holder of Registrable Securities agrees, in connection with any underwritten offering made pursuant to a Registration Statement filed pursuant to *Section 3* or *Section 4* hereof (whether or not such holder elected to include Registrable Securities in such Registration Statement), if requested (pursuant to a written notice) by the managing underwriter or underwriters in an underwritten offering, not to effect any public sale or distribution of any of the Company's securities (except as part of such underwritten offering), including a sale pursuant to

Rule 144, or to give any Demand Notice during the period commencing on the date of the request (which shall be no earlier than fourteen (14) days prior to the expected "pricing" of such offering) and continuing for not more than one hundred eighty (180) days (with respect to the Initial Public Offering) or one hundred twenty (120) days (with respect to any underwritten public offering other than the Initial Public Offering made prior to the second anniversary of the Initial Public Offering) or ninety (90) days (with respect to any underwritten public offering made after the second anniversary of the Initial Public Offering) after the date of the Prospectus (or Prospectus supplement if the offering is made pursuant to a "shelf" registration) pursuant to which such public offering shall be made or such lesser period as is required by the managing underwriter (such one hundred eighty day period, one hundred and twenty day period or ninety day period (as applicable), the "***Initial Lock-Up Period***"); *provided*, *however*, that all officers and directors of the Company must be subject to similar restrictions; *provided further*, *however*, that if (a) during the last seventeen (17) days of the Initial Lock-Up Period, the Company releases earnings results or material news or a material event relating to the Company occurs or (b) prior to the expiration of the Initial Lock-Up Period, the Company announces that it will release earnings results during the sixteen (16)-day period beginning on the last day of the Initial Lock-Up Period, then in each case, if the managing underwriter or underwriters of such underwritten offering so request(s), the Initial Lock-Up Period will be extended until the expiration of the eighteen (18)-day period beginning on the date of release of the earnings results or the occurrence of the material news or material event, as applicable, if the managing underwriters request, in writing, such extension.

Section 6. *Registration Procedures*. If and whenever the Company is required to use its reasonable best efforts to effect the registration of any Registrable Securities under the Securities Act as provided in *Section 3* and *Section 4* hereof, the Company shall effect such registration to permit the sale of such Registrable Securities in accordance with the intended method or methods of disposition thereof, and pursuant thereto the Company shall cooperate in the sale of the securities and shall, as expeditiously as possible:

(a) Prepare and file with the SEC a Registration Statement or Registration Statements on such form which shall be available for the sale of the Registrable Securities by the holders thereof in accordance with the intended method or methods of distribution thereof (including, without limitation, a Partner Distribution), and use its reasonable best efforts to cause such Registration Statement to become effective and to remain effective as provided herein; *provided*, *however*, that before filing a Registration Statement or Prospectus or any amendments or supplements thereto (including documents that would be incorporated or deemed to be incorporated therein by reference), the Company shall furnish or otherwise make available to the holders of the Registrable Securities covered by such Registration Statement, their counsel and the managing underwriters, if any, copies of all such documents proposed to be filed. The Company shall not file any such Registration Statement or Prospectus or any amendments or supplements thereto (including such documents that, upon filing, would be incorporated or deemed to be incorporated by reference therein) with respect to a Demand Registration to which the holders of a majority of the Registrable Securities covered by such Registration Statement, their counsel, or the managing underwriters, if any, shall reasonably object, in writing, on a timely basis, unless, in the opinion of the Company, such filing is necessary to comply with applicable law.

(b) Prepare and file with the SEC such amendments and post-effective amendments to each Registration Statement as may be necessary to keep such Registration Statement continuously effective during the period provided herein with respect to the disposition of all securities covered by such Registration Statement; and cause the related Prospectus to be supplemented by any Prospectus supplement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of the securities covered by such Registration Statement, and as so supplemented to be filed pursuant to Rule 424 (or any similar provisions then in force) under the Securities Act.

(c) Notify each selling holder of Registrable Securities, its counsel and the managing underwriters, if any, promptly, and (if requested by any such Person) confirm such notice in writing, (i) when a Prospectus or any Prospectus supplement or post-effective amendment has been filed, and, with respect to a Registration Statement or any post-effective amendment, when the same has become effective, (ii) of any request by the SEC or any other federal or state governmental authority for amendments or supplements to a Registration Statement or related Prospectus or for additional information, (iii) of the issuance by the SEC of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose, (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any proceeding for such purpose, and (v) of the happening of any event that makes any statement made in such Registration Statement or related Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in such Registration Statement, Prospectus or documents so that, in the case of the Registration Statement, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, not misleading, and that in the case of the Prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(d) Use its reasonable best efforts to obtain the withdrawal of any order suspending the effectiveness of a Registration Statement, or the lifting of any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction.

(e) If requested by the managing underwriters, if any, or the holders of a majority of Registrable Securities being sold in connection with an underwritten offering, promptly include in a Prospectus supplement or post-effective amendment such information as the managing underwriters, if any, and such holders may reasonably request in order to permit the intended method of distribution of such securities and make all required filings of such Prospectus supplement or such post-effective amendment as soon as practicable after the Company has received such request; *provided*, *however*, that the Company shall not be required to take any actions under this *Section 6(e)* that are not, in the opinion of counsel for the Company, in compliance with applicable law.

(f) Furnish or make available to each selling holder of Registrable Securities, its counsel and each managing underwriter, if any, without charge, at least one (1) copy of the Registration Statement, the Prospectus and Prospectus supplements, if applicable, and each post-effective amendment thereto, including financial statements (but excluding schedules, all documents incorporated or deemed to be incorporated therein by reference, and all exhibits, unless requested in writing by such holder, counsel or underwriter).

(g) Deliver to each selling holder of Registrable Securities, its counsel, and the underwriters, if any, without charge, as many copies of the Prospectus or Prospectuses (including each form of

Prospectus) and each amendment or supplement thereto as such Persons may reasonably request in connection with the distribution of the Registrable Securities; and the Company, subject to the last paragraph of this *Section 6*, hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling holders of Registrable Securities and the underwriters, if any, in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any such amendment or supplement thereto.

(h) Prior to any public offering of Registrable Securities, use its reasonable best efforts to register or qualify or cooperate with the selling holders of Registrable Securities, the underwriters, if any, and their respective counsel in connection with the registration or qualification (or exemption from such registration or qualification) of such Registrable Securities for offer and sale under the securities or "Blue Sky" laws of such jurisdictions within the United States as any seller or underwriter reasonably requests in writing and to keep each such registration or qualification (or exemption therefrom) effective during the period such Registration Statement is required to be kept effective and to take any other action that may be necessary or advisable to enable such holders of Registrable Securities to consummate the disposition of such Registrable Securities in such jurisdiction; *provided*, *however*, that the Company will not be required to (i) qualify generally to do business in any jurisdiction where it is not then so qualified or (ii) take any action that would subject it to general service of process in any such jurisdiction where it is not then so subject.

(i) Cooperate with the selling holders of Registrable Securities and the managing underwriters, if any, to facilitate the timely preparation and delivery of certificates (not bearing any legends) representing Registrable Securities to be sold after receiving written representations from each holder of such Registrable Securities that the Registrable Securities represented by the certificates so delivered by such holder will be transferred in accordance with the Registration Statement, and enable such Registrable Securities to be in such denominations and registered in such names as the managing underwriters, if any, or holders may request at least two (2) business days prior to any sale of Registrable Securities in a firm commitment public offering, but in any other such sale, within ten (10) business days prior to having to issue the securities.

(j) Upon the occurrence of any event contemplated by *Section 6(c)(v)* above, prepare a supplement or post-effective amendment to the Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Securities being sold thereunder, such Prospectus will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(k) Prior to the effective date of the Registration Statement relating to the Registrable Securities, provide a CUSIP number for the Registrable Securities.

(l) Provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by such Registration Statement from and after a date not later than the effective date of such Registration Statement.

(m) Use its reasonable best efforts to cause all Registrable Securities covered by such Registration Statement to be authorized to be quoted on the Nasdaq Stock Market or listed on a national securities exchange if securities of the particular class of Registrable Securities are at that time quoted on the Nasdaq Stock Market or listed on such exchange, as the case may be.

(n) Enter into such agreements (including an underwriting agreement in form, scope and substance as is customary in underwritten offerings) and take all such other actions reasonably

requested by the holders of a majority of the Registrable Securities being sold in connection therewith (including those reasonably requested by the managing underwriters, if any) to expedite or facilitate the disposition of such Registrable Securities, and in such connection, whether or not an underwriting agreement is entered into and whether or not the registration is an underwritten registration, (i) make such representations and warranties to the holders of such Registrable Securities and the underwriters, if any, with respect to the business of the Company and its subsidiaries, and the Registration Statement, Prospectus and documents, if any, incorporated or deemed to be incorporated by reference therein, in each case, in form, substance and scope as are customarily made by issuers to underwriters in underwritten offerings, and, if true, confirm the same if and when requested, (ii) use its reasonable best efforts to furnish to the selling holders of such Registrable Securities opinions of counsel to the Company and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the managing underwriters, if any, and counsels to the selling holders of the Registrable Securities), addressed to each selling holder of Registrable Securities and each of the underwriters, if any, covering the matters customarily covered in opinions requested in underwritten offerings and such other matters as may be reasonably requested by such counsel and underwriters, (iii) use its reasonable best efforts to obtain "cold comfort" letters and updates thereof from the independent certified public accountants of the Company (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Registration Statement) who have certified the financial statements included in such Registration Statement, addressed to each selling holder of Registrable Securities (unless such accountants shall be prohibited from so addressing such letters by applicable standards of the accounting profession) and each of the underwriters, if any, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with underwritten offerings, (iv) use its reasonable best efforts to obtain a report of the independent petroleum engineers of the Company relating to the oil and gas reserves of the Company included in such Registration Statement if the Company has had its reserves prepared, audited or reviewed by an independent petroleum engineer, such report to be in customary form and covering matters of the type customarily covered in such reports, (v)if an underwriting agreement is entered into, the same shall contain indemnification provisions and procedures substantially to the effect set forth in *Section 8* hereof with respect to all parties to be indemnified pursuant to said Section and (vi) deliver such documents and certificates as may be reasonably requested by the holders of a majority of the Registrable Securities being sold, their counsel and the managing underwriters, if any, to evidence the continued validity of the representations and warranties made pursuant to *Section 6(n)(i)* above and to evidence compliance with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company. The above shall be done at each closing under such underwriting or similar agreement, or as and to the extent required thereunder.

(o) Make available for inspection by a representative of the selling holders of Registrable Securities, any underwriter participating in any such disposition of Registrable Securities, if any, and any attorneys or accountants retained by such selling holders or underwriter, at the offices where normally kept, during reasonable business hours, all financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries, and cause the officers, directors and employees of the Company and its subsidiaries to supply all information in each case reasonably requested by any such representative, underwriter, attorney or accountant in connection with such Registration Statement; *provided*, *however*, that any information that is not generally publicly available at the time of delivery of such information shall be kept confidential by such Persons unless (i) disclosure of such information is required by court or administrative order, (ii) disclosure of such information, in the opinion of counsel to such Person, is required by law, or (iii) such information becomes generally available to the public other than as a result of a

disclosure or failure to safeguard by such Person. In the case of a proposed disclosure pursuant to *(i)* or *(ii)* above, such Person shall be required to give the Company written notice of the proposed disclosure prior to such disclosure and, if requested by the Company, assist the Company in seeking to prevent or limit the proposed disclosure. Without limiting the foregoing, no such information shall be used by such Person as the basis for any market transactions in securities of the Company or its subsidiaries in violation of law.

(p) Comply with all applicable rules and regulations of the SEC and make available to its security holders earning statements satisfying the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder, or any similar rule promulgated under the Securities Act, no later than ninety (90) days after the end of any twelve (12) month period (or such shorter period of time as may be required under the Securities Act) (i) commencing at the end of any fiscal quarter in which Registrable Securities are sold to underwriters in a firm commitment or best efforts underwritten offering and (ii) if not sold to underwriters in such an offering, commencing on the first day of the first fiscal quarter of the Company after the effective date of a Registration Statement, which statements shall cover one of said twelve (12) month periods.

(q) Cause its officers to use their reasonable best efforts to support the marketing of the Registrable Securities covered by the Registration Statement (including, without limitation, participation in "road shows") taking into account the Company's business needs.

The Company may require each seller of Registrable Securities as to which any registration is being effected to furnish to the Company in writing such information required in connection with such registration regarding such seller and the distribution of such Registrable Securities as the Company may, from time to time, reasonably request in writing and the Company may exclude from such registration the Registrable Securities of any seller who unreasonably fails to furnish such information within a reasonable time after receiving such request.

Each holder of Registrable Securities agrees if such holder has Registrable Securities covered by such Registration Statement that, upon receipt of any notice from the Company of the happening of any event of the kind described in *Section 6(c)(ii)*, *6(c)(iii)*, *6(c)(iv)* or *6(c)(v)* hereof, such holder will forthwith discontinue disposition of such Registrable Securities covered by such Registration Statement or Prospectus until such holder's receipt of the copies of the supplemented or amended Prospectus contemplated by *Section 6(j)* hereof, or until it is advised in writing by the Company that the use of the applicable Prospectus may be resumed, and has received copies of any additional or supplemental filings that are incorporated or deemed to be incorporated by reference in such Prospectus; *provided*, *however*, that the Company shall extend the time periods under *Section 3* with respect to the length of time that the effectiveness of a Registration Statement must be maintained by the amount of time the holder is required to discontinue disposition of such securities.

Section 7. *Registration Expenses*. All reasonable fees and expenses incident to the performance of or compliance with this Agreement by the Company (including, without limitation, (a) all registration and filing fees (including, without limitation, fees and expenses (i) with respect to filings required to be made with the National Association of Securities Dealers, Inc. and (ii) of compliance with securities or Blue Sky laws, including, without limitation, any fees and disbursements of counsel for the underwriters in connection with Blue Sky qualifications of the Registrable Securities pursuant to *Section 6(h)*), (b) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities in a form eligible for deposit with The Depository Trust Company and of printing Prospectuses if the printing of Prospectuses is requested by the managing underwriters, if any, or by the holders of a majority of the Registrable Securities included in any Registration Statement), (c) messenger, telephone and delivery expenses of the Company, (d) fees and disbursements of counsel for the Company, (e) expenses of the Company incurred in connection with any road show, (f) fees and

disbursements of all independent certified public accountants referred to in *Section 6(n)(iii)* hereof (including, without limitation, the expenses of any "cold comfort" letters or oil and gas reserve reports required by this Agreement) and any other persons, including special experts retained by the Company, and (g) fees and disbursements of one counsel for the holders of Registrable Securities whose securities are included in a Registration Statement, which counsel shall be selected by the holders of a majority of the Registrable Securities included in such Registration Statement shall be borne by the Company or any of its Subsidiaries whether or not any Registration Statement is filed or becomes effective. In addition, the Company or any of its Subsidiaries shall pay its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit, the fees and expenses incurred in connection with the listing of the securities to be registered on any securities exchange on which similar securities issued by the Company are then listed and rating agency fees and the fees and expenses of any Person, including special experts, retained by the Company.

The Company shall not be required to pay (a) fees and disbursements of any counsel retained by any holder of Registrable Securities or by any underwriter (except as set forth in *Section 7(a)(ii)* and *Section 7(g)*), (b) any underwriter's fees (including discounts, commissions or fees of underwriters, selling brokers, dealer managers or similar securities industry professionals) relating to the distribution of the Registrable Securities other than with respect to Registrable Securities, if any, sold by the Company, or (c) any other expenses of the holders of Registrable Securities not specifically required to be paid by the Company pursuant to the first paragraph of this *Section 7*.

Section 8. *Indemnification*.

(a) *Indemnification by the Company.* The Company shall, without limitation as to time, indemnify and hold harmless, to the fullest extent permitted by law, each holder of Registrable Securities whose Registrable Securities are covered by a Registration Statement or Prospectus, the officers, directors, partners, members, managers, stockholders, accountants, attorneys, agents and employees of each of them, each Person who controls each such holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, partners, members, managers, stockholders, accountants, attorneys, agents and employees of each such controlling person, each underwriter, if any, and each Person who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) such underwriter, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, costs of preparation and reasonable attorneys' fees and any legal or other fees or expenses incurred by such party in connection with any investigation or Proceeding), expenses, judgments, fines, penalties, charges and amounts paid in settlement (collectively, "**Losses**"), as incurred, arising out of or based upon (i) any untrue statement (or alleged untrue statement) of a material fact contained in a Registration Statement, any preliminary Prospectus or final Prospectus contained therein or otherwise filed with the SEC, any amendment or supplement thereto, any document incorporated by reference therein, any "issuer free writing prospectus" (as defined in Rule 433 promulgated under the Securities Act) or any "issuer information" filed or required to be filed pursuant to Rule 433(d) under the Securities Act (in each case relating to the Registrable Securities) or any other document incident to registration or qualification of such Registrable Securities, (ii) any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (iii) any violation by the Company of the Securities Act or any rule or regulation thereunder applicable to the Company and relating to action or inaction required of the Company in connection with any such registration, qualification, or compliance, and will reimburse each such holder, each of its officers, directors, partners, members, managers, stockholders, accountants, attorneys, agents and employees and each person controlling such holder, each such underwriter, and each person who controls any such underwriter, for any legal and any other expenses reasonably incurred in connection with

investigating and defending or settling any such claim, loss, damage, liability, or action, *provided*, that the Company will not be liable in any such case to the extent that any such claim, loss, damage, liability, or expense arises out of or is based on any untrue statement or omission by such holder or underwriter, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such Registration Statement, preliminary Prospectus, final Prospectus, amendment, supplement, issuer free writing prospectus or document incident to registration or qualification of any Registrable Securities in reliance upon and in conformity with written information furnished to the Company by such holder. It is agreed that the indemnity agreement contained in this *Section 8(a)* shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld).

(b) *Indemnification by Holder of Registrable Securities.* In connection with any Registration Statement in which a holder of Registrable Securities is participating, such holder of Registrable Securities shall furnish to the Company in writing such information as the Company reasonably requests for use in connection with any Registration Statement, preliminary Prospectus, final Prospectus, amendment, supplement, issuer free writing prospectus or document incident to registration or qualification of any Registrable Securities and agrees to indemnify, to the fullest extent permitted by law, severally and not jointly, the Company, its directors, officers, accountants, attorneys, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, partners, members, managers, stockholders, accountants, attorneys, agents or employees of such controlling persons, and each underwriter, if any, and each person who controls such underwriter (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), from and against all Losses arising out of or based on any untrue statement of a material fact contained in any such Registration Statement, preliminary Prospectus, final Prospectus, amendment, supplement, issuer free writing prospectus or document incident to registration or qualification of any Registrable Securities or any omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse the Company and such directors, officers, partners, members, managers, stockholders, accountants, attorneys, employees, agents, persons, underwriters, or control persons for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability, or action, in each case to the extent, but only to the extent, that such untrue statement or omission is made in such Registration Statement, preliminary Prospectus, final Prospectus, amendment, supplement, issuer free writing prospectus or document incident to registration or qualification of any Registrable Securities in reliance upon and in conformity with written information furnished to the Company by such holder specifically for use in connection with the preparation of such Registration Statement, preliminary Prospectus, final Prospectus, amendment, supplement, issuer free writing prospectus or document incident to registration or qualification of any Registrable Securities; *provided*, *however*, that the obligations of such holder hereunder shall not apply to amounts paid in settlement of any such claims, losses, damages, or liabilities (or actions in respect thereof) if such settlement is effected without the consent of such holder (which consent shall not be unreasonably withheld); and *provided*, *further*, that the liability of each selling holder of Registrable Securities hereunder shall be limited to the net proceeds received by such selling holder from the sale of Registrable Securities covered by such Registration Statement.

(c) *Conduct of Indemnification Proceedings.* If any Person shall be entitled to indemnity hereunder (an "**indemnified party**"), such indemnified party shall give prompt notice to the party from which such indemnity is sought (the "**indemnifying party**") of any claim or of the commencement of any Proceeding with respect to which such indemnified party seeks indemnification or contribution pursuant hereto; *provided*, *however*, that the delay or failure to so

notify the indemnifying party shall not relieve the indemnifying party from any obligation or liability except to the extent that the indemnifying party has been prejudiced by such delay or failure. The indemnifying party shall have the right, exercisable by giving written notice to an indemnified party promptly after the receipt of written notice from such indemnified party of such claim or Proceeding, to, unless in the indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, assume, at the indemnifying party's expense, the defense of any such claim or Proceeding, with counsel reasonably satisfactory to such indemnified party; *provided*, *however*, that an indemnified party shall have the right to employ separate counsel in any such claim or Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless: (i) the indemnifying party agrees to pay such fees and expenses; or (ii) the indemnifying party fails promptly to assume or in the event of a conflict of interest cannot assume the defense of such claim or Proceeding or fails to employ counsel reasonably satisfactory to such indemnified party; in which case the indemnified party shall have the right to employ counsel and to assume the defense of such claim or proceeding; *provided*, *however*, that the indemnifying party shall not, in connection with any one such claim or Proceeding or separate but substantially similar or related claims or Proceedings in the same jurisdiction, arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one firm of attorneys (together with appropriate local counsel) at any time for all of the indemnified parties, or for fees and expenses that are not reasonable. Whether or not such defense is assumed by the indemnifying party, such indemnified party will not be subject to any liability for any settlement made without its consent (but such consent will not be unreasonably withheld). The indemnifying party shall not consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release, in form and substance reasonably satisfactory to the indemnified party, from all liability in respect of such claim or litigation for which such indemnified party would be entitled to indemnification hereunder.

(d) *Contribution.* If the indemnification provided for in this *Section 8* is unavailable to an indemnified party in respect of any Losses (other than in accordance with its terms), then each applicable indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the indemnifying party, on the one hand, and such indemnified party, on the other hand, in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such indemnifying party, on the one hand, and indemnified party, on the other hand, shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been taken by, or relates to information supplied by, such indemnifying party or indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent any such action, statement or omission.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this *Section 8(d)* were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this *Section 8(d)*, an indemnifying party that is a selling holder of Registrable Securities shall not be required to contribute any amount in excess of the amount by which the net proceeds from the sale of the Registrable Securities sold by such indemnifying party exceeds the amount of any damages that such indemnifying party has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of

the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

Section 9. *Rule 144*. After an Initial Public Offering, the Company shall file the reports required to be filed by it under the Securities Act and the Exchange Act, and will take such further action as any holder of Registrable Securities may reasonably request, all to the extent required from time to time to enable such holder to sell Registrable Securities without registration under the Securities Act within the limitations of the exemption provided by Rule 144. Upon the request of any holder of Registrable Securities, the Company shall deliver to such holder a written statement as to whether it has complied with such requirements.

Section 10. *Underwritten Registrations*. If a Demand Registration is the Initial Public Offering, the Company shall have the right to select the investment banker or investment bankers and managers to administer the offering, subject to approval by a majority of the Registrable Securities covered by such Demand Registration, not to be unreasonably withheld. Following such Initial Public Offering, if a Demand Registration is an underwritten offering, the Initiating Holders shall have the right to select the investment banker or investment bankers and managers to administer the offering, subject to approval by the Company, not to be unreasonably withheld. The Company shall have the right to select the investment banker or investment bankers and managers to administer any Piggyback Registration.

No Person may participate in any underwritten registration hereunder unless such Person (a) agrees to sell the Registrable Securities it desires to have covered by the Demand Registration on the basis provided in any underwriting arrangements in customary form and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements, *provided*, that such Person shall not be required to make any representations or warranties other than those related to title and ownership of Units (or IPO Securities, as the case may be) and as to the accuracy and completeness of statements made in a Registration Statement, Prospectus, offering circular, or other document in reliance upon and in conformity with written information furnished to the Company or the managing underwriter by such Person.

Section 11. *Limitation on Subsequent Registration Rights*. From and after the date of this Agreement, the Company shall not, without Required Member Approval, enter into any agreement with any holder or prospective holder of any securities of the Company giving such holder or prospective holder any registration rights the terms of which are equivalent to or more favorable than the registration rights granted to holders of Registrable Securities hereunder, or which would reduce the amount of Registrable Securities the holders can include in any registration filed pursuant to *Section 3* hereof, unless such rights are subordinate to those of the holders of Registrable Securities.

Section 12. *Miscellaneous.*

(a) *Amendments and Waivers.* The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the Company has obtained Required Member Approval; *provided*, *however*, that in no event shall the obligations of any holder of Registrable Securities be materially increased or the rights of any Member be adversely affected (without similarly adversely affecting the rights of all Members), except upon the written consent of such holder. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of holders of Registrable

Securities whose securities are being sold pursuant to a Registration Statement and that does not directly or indirectly affect the rights of other holders of Registrable Securities may be given by holders of at least sixty-seven percent (67%) of the Registrable Securities being sold by such holders pursuant to such Registration Statement.

(b) *Notices.* All notices required to be given hereunder shall be in writing and shall be deemed to be duly given if personally delivered, telecopied and confirmed, or mailed by certified mail, return receipt requested, or overnight delivery service with proof of receipt maintained, at the following address (or any other address that any such party may designate by written notice to the other parties):

If to the Company:

Antero Resources LLC
1625 17th Street, Suite 300
Denver, Colorado 80202
Fax: (303) 357-7315

If to any Member, at such Member's address as set forth on the records of the Company. Any such notice shall, if delivered personally, be deemed received upon delivery; shall, if delivered by telecopy, be deemed received on the first business day following confirmation; shall, if delivered by overnight delivery service, be deemed received the first business day after being sent; and shall, if delivered by mail, be deemed received upon the earlier of actual receipt thereof or five (5) business days after the date of deposit in the United States mail.

(c) *Successors and Assigns; Member Status.* This Agreement shall inure to the benefit of the limited partners of a Member who have received Registrable Securities from a Member pursuant to a Partner Distribution and shall inure to the benefit of and be binding upon the successors and assigns of each of the parties, including subsequent holders of Registrable Securities acquired, directly or indirectly, from the Member; *provided*, *however*, that such successor or assign shall not be entitled to such rights unless the successor or assign shall have executed and delivered to the Company an Addendum Agreement substantially in the form of *Exhibit A* hereto promptly following the acquisition of such Registrable Securities, in which event such successor or assign shall be deemed a Member for purposes of this Agreement and *Annex A* shall be updated by the Company accordingly. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any Person other than the parties hereto and their respective successors and permitted assigns any legal or equitable right, remedy or claim under, in or in respect of this Agreement or any provision herein contained.

(d) *Counterparts.* This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(e) *Headings.* The section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

(f) *Governing Law.* This agreement shall be governed by and construed in accordance with the laws of the State of New York (without giving effect to the choice of law principles thereof).

(g) *Severability.* If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated

and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(h) *Entire Agreement.* This Agreement is intended by the parties as a final expression of their agreement, and is intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein, with respect to the registration rights granted by the Company with respect to Registrable Securities. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

(i) *Securities Held by the Company or its Subsidiaries.* Whenever the consent or approval of holders of a specified percentage of Registrable Securities is required hereunder, Registrable Securities held by the Company or its subsidiaries shall not be counted in determining whether such consent or approval was given by the holders of such required percentage.

(j) *Termination.* This Agreement shall terminate on the earlier of (i) ten (10) years following the consummation of a Qualified Public Offering and (ii) when no Registrable Securities remain outstanding; *provided*, that *Section 7* and *Section 8* shall survive any termination hereof.

(k) *Specific Performance.* The parties hereto recognize and agree that money damages may be insufficient to compensate the holders of any Registrable Securities for breaches by the Company of the terms hereof and, consequently, that the equitable remedy of specific performance of the terms hereof will be available in the event of any such breach.

(l) *Consent to Jurisdiction.* The parties hereto hereby irrevocably submit to the exclusive jurisdiction of the courts of the State of New York and the federal courts of the United States of America located in New York, and appropriate appellate courts therefrom, over any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby, and each party hereby irrevocably agrees that all claims in respect of such dispute or proceeding may be heard and determined in such courts. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. This consent to jurisdiction is being given solely for purposes of this Agreement and is not intended to, and shall not, confer consent to jurisdiction with respect to any other dispute in which a party to this Agreement may become involved.

Each of the parties hereto hereby consents to process being served by any party to this Agreement in any suit, action, or proceeding of the nature specified in the paragraph above by the mailing of a copy thereof in the manner specified by the provisions of *subsection (b)* of this *Section 12*.

EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Registration Rights Agreement to be duly executed as of the date first above written. COMPANY:

COMPANY:

ANTERO RESOURCES LLC

By: /s/ GLEN C. WARREN, JR.

Name: Glen C. Warren, Jr.
Title: President and Chief Financial Officer

MEMBERS:

WP ANTERO LLC

By: WP Antero Holdco, LLC, its managing member

By: WP Antero Topco, Inc., its managing member

By: /s/ STEVEN GLENN

Name: Steven Glenn
Title: Authorized Signatory

YORKTOWN ENERGY PARTNERS V, L.P.
By: Yorktown V Company LLC, its General Partner

By: /s/ W. HOWARD KEENAN, JR.

Name: W. Howard Keenan, Jr.
Title: Manager

YORKTOWN ENERGY PARTNERS VI, L.P.

By: Yorktown VI Company LP, its General Partner

By: Yorktown VI Associates LLC, its General Partner

By: /s/ W. HOWARD KEENAN, JR.

Name: W. Howard Keenan, Jr.
Title: Manager

YORKTOWN ENERGY PARTNERS VII, L.P.

By: Yorktown VII Company LP, its General Partner

By: Yorktown VII Associates LLC, its General Partner

By: /s/ W. HOWARD KEENAN, JR.

Name: W. Howard Keenan, Jr.
Title: Manager

YORKTOWN ENERGY PARTNERS VIII, L.P.

By: Yorktown VIII Company LP, its General Partner

By: Yorktown VIII Associates LLC, its General Partner

By: /s/ W. HOWARD KEENAN, JR.

Name: W. Howard Keenan, Jr.
Title: Manager

LEHMAN BROTHERS DIVERSIFIED PRIVATE EQUITY FUND 2004 PARTNERS

By: Lehman Brothers Private Equity Advisers L.L.C., its Attorney-In-Fact

By: /s/ ASHVIN RAO

Name: Ashvin Rao
Title: Vice President

TRILANTIC CAPITAL PARTNERS FUND III ONSHORE ROLLOVER L.P.

By: LB TCP Associates III L.P., its General Partner

By: Lehman Brothers Merchant Banking Associates III L.L.C., its General Partner

By: /s/ ASHVIN RAO

Name: Ashvin Rao
Title: Vice President

TRILANTIC CAPITAL PARTNERS AIV I L.P.

By: Trilantic Capital Management LLC, its Investment Advisor, u/p/a dated 4/10/09

By: /s/ ELLIOT ATTIE

Name: Elliot Attie
Title: Chief Financial Officer

TRILANTIC CAPITAL PARTNERS FUND AIV I L.P.

By: Trilantic Capital Management LLC, its Investment Advisor, u/p/a dated 4/10/09

By: /s/ ELLIOT ATTIE

Name: Elliot Attie
Title: Chief Financial Officer

TRILANTIC CAPITAL PARTNERS FUND (B) AIV I L.P.

By: Trilantic Capital Management LLC, its Investment Advisor, u/p/a dated 4/10/09

By: /s/ ELLIOT ATTIE

Name: Elliot Attie
Title: Chief Financial Officer

TCP CAPITAL PARTNERS V AIV I L.P.

By: Trilantic Capital Management LLC, its Subadvisor, u/p/a dated 4/10/09

By: /s/ ELLIOT ATTIE

Name: Elliot Attie
Title: Chief Financial Officer

TRILANTIC CAPITAL PARTNERS IV L.P.

By: Trilantic Capital Partners Associates IV L.P., its General Partner

By: Trilantic Capital Partners Associates MGP IV, LLC, its General Partner

By: /s/ ELLIOT ATTIE

Name: Elliot Attie
Title: Chief Financial Officer

TCP PARTNERS VI L.P.

By: Trilantic Capital Management LLC, its Subadvisor, u/p/a 4/10/09

By: /s/ ELLIOT ATTIE

Name: Elliot Attie
Title: Chief Financial Officer

TRILANTIC CAPITAL PARTNERS GROUP VI L.P.

By: Trilantic Capital Partners Group VI GP L.P., its General Partner

By: Trilantic Capital Partners Associates IV (Parallel GP) L.P., its General Partner

By: Trilantic Capital Partners Associates MGP IV LLC, its General Partner

By: /s/ ELLIOT ATTIE

Name: Elliot Attie
Title: Chief Financial Officer

TRILANTIC CAPITAL PARTNERS FUND IV FUNDED ROLLOVER L.P.

By: Trilantic Capital Partners Associates IV (Parallel GP) L.P., its General Partner

By: Trilantic Capital Partners Associates MGP IV LLC, its General Partner

By: /s/ ELLIOT ATTIE

Name: Elliot Attie
Title: Chief Financial Officer

COLEMAN ANDREWS SP TRUST

By: Trilantic Capital Management LLC, u/p/a dated 10/30/09

By: /s/ ELLIOT ATTIE

Name: Elliot Attie
Title: Chief Financial Officer

JOHN BUSH

By: Trilantic Capital Management LLC, u/p/a dated 10/30/09

By: /s/ ELLIOT ATTIE

Name: Elliot Attie
Title: Chief Financial Officer

GARD INVESTMENT COMPANY LLC

By: Trilantic Capital Management LLC, u/p/a dated 10/30/09

By: /s/ ELLIOT ATTIE

Name: Elliot Attie
Title: Chief Financial Officer

HOWARD H. LEACH LIVING TRUST

By: Trilantic Capital Management LLC, u/p/a dated 10/30/09

By: /s/ ELLIOT ATTIE

Name: Elliot Attie
Title: Chief Financial Officer

STEPHEN WOLF

By: Trilantic Capital Management LLC, u/p/a dated 10/30/09

By: /s/ ELLIOT ATTIE

Name: Elliot Attie
Title: Chief Financial Officer

LB I GROUP INC.

By: /s/ ASHVIN RAO

Name: Ashvin Rao
Title: Vice President

SPINDRIFT PARTNERS, L.P.

By: Wellington Management Company, LLP, as Investment Adviser

By: /s/ ROBERT TONER

Name: Robert Toner
Title: Vice President and Counsel

SPINDRIFT INVESTORS (BERMUDA) L.P.

By: Wellington Management Company, LLP, as Investment Adviser

By: /s/ ROBERT TONER

Name: Robert Toner
Title: Vice President and Counsel

GENERAL MILLS GROUP TRUST

By: /s/ MARIE PILLAI

Name: Marie Pillai
Title: Executive Secretary, Benefit Finance Committee

GENERAL MILLS BAKERY, CONFECTIONARY, TOBACCO AND GRAIN MILLERS (AFL-CIO) HEALTH AND WELFARE PLAN

By: /s/ MARIE PILLAI

Name: Marie Pillai
Title: Executive Secretary, Benefit Finance Committee

THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY

By: The Stanford Management Company

By: /s/ MARK H. HAYES

Name: Mark H. Hayes, Ph.D.
Title: Director, Natural Resources Investments

YALE UNIVERSITY

By: /s/ DAVID F. SWENSEN

Name: David F. Swensen
Title: Chief Investment Officer

CLTR

By: /s/ STEPHANE BAILLY

Name: Stephane Bailly
Title: Director General

SALISBURY INVESTMENT HOLDINGS, LLC

By: /s/ PAUL M. RADY

Name: Paul M. Rady
Title: Managing Member

/s/ PAUL M. RADY

Paul M. Rady, Individually

CANTON INVESTMENT HOLDINGS, LLC

By: /s/ GLEN C. WARREN, JR.

Name: Glen C. Warren, Jr.
Title: Managing Member

/s/ GLEN C. WARREN, JR.

Glen C. Warren, Jr., Individually

/s/ STEVEN M. WOODWARD

Steven M. Woodward

/s/ BRIAN A. KUHN

Brian A. Kuhn

/s/ ROBERT E. MUELLER

Robert E. Mueller

/s/ ALVYN A. SCHOPP

Alvyn A. Schopp

/s/ MARK D. MAUZ

Mark D. Mauz

/s/ KEVIN J. KILSTROM

Kevin J. Kilstrom

/s/ JONATHAN L. GRANNIS

Jonathan L. Grannis

/s/ ROBERT S. TUCKER

Robert S. Tucker

/s/ TIMOTHY D. CLAWSON

Timothy D. Clawson

/s/ IVAN KAWCAK

Ivan Kawcak

QuickLinks

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 5.1

[LETTERHEAD OF VINSON & ELKINS L.L.P.]

February 11, 2010

Antero Resources Finance Corporation
1625 17th Street
Denver, Colorado 80202

Re: Registration Statement on Form S-4

Ladies and Gentlemen:

We have acted as counsel for Antero Resources Finance Corporation, a Delaware corporation (the "*Company*"), with respect to the preparation of the Registration Statement on Form S-4 (the "*Registration Statement*") being filed by the Company and by Antero Resources LLC, a Delaware limited liability company, Antero Resources Corporation, a Delaware corporation, Antero Resources Midstream Corporation, a Delaware corporation, Antero Resources Piceance Corporation, a Delaware Corporation, Antero Resources Pipeline Corporation, a Delaware corporation and Antero Resources Appalachian Corporation, a Delaware corporation (the "*Guarantors*"), with the Securities and Exchange Commission (the "*Commission*") in connection with (i) the issuance by the Company of up to $525,000,000 aggregate principal amount of its 9.375% Senior Notes due 2017 (the "*New Notes*") registered pursuant to the Registration Statement under the Securities Act of 1933, as amended (the "*Securities Act*"), in exchange for up to $525,000,000 aggregate principal amount of the Company's outstanding 9.375% Senior Notes due 2017 (the "*Outstanding Notes*") and (ii) the Guarantors' unconditional guarantees of the payment of the New Notes (the "*Guarantees*") also being registered pursuant to the Registration Statement under the Securities Act. The New Notes will be issued under an Indenture, dated as of November 17, 2009 (the "*Indenture*"), among the Company, the Guarantors and Wells Fargo Bank, National Association, as trustee.

Before rendering our opinions hereinafter set forth, we examined originals or copies, certified or otherwise identified to our satisfaction, of such certificates, documents, instruments and records of the Company and the Guarantors, including the Indenture, and we reviewed such questions of law, as we considered appropriate for purposes of the opinions hereafter expressed. In such examination, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies, and we have assumed that the Registration Statement, and any amendments thereto (including post-effective amendments), will have become effective and the New Notes will be issued and sold in compliance with applicable federal and state securities laws and in the manner described in the Registration Statement.

Based on the foregoing, we are of the opinion that when the New Notes have been duly executed and authenticated in accordance with the Indenture and issued and delivered as contemplated in the Registration Statement, (a) the New Notes will constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms, and (b) the Guarantees of the Guarantors will remain the valid and binding obligations of the Guarantors, enforceable against the Guarantors in accordance with their terms, subject in each case to bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium and similar laws relating to or affecting creditors' rights generally and to general equitable principles (whether considered in a proceeding in equity or at law).

We express no opinions concerning (i) the validity or enforceability of any provisions contained in the Indenture or the New Notes that purport to waive or not give effect to rights to notices, defenses, subrogation or other rights or benefits that cannot be effectively waived or rendered ineffective under applicable law or (ii) the enforceability of indemnification or contribution provisions to the extent they purport to relate to liabilities resulting from or based upon negligence or any violation of federal or state securities or blue sky laws.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our firm under the caption "*Legal Matters*" in the Prospectus forming part of the Registration Statement. By giving such consent, we do not admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission issued thereunder.

We are members of the bar of the States of New York and Texas. The opinions expressed herein are limited in all respects to the federal laws of the United States of America, the laws of the State of New York, and the Delaware General Corporation Law, the Delaware Limited Liability Company Act and the Constitution of the State of Delaware, as interpreted by the courts of the State of Delaware, in effect as of the date hereof, and we are expressing no opinion as to the effect of the laws of any other jurisdiction, domestic or foreign.

This opinion is furnished to you in connection with the filing of the Registration Statement and is not to be used, circulated, quoted or otherwise relied on for any other purpose.

Very truly yours,

/s/ Vinson & Elkins L.L.P.

QuickLinks

Exhibit 10.9

EXECUTION VERSION

LIMITED LIABILITY COMPANY AGREEMENT

OF

ANTERO RESOURCES EMPLOYEE HOLDINGS LLC

a Delaware Limited Liability Company

Dated as of November 3, 2009

TABLE OF CONTENTS

LIMITED LIABILITY COMPANY AGREEMENT

OF

ANTERO RESOURCES EMPLOYEE HOLDINGS LLC

THIS LIMITED LIABILITY COMPANY AGREEMENT, dated as of November 3, 2009 (the "***Effective Date***"), is made and entered into by and among Antero Resources LLC, a Delaware limited liability company ("***Resources***") and each of the parties listed on *Schedule I* attached hereto who are Members as of the date hereof, and the persons who at any time become Members of the Company or parties hereto as provided herein. In consideration of the mutual covenants and agreements contained herein, the Members do hereby agree as follows:

ARTICLE I
ORGANIZATIONAL MATTERS

Section 1.1 Formation. The Company has been formed as a Delaware limited liability company by the filing of the Certificate of Formation of the Company (the "***Certificate***") in the office of the Secretary of State of the State of Delaware under and pursuant to the Act. The Members hereby agree that during the term of the Company, the rights and obligations of the Members with respect to the Company will be determined in accordance with the terms and provisions of this Agreement and, except where the Act provides that such rights and obligations specified in the Act shall apply "unless otherwise provided in a limited liability company agreement" or words of similar effect and such rights and obligations are set forth in this Agreement, the Act. Notwithstanding anything herein to the contrary, Section 18-210 of the Act (entitled "Contractual Appraisal Rights") shall not apply or be incorporated into this Agreement.

Section 1.2 Name. The name of the Company is "Antero Resources Employee Holdings LLC." The business of the Company shall be conducted in the name of the Company. If the Applicable Law of a jurisdiction where the Company does business requires the Company to do business under a different name, the Board of Directors shall choose another name to do business in such jurisdiction. In such a case, the business of the Company in such jurisdiction may be conducted under such other name or names as the Board of Directors may select.

Section 1.3 Purpose. The purposes for which the Company is organized are: (a) to own securities in Resources and (b) to engage in or perform any and all activities that are related to or incident to the foregoing and that may be lawfully conducted by a limited liability company under the Act.

Section 1.4 Registered Office and Registered Agent; Principal Place of Business.

(a) The registered office of the Company required by the Act to be maintained in the State of Delaware shall be the initial registered office named in the Certificate or such other office (which need not be a place of business of the Company) as the Board of Directors may designate from time to time in the manner provided by law. The registered agent of the Company in the State of Delaware shall be the initial registered agent named in the Certificate or such other person or persons as the Board of Directors may designate from time to time.

(b) The principal place of business of the Company shall be 1625 17th Street, Denver, Colorado 80202, or such location as designated by the Board of Directors.

Section 1.5 Foreign Qualification. Prior to the Company's conducting business in any jurisdiction other than Delaware, the Company shall comply with all requirements necessary to qualify the Company as a foreign limited liability company in such jurisdiction. At the request of the Board of Directors, each Member agrees to execute, acknowledge, swear to, and deliver all certificates and other instruments conforming with this Agreement that are necessary or appropriate to qualify, continue, and terminate the Company as a foreign limited liability company in all such jurisdictions in which the Company may conduct business.

Section 1.6 Term. The existence of the Company commenced on the date the Certificate was filed with the Secretary of State of Delaware and shall continue in existence until it is dissolved and terminated in accordance with the terms hereof.

Section 1.7 No State Law Partnership. The Company is not intended to be a partnership (including a limited partnership) or joint venture, and no Member shall be a partner or joint venturer of any other Member by reason of this Agreement for any purpose other than federal and state tax purposes, and this Agreement shall not be construed to suggest otherwise.

ARTICLE II
DEFINITIONS AND REFERENCES

Section 2.1 Definitions. When used in this Agreement, the following terms have the respective meanings assigned to them in this *Section 2.1*:

"***Act***" means the Delaware Limited Liability Company Act or any successor statute, as amended.

"***Adjusted Capital Account***" means the Capital Account maintained for each Member as provided in *Section 8.4*, (a) increased by (i) the amount of any unpaid Capital Contributions agreed to be contributed by such Member, if any, and (ii) an amount equal to the amount such Member is deemed obligated to restore under the penultimate sentences of Treasury Regulation Section 1.704-2(g)(1) and 1.704-2(i)(5) as computed on the last day of such fiscal year in accordance with the applicable Treasury Regulations, and (b) decreased by the adjustments provided for in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4)-(6).

"***Affiliate***" means, when used with respect to any person, any person directly or indirectly controlling, controlled by, or under common control with such person. For the purposes of this definition, the terms "controlling", "controlled by", or "under common control" means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of securities or any partnership or other ownership interest, by contract or otherwise) of a person.

"***Agreement***" means this Limited Liability Company Agreement, as hereafter amended, restated, modified or changed in accordance with the terms hereof.

"***Allocation Year***" means (a) the period commencing on the date hereof and ending on December 31, 2009, (b) any subsequent 12-month period commencing on January 1, and ending on December 31, or (c) any portion of the periods described in clauses (a) or (b) for which the Company is required to allocate Profits, Losses and other items of Company income, gain, loss or deduction under *Article VI* or (d) the period commencing on the immediately preceding January 1, and ending on the date on which all property and assets of the Company are distributed to the Members under *Article XI*; *provided, however*, if such period is not permissible for tax purposes, the Tax Matters Member shall select another period that is permissible for tax purposes

"***Applicable Law***" means any statute, law, rule, or regulation, or any judgment, order, writ, injunction, or decree of any Governmental Entity to which a specified person or property is subject.

"***Available Units***" has the meaning set forth in *Section 10.3(a)*.

"***Award Agreement***" has the meaning set forth in *Section 4.2*.

"***Board of Directors***" has the meaning set forth in *Section 7.1*.

"***Business Day***" means a day other than a Saturday, Sunday or a day on which commercial banks in the States of Colorado or New York are authorized or required to be closed for business.

"***Capital Account***" has the meaning set forth in *Section 8.4(a)*.

"***Capital Contribution***" means, for any Member at the particular time in question, the aggregate of the dollar amounts of any cash contributed to the capital of the Company and the Fair Market Value of any property contributed to the capital of the Company, or, if the context in which such term is used so indicates, the dollar amounts of cash and the Fair Market Value of any property contributed at any particular time or agreed to be contributed by such Member to the capital of the Company.

"***Capital Contribution Percentage***" means with respect to a Member a fraction the numerator of which is such Member's Capital Contribution and the denominator of which is the aggregate Capital Contribution of all of the Members.

"***Cause***" shall mean, with respect to an employee's employment with a Subsidiary of Resources, discharge by all of the Subsidiaries of Resources that employ such employee, *provided* that, with respect to one or more of such Subsidiaries, such discharge shall be on the following grounds:

(i) An employee's gross negligence or willful misconduct in the performance of his or her duties;

(ii) An employee's conviction of a felony or other crime involving theft, fraud or embezzlement or any other crime involving dishonesty or moral turpitude which is materially detrimental to the business or affairs of Resources or any of its Subsidiaries;

(iii) An employee's willful refusal, after fifteen (15) days' written notice from the board of directors, Chief Executive Officer or President of such Subsidiary, to perform the material lawful duties or responsibilities required of him or her;

(iv) An employee's willful and material breach of any corporate policy or code of conduct established by Resources or any of its Subsidiaries; or

(v) An employee's willfully engaging in conduct that materially damages the integrity, reputation, or financial viability of Resources or its Affiliates; *provided*, *that* no conduct on such employee's part shall be considered "Cause" if done or omitted to be done by such employee in good faith and in the reasonable belief that such act or failure to act was in the best interest of Resources or a Subsidiary or in furtherance of such employee's duties of employment.

"***Certificate***" has the meaning set forth in *Section 1.1*.

"***Class A-2 Units***" has the meaning set forth in *Section 4.1(a)*.

"***Class A-4 Units***" has the meaning set forth in *Section 4.1(a)*.

"***Class B-2 Units***" has the meaning set forth in *Section 4.1(a)*.

"***Class B-3 Units***" has the meaning set forth in *Section 4.1(a)*.

"***Class B-4 Units***" has the meaning set forth in *Section 4.1(a)*.

"***Class B-5 Units***" has the meaning set forth in *Section 4.1(a)*.

"***Code***" has the meaning set forth in *Section 8.7*.

"***Company***" means Antero Resources Employee Holdings LLC, a Delaware limited liability company.

"***Company Minimum Gain***" has the meaning set forth in Treasury Regulations Sections 1.704-2(b)(2) and 1.704-2(d) with respect to "partnership minimum gain."

"***Company Nonrecourse Liabilities***" means nonrecourse liabilities (or portions thereof) of the Company for which no Member bears any economic risk of loss.

"***Compensation Committee***" means the compensation committee of the board of directors of Resources.

"***Covered Person***" means (i) any Member and any Affiliate of such Member, (ii) any officer, employee, director, member, partner or agent of a Member or its Affiliates, (iii) any officer of the Company, (iv) any member of the Board of Directors, and (v) any other person who serves at the request of the Company as an officer, director, partner, employee or agent of any other person.

"***Disability***" shall mean a Member (or, in the case of either of the Management LLCs, Rady or Warren, as applicable) becoming incapacitated by accident, sickness or other circumstance which renders him or her mentally or physically incapable of performing his or her duties with Resources or any of its Subsidiaries on a full-time basis for a period of at least one hundred twenty (120) days during any twelve (12)-month period.

"***Directors***" has the meaning set forth in *Section 7.1*.

"***Dispose***" (including the correlative terms "Disposed" and "Disposition") means any sale, assignment, transfer, conveyance, gift, pledge, distribution, hypothecation or other encumbrance or any other disposition, whether voluntary, involuntary or by operation of law, whether effected directly or indirectly, which shall include, the sale, assignment, transfer, conveyance, gift, pledge, hypothecation or other encumbrance or any other disposition, whether voluntary, involuntary or by operation of law of stock, limited liability company interests, partnership interest, or other Equity Interests in or from a person who holds of record Membership Interests or securities of the Company.

"***Effective Date***" has the meaning set forth in the preamble.

"***Electronic Transmission***" means a form of communication that (i) does not directly involve the physical transmission of paper, (ii) creates a record that may be retained, retrieved, and reviewed by the recipient, and (iii) may be directly reproduced in paper form by the recipient through an automated process.

"***Employee Bonus Advance Amount***" means with respect to any particular employee of Resources or any of its Subsidiaries and as of immediately preceding any distribution pursuant to Section 6.1 of the Resources LLC Agreement (including each cycle of redistribution pursuant to Section 6.1(f) of the Resources LLC Agreement) or any Repurchase Date, (i) the cumulative amount of all payments made by Resources to any of its Subsidiaries pursuant to clause *First* of Section 6.1(b) of the Resources LLC Agreement that have been, in turn, paid to such employee in the current year and all prior years, minus (ii) the cumulative amount of all previous Employee Distribution Hypothetical Amounts of such employee that had been redirected pursuant to Section 6.1(f) of the Resources LLC Agreement; *provided*, *however*, that the Employee Bonus Advance Amount shall never be less than $0.

"***Employee Bonus Holder***" means any employee of Resources or any of its Subsidiaries (or any Affiliate of such employee) for whom the applicable Employee Bonus Advance Amount at a particular point in time is greater than $0.

"***Employee Distribution Hypothetical Amount***" means the hypothetical amount that would otherwise be distributed to an Employee Bonus Holder with respect to a specific distribution pursuant this Agreement and the Resources LLC Agreement as if no amount had been redirected pursuant to Section 6.1 of the Resources LLC Agreement and as if such amount had not been credited and reduced pursuant to Section 6.1(f) of the Resources LLC Agreement and *Section 6.3(b)(viii)* of this Agreement.

"***Equity Interests***" means, with respect to any person, any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent membership, partnership or other ownership interests in a person (other than a corporation) and any and all Equity Interest Equivalents.

"***Equity Interest Equivalents***" means, with respect to any person, without duplication with any other Equity Interests or Equity Interest Equivalents, any and all rights, warrants, options, convertible securities, or exchangeable securities or indebtedness, or other rights, exercisable for or convertible or exchangeable into, directly or indirectly, any Equity Interests or securities convertible or exchangeable into any Equity Interests, whether at the time of issuance or upon the passage of time or the occurrence of some future event.

"***Exit Event***" means the sale of Resources, in one transaction or a series of related transactions, whether structured (i) as a sale or other transfer of all or substantially all of the Equity Interests of Resources (including by way of merger, consolidation, share exchange, or similar transaction), or (ii) the sale or other transfer of all or substantially all of the assets of Resources promptly followed by a dissolution and liquidation of Resources, or (iii) a combination of both.

"***Fair Market Value***" means, with respect to any property or asset, the fair market value of such property or asset as reasonably determined by the unanimous resolution of all directors of the board of directors of Resources; *provided* that if the board of directors of Resources does not or is unable to make such a determination of fair market value, such determination of fair market value shall be made by an investment banking firm of recognized national standing selected by a majority of the directors of the board of directors of Resources, and such firm shall be engaged and paid by Resources.

"***GAAP***" means generally accepted accounting principles and practices in the United States, consistently applied, which are recognized as such by the Financial Accounting Standards Board (or any generally recognized successor).

"***Governmental Entity***" means any court or tribunal in any jurisdiction (domestic or foreign) or any governmental or regulatory body, agency, department, commission, board, bureau or other authority or instrumentality (domestic or foreign).

"***Gross Asset Value***" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset (including any equity interest) contributed by a Member to the Company shall be the gross fair market value of such asset on the date of contribution as reasonably determined by the Board of Directors;

(b) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values (taking Internal Revenue Code Section 7701(g) into account on the date determined), as determined by the Board of Directors as of the following times: (i) the acquisition of an additional Membership Interest by any new or existing Member in exchange for a Capital Contribution or services, neither of which is *de minimis*; (ii) the distribution by the Company to a Member of more than a *de minimis* amount of property as consideration for a Membership Interest; (iii) in connection with the grant of an interest in the Company (other than a *de minimis* interest) as consideration for the provision of services to or for the benefit of the Company by an existing Member acting in a Member capacity or in anticipation of becoming a Member; and (iv) the liquidation of the Company within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g); *provided* that either or both adjustments described in clauses (i), (ii) and (iii) of this paragraph shall be made only if the Board of Directors reasonably determines that such adjustment is necessary or appropriate to reflect the relative economic interests of the Members in the Company;

(c) The Gross Asset Value of any item of Company assets distributed to any Member shall be adjusted to equal the gross fair market value (taking Internal Revenue Code Section 7701(g) into account) of such asset on the date of distribution as reasonably determined by the Board of Directors;

(d) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets under Internal Revenue Code Sections 734(b) or

743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts under Treasury Regulations Section 1.704-1(b)(2)(iv)(m) and subparagraph (f) of the definition of "Profits" and "Losses"; *provided, however*, that Gross Asset Values shall not be adjusted under this subparagraph (d) to the extent that an adjustment under subparagraph (ii) is required in connection with a transaction that would otherwise result in an adjustment under this subparagraph (d);

(e) The Gross Asset Value of an asset shall be adjusted by the depreciation taken into account with respect to such asset for purposes of computing Profits and Losses; and

(f) The Gross Asset Value of Company assets shall be adjusted at such other times as required in the applicable Treasury Regulations.

"***Incentive Units***" has the meaning ascribed to such term in the Resources LLC Agreement.

"***Initial Units***" has the meaning set forth in *Section 4.l(d)*.

"***Internal Revenue Code***" means the Internal Revenue Code of 1986, as amended from time to time, and any comparable successor statute or statutes.

"***IPO Issuer***" means Resources or a successor to Resources that is an Affiliate of Resources or a Subsidiary of Resources or any of Resources' Affiliates and which will be the issuer in a Qualified IPO.

"***IPO Securities***" means the equity securities of the IPO Issuer.

"***liquidator***" has the meaning set forth in *Section 11.2*.

"***Management LLCs***" means the Rady LLC and the Warren LLC.

"***Member***" means any person executing this Agreement as of the date of this Agreement as a member or hereafter admitted to the Company as a member as provided in this Agreement, but such term does not include any person who has ceased to be a member of the Company.

"***Member Nonrecourse Debt***" means has the meaning set forth in Treasury Regulations Section 1.704-2(b)(4) with respect to "partner nonrecourse debt".

"***Member Nonrecourse Debt Minimum Gain***" means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, as determined in accordance with Treasury Regulations Section 1.704-2(i)(3).

"***Member Nonrecourse Deduction***" has the meaning assigned to the term "partner nonrecourse deduction" in Treasury Regulation Section 1.704-2(i)(1).

"***Nonrecourse Deduction***" has the meaning assigned to that term in Treasury Regulation Section 1.704-2(b)(1).

"***Membership Interest***" means the interest of a Member in the Company, including the right of such Member to receive distributions (liquidating or otherwise), to be allocated income, gain, loss, deduction, credit, or similar items, to receive information, and to grant consents or approvals; *provided*, *however*, that such term shall not include any management rights held by a Member solely in its capacity as a Director.

"***Officers***" has the meaning set forth in *Section 7.7*.

"***Permitted Transferee***" means, with respect to any Member, (a) the spouse of such Member; or (b) a trust, partnership, corporation, limited liability company or other similar entity the sole beneficiary of which is such Member or any Relative of such Member; *provided* that (i) such Permitted Transferee shall not be entitled to make any further Dispositions except for Dispositions of such Membership Interests back to such original transferor Member or, in the case of a Permitted

Transferee who received Membership Interests directly from the Rady LLC or the Warren LLC, to another Permitted Transferee of the Rady LLC or the Warren LLC, as the case may be, (ii) such Membership Interests shall be deemed to continue to be owned by such original transferor Member for all purposes of this Agreement and (iii) such Permitted Transferee shall have agreed to comply with the provisions of this Agreement as if such Units were owned by such Member. For purposes of clauses (a) and (b) above, any reference to "Member" shall be deemed to be a reference to Rady, in the case of the Rady LLC, and Warren, in the case of the Warren LLC.

"***person***" means a natural person, partnership (whether general or limited), limited liability company, trust (including a common law trust, business trust, statutory trust, voting trust or any other form of trust), estate, association (including any group, organization, co-tenancy, plan, board, council or committee), corporation, government (including a country, state, county or any other governmental subdivision, agency or instrumentality), custodian, nominee or any other individual or entity (or series thereof) in its own or any representative capacity, in each case, whether domestic or foreign.

"***Proceedings***" means all proceedings, actions, claims, suits, investigations and inquiries by or before any arbitrator or Governmental Entity.

"***Profits***" and "***Losses***" mean, for each Allocation Year, an amount equal to the Company's taxable income or loss for such Allocation Year, determined in accordance with Internal Revenue Code Section 703(a) (for purposes of such determination, all items of income, gain, loss or deduction required to be stated separately under Internal Revenue Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments (without duplication):

(a) Any income of the Company exempt from federal income tax and not otherwise taken into account in computing Profits or Losses under this definition of "Profits" and "Losses" shall be added to such taxable income or loss;

(b) Any expenditures of the Company described in Internal Revenue Code Section 705(a)(2)(B) or treated as Internal Revenue Code Section 705(a)(2)(B) expenditures under Treasury Regulations Section 1.704-1(b)(2)(iv)(I) and not otherwise taken into account in computing Profits or Losses under this definition of "Profits" and "Losses" shall be subtracted from such taxable income or loss;

(c) If the Gross Asset Value of any Company asset is adjusted as provided in this Agreement, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the Gross Asset Value of the asset) or an item of loss (if the adjustment decreases the Gross Asset Value of the asset) from the disposition of such asset and shall be taken into account for purposes of computing Profits or Losses;

(d) Gain or loss resulting from any Disposition of property or assets of the Company with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property or assets Disposed of, notwithstanding that the adjusted tax basis of such property or assets differs from its Gross Asset Value;

(e) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Allocation Year, computed in accordance with the definition of Depreciation;

(f) To the extent an adjustment to the adjusted tax basis of any Company asset under Internal Revenue Code Section 734(b) is required, under Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's Membership Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) from the Disposition of such asset and shall be taken into account for purposes of computing Profits or Losses;

(g) Notwithstanding any other provision of this definition, any items which are specially allocated under Section 6.1(b) shall not be taken into account in computing Profits or Losses.

"***Purchase Price***" has the meaning set forth in *Section 10.3(c)*.

"***Qualified IPO***" means the offering and sale of Equity Interests of Resources or IPO Securities in a firm commitment underwritten public offering registered under the Securities Act that results in (a) aggregate cash proceeds to Resources of not less than $50,000,000 (without deducting underwriting discounts, expenses, and commissions) and (b) the listing of such Membership Interests or IPO Securities on the New York Stock Exchange, the NYSE Euronext or admitted to trading and quoted on the Nasdaq Stock Market.

"***Rady***" means Paul M. Rady, an individual.

"***Rady LLC***" means Salisbury Investment Holdings, LLC, a Delaware limited liability company controlled by Rady.

"***Reduced Fair Market Value***" has the meaning set forth in *Section 10.3(c)*.

"***Relative***" means, with respect to any individual, (a) such individual's spouse, (b) any direct descendent, parent, grandparent, great grandparent or sibling (in each case, whether by blood or adoption) of such individual or such individual's spouse, and (c) any spouse of a person described in clause (b) of this sentence.

"***Repurchase Date***" has the meaning set forth in *Section 10.3(c)*.

"***Repurchase Notice***" has the meaning set forth in *Section 10.3(b)*.

"***Required Member Approval***" means the approval of holders of at least 10% of the then outstanding Units given in writing (including by facsimile or in portable document format (.pdf)) or by vote at a meeting, consenting or voting (as the case may be) as a single class.

"***Resources LLC Agreement***" means the limited liability company agreement of Resources.

"***Subsequently Issued Class***" has the meaning set forth in *Section 6.2(b)(vii)*.

"***Subsidiary***" means, a corporation, partnership, limited liability company or other entity of which Equity Interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership, limited liability company or other entity are at the time owned, or the management of which is otherwise controlled, in each case, directly or indirectly through one or more intermediaries, or both, by the Company, including, specifically, each of the Antero Subsidiaries.

"***Tax Matters Member***" has the meaning set forth in *Section 8.9*.

"***Termination Date***" has the meaning set forth in *Section 10.3(a)(ii)*.

"***Threshold Value***" has the meaning set forth in *Section 4.1(e)*.

"***Transaction Bonus Pool***" has the meaning ascribed to such term in the Resources LLC Agreement.

"***Treasury Regulations***" (or any abbreviation thereof used herein) means temporary or final regulations promulgated under the Internal Revenue Code.

"***Unit***" has the meaning set forth in *Section 4.1(a)*.

"***Unvested Unit***" means any Unit that is not a Vested Unit.

"***Vested Unit***" means any Unit that has become vested pursuant to the applicable Award Agreement.

"***Warren***" means Glen C. Warren, Jr., an individual.

"***Warren LLC***" means Canton Investment Holdings LLC, a Delaware limited liability company controlled by Warren.

Section 2.2 References and Construction.

(a) All references in this Agreement to Articles, Sections, subsections and other subdivisions refer to corresponding articles, sections, subsections and other subdivisions of this Agreement unless expressly provided otherwise.

(b) Titles appearing at the beginning of any of such subdivisions are for convenience only and shall not constitute part of such subdivisions and shall be disregarded in construing the language contained in such subdivisions.

(c) The words "this Agreement", "this instrument", "herein", "hereof", "hereby", "hereunder" and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited.

(d) Words in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires.

(e) Pronouns in masculine, feminine, or neuter gender shall be construed to state and include any other gender.

(f) Examples shall not be construed to limit, expressly or by implication, the matter they illustrate.

(g) The word "or" is not exclusive and the word "includes" and its derivatives means "includes, but is not limited to" and corresponding derivative expressions.

(h) No consideration shall be given to the fact or presumption that one party had a greater or lesser hand in drafting this Agreement.

(i) All references herein to "$" or "dollars" shall refer to U.S. Dollars.

(j) When used in this Agreement, all references to "employee" or "employees" shall also include consultants and all references to "employed by" or "ceases to be employed by" a specific entity and words of similar import shall also include providing services as a consultant, or the cessation of the provision of consulting services, as applicable, to such entity.

(k) Unless the context otherwise requires or unless otherwise provided herein, the terms defined in this Agreement which refer to a particular agreement, instrument or document shall also refer to and include all renewals, extensions, modifications, amendments or restatements of such agreement, instrument or document, provided that nothing contained in this subsection shall be construed to authorize such renewal, extension, modification, amendment or restatement.

(l) Each Schedule and Exhibit attached hereto is incorporated herein by reference and made a part hereof for all purposes, and references to this Agreement shall also include such Schedule and Exhibit, unless the context in which used shall otherwise require.

ARTICLE III
MEMBERS

Section 3.1 Members. The names and addresses of the Members of the Company are set forth in *Schedule I.*

Section 3.2 Additional Members. Additional persons may be admitted to the Company as Members as provided more specifically herein. Additional Members shall execute and deliver a Joinder Agreement substantially in the form attached hereto as *Exhibit 3.2* or in the form otherwise approved by the Board of Directors. Except for the Management LLCs, no person other than an employee or consultant of Resources or its Subsidiaries or Affiliates shall be admitted as a Member.

Section 3.3 Liability to Third Parties. No Member or any officer, director, manager or partner of such Member, solely by reason of being a Member, shall be liable for the debts, obligations or liabilities of the Company, including under a judgment decree or order of a court.

Section 3.4 Members Have No Agency Authority. Except as expressly provided in this Agreement, no Member (in its capacity as a member of the Company) shall have any agency authority on behalf of the Company.

ARTICLE IV
UNITS

Section 4.1 Units.

(a) Each Member's relative rights, privileges, preferences and obligations with respect to the other Members and the Company are represented by that Member's Membership Interests. There initially shall be six classes of Membership Interests as follows:

(i) a class of Membership Interests known as "***Class A-2 Units***";

(ii) a class of Membership Interests known as "***Class A-4 Units***";

(iii) a class of Membership Interests known as "***Class B-2 Units***";

(iv) a class of Membership Interests known as "***Class B-3 Units***";

(v) a class of Membership Interests known as "***Class B-4 Units***"; and

(vi) a class of Membership Interests known as "***Class B-5 Units***"

(each of the foregoing (and any additional classes of units created by the Board of Directors in accordance with *Section 4.1(c)*) a "***Unit***", and, collectively, "***Units***").

(b) The Units shall be uncertificated.

(c) On the Effective Date, the Company is authorized to issue to the Members the number of Units set forth opposite such Members' names on *Schedule I* (the "***Initial Units***"). The Board of Directors may amend *Schedule I* from time to time to reflect any changes thereto resulting from any transfers, admissions or forfeitures effected in accordance with this Agreement. The Company shall be authorized to issue to the Members such additional number and classes of Units as approved from time to time by the Board of Directors.

(d) The Initial Units are intended to constitute "profits interests" within the meaning of Revenue Procedures 93-27 and 2001-43 (or the corresponding requirements of any subsequent guidance promulgated by the Internal Revenue Service or other applicable Law). Accordingly, the capital account associated with each Initial Unit at the time of its issuance shall be equal to zero dollars ($0.00). The Company and the holders of Initial Units shall file all federal income Tax Returns consistent with such characterization.

(e) Pursuant to *Section 4.2*, the Company may from time to time designate and issue additional classes of Units. The Board of Directors shall designate a "***Threshold Value***" applicable to each Unit in such additional class of Units, which in no event shall be less than zero. The Initial Units each have a Threshold Value as set forth in *Schedule II*. If the Board of Directors elects to treat any additional class

of Units as a "profits interest" as provided for in *Section 4.1(d)*, the Threshold Value for each Unit in such additional class of Units shall be equal to or greater than the amount that would, in the reasonable determination of the Board of Directors, be distributed with respect to each Class A-2 Unit if, immediately prior to the issuance of such additional class, the assets of the Company were sold for their fair market values and the proceeds (net of any liabilities of the Company) were distributed pursuant to *Section 6.3*. The Board of Directors may amend *Schedule II* from time to time to reflect any changes thereto resulting from any issuance of additional Units effected in accordance with this Agreement.

Section 4.2 Award of Units. The award of Units shall be made to employees of Resources and its Subsidiaries from time to time by the Board of Directors. The award of Units shall be made subject to such vesting, forfeiture or other provisions (including determination of the Threshold Value for such Units) as may be set forth in the instrument governing such grant (an "***Award Agreement***"). Upon the award of Units pursuant to this *Section 4.2*, the Board of Directors shall amend *Schedule I* to reflect the additional Units granted to any Member.

ARTICLE V
CAPITALIZATION

Section 5.1 Capital Contributions of Members. Members shall not be required to purchase the Units or make Capital Contributions to the Company with respect to the Units.

ARTICLE VI
ALLOCATIONS AND DISTRIBUTIONS

Section 6.1 Allocations for Purposes of Maintaining Capital Accounts.

(a) The Profits and Losses of the Company shall first be allocated among the Members pursuant to *Section 6.1(b)* of this Agreement, and then the balance of such items shall be allocated among the Members in the manner that causes the capital account of each Member (after adjustment through the end of such Allocation Year so as to include the effect of allocations pursuant to the preceding portion of this sentence) to equal, as nearly as possible:

(i) the amount such Member would receive if all assets of the Company at the end of such Allocation Year were sold for cash at their Gross Asset Value, all liabilities of the Company were satisfied in cash in accordance with their terms (limited in the case of Company Nonrecourse Liabilities and Member Nonrecourse Debt to the Gross Asset Value of the property securing such liabilities), and any remaining cash were distributed to the Members under *Section 6.3*, minus

(ii) the sum of (y) such Member's share of any Company Minimum Gain determined pursuant to Treasury Regulation Section 1.704-2(g), and (z) such Member's share of Member Nonrecourse Debt Minimum Gain determined pursuant to Treasury Regulation Section 1.704-2(i)(5), all computed immediately prior to the hypothetical sale described above.

(b) Except as otherwise provided herein, for purposes of any applicable federal, state or local income tax law, rule or regulation items of income, gain, deduction, loss, credit and amount realized shall be allocated to the Members as follows:

(i) All recapture of income tax deductions resulting from the Disposition of Company property shall, to the maximum extent possible, be allocated to the Member to whom the deduction that gave rise to such recapture was allocated hereunder to the extent that such Member is allocated any gain from the Disposition of such property.

(ii) Notwithstanding any of the foregoing provisions of this *Section 6.1(b)* to the contrary:

(A) If there is a net decrease in Company Minimum Gain for an Allocation Year, then there shall be allocated to each Member items of income and gain for that year equal to that Member's share of the net decrease in Company Minimum Gain (within the meaning of Regulation Section 1.704-2(g)(2)), subject to the exceptions set forth in Regulations Section 1.704-2(f)(2), (3), and (5). In the event that the application of the minimum gain chargeback requirement would cause a distortion in the economic arrangement between the Members, the Tax Matters Member may request that the Commissioner of the Internal Revenue Service waive the minimum gain chargeback requirement pursuant to Regulation Section 1.704-2(f)(4). The foregoing is intended to be a "minimum gain chargeback" provision as described in Regulation Section 1.704-2(f) and shall be interpreted and applied in all respects in accordance with that Regulation.

(B) If during an Allocation Year there is a net decrease in Member Nonrecourse Debt Minimum Gain, then, in addition to the amounts, if any, allocated pursuant to the preceding paragraph, any Member with a share of that Member Nonrecourse Debt Minimum Gain (determined in accordance with Regulations Section 1.704-2(i)(5)) shall, subject to the exceptions in Regulation Section 1.704-2(i)(4), be allocated items of income and gain for the year (and, if necessary, for succeeding years) equal to that Member's share of the net decrease in the Member Nonrecourse Debt Minimum Gain. In the event that the application of the Member Nonrecourse Debt Minimum Gain chargeback requirement would cause a distortion in the economic arrangement among the Members, the Tax Matters Member may request that the Commissioner of the Internal Revenue Service waive the minimum gain chargeback requirement pursuant to Regulations Section 1.704-2(f)(4) and 1.704-2(i)(4). The foregoing is intended to be the "chargeback of Member nonrecourse debt minimum gain" required by Regulation Section 1.704-2(i)(4) and shall be interpreted and applied in all respects in accordance with that Regulation.

(C) Any Nonrecourse Deductions for any Allocation Year or other period shall be allocated between the Members in accordance with their Capital Contribution Percentages.

(D) Any Member Nonrecourse Deductions for any Allocation Year or other period shall be specially allocated to the Member who bears (or is deemed to bear) the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(2).

(E) The losses and deductions allocated pursuant to this *Section 6.1(b)* shall not exceed the maximum amount of losses and deductions that can be allocated to a Member without causing or increasing a deficit balance in the Member's Adjusted Capital Account. If, at the end of any Allocation Year, as a result of the allocations otherwise provided for in this *Section 6.1(b)*, the Adjusted Capital Account balance of any Member shall become negative, items of deduction and loss otherwise allocable to such Member for such year, to the extent such items would have caused such negative balance, shall instead be allocated to Members having positive Adjusted Capital Account balances remaining at such time in proportion to such balances.

(F) If any Member receives any adjustments, allocations or distributions described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate the deficit in such Member's Capital Account (as determined in accordance with Treasury Regulation Section 1.704-1(b)(2)(ii)(d)) created by such adjustments, allocations or distributions as promptly as possible; provided that an allocation pursuant to this paragraph shall be made only to the extent that a Member would have a deficit Capital Account balance

(as determined as provided in the prior clause), after all other allocations provided for in this *Section 6.1(b)* have been tentatively made as if this paragraph were not in the Agreement. This paragraph is intended to satisfy the "qualified income offset" requirement in the Treasury Regulations.

(G) The allocations set forth in paragraphs (A), (B), (C), (D), (E), and (F) of this *Section 6.1(b)* (collectively, the "Regulatory Allocations") are intended to comply with certain requirements of the Treasury Regulations. The Members intend that, to the extent possible, all Regulatory Allocations that are made be offset either with other Regulatory Allocations or with special allocations pursuant to this *Section 6.1(b)*. Therefore, notwithstanding any other provisions of this *Section 6.1(b)* (other than the Regulatory Allocations), the Board of Directors shall make such offsetting special allocations in whatever manner they determine appropriate so that, after such offsetting allocations are made, each Member's Adjusted Capital Account balance is, to the extent possible, equal to the Adjusted Capital Account balance such Member would have had if the Regulatory Allocations were not part of this Agreement and all Company items were allocated pursuant to the remaining sections of this *Section 6.1(b)*.

(iii) All items of income, gain, loss, deduction, and credit allocable to any Membership Interest that may have been transferred shall be allocated between the transferor and the transferee as agreed by the transferor and the transferee and based on the portion of the calendar year during which each was recognized as owning such interest, without regard to whether cash distributions were made to the transferor or the transferee during that calendar year; provided, however, that this allocation must be made in accordance with a method permissible under Section 706 of the Internal Revenue Code and the applicable Treasury Regulations. If no such agreement has been made, the allocation shall be determined by the Board of Directors in its reasonable discretion in accordance with such Treasury Regulations.

Section 6.2 Allocations for Federal Income Tax Purposes.

(a) Except as otherwise provided in this *Section 6.2*, the taxable income or loss of the Company (and items thereof) for any taxable year of the Company shall be allocated among the Members to the maximum extent possible in the same manner as the corresponding items (if any) are allocated among the Members for purposes of maintaining their capital accounts.

(b) In accordance with Section 704(c) of the Internal Revenue Code and the Treasury Regulations thereunder, income and deductions with respect to any property carried on the books of the Company at an amount that differs from such property's adjusted tax basis shall be allocated for federal, state and local income tax purposes, among the Members so as to take into account any variation between the adjusted tax basis of such property to the Company and such book value. In making such allocations, the Board of Directors shall use such method or methods as it determines to be reasonable and in accord with applicable Treasury Regulations.

(c) All recapture of income tax deductions resulting from the taxable disposition of Company property shall, to the maximum extent possible, be allocated to the Member to whom the deduction that gave rise to such recapture was allocated hereunder to the extent that such Member is allocated any gain from the disposition of such property.

(d) All items of income, gain, loss, deduction, and credit allocable to any Membership Interest that may have been transferred shall be allocated between the transferor and the transferee based on the portion of the taxable year during which each was recognized as owning such interest, without regard to how cash distributions were made with respect to that Membership Interest; *provided*, *however*, that this allocation must be made in accordance with a method permissible under Section 706 of the Internal Revenue Code and the applicable Treasury Regulations.

Section 6.3 Distributions.

(a) Except as otherwise expressly provided in this *Section 6.3*, *Section 6.4* and *Article XI*, all amounts available for distribution by the Company shall be distributed as and when determined by the Board of Directors or as otherwise required hereunder, in accordance with this *Section 6.3*. It is the intent of the Members that all distributions received by the Company from Resources shall immediately be distributed to the Members in accordance with *Section 6.3(b)*.

(b) Distributions that are made by the Company shall be divided among the Members as follows:

(i) *First*, to the holders of Class A-2 Units until such time as such holders have received an aggregate amount per Unit equal to $1.25;

(ii) *Second*, pro rata to the holders of Class A-2 and Class B-2 Units until such time as the holders of Class A-2 Units have received an aggregate amount per Unit equal to $12.50;

(iii) *Third*, pro rata to the holders of Class A-2, Class B-2 and Class B-3 Units until such time as the holders of Class A-2 Units have received an aggregate amount per Unit equal to $17.50;

(iv) *Fourth*, pro rata to the holders of Class A-2, Class A-4, Class B-2 and Class B-3 Units until such time as the holders of Class A-2 Units have received an aggregate amount per Unit equal to $27.50;

(v) *Fifth*, pro rata to the holders of Class A-2, Class A-4, Class B-2, Class B-3 and Class B-4 Units until such time as the holders of Class A-2 Units have received an aggregate amount per Unit equal to $42.50; and

(vi) *Finally*, thereafter pro rata to the holders of all outstanding Units.

(vii) Notwithstanding the foregoing provisions of this *Section 6.3(b)*, if one or more series of Units are issued after the issuance of the Initial Units, and the subsequently issued Units have a Threshold Value greater than zero (a "***Subsequently Issued Class***"), each such Subsequently Issued Class shall be ignored for purposes of this *Section 6.3(b)* (and such Subsequently Issued Class shall not be entitled to receive distributions) until distributions have been made following the issuance of such Subsequently Issued Class with respect to each Class A-2 Unit in an amount equal to the Threshold Value of such Subsequently Issued Class, after which point such Subsequently Issued Class will participate in all distributions on a pro rata basis.

(viii) Notwithstanding the foregoing provisions of this *Section 6.3(b)*, in connection with each distribution by the Company, if with respect to any current Member that is an Employee Bonus Holder, (i) for each such Employee Bonus Holder, the Company shall be entitled to not make a distribution to any Units held by such Member or its Affiliates up to an amount equal to the amount of such distribution that was redirected by Resources from the Incentive Units with respect to such Member as a result of the operation of Section 6.1(f) of the Resources LLC Agreement and (ii) the Company shall credit such amount against and reduce the cumulative amounts that would otherwise be distributed to such Member pursuant to this *Section 6.3(b)*. The Company shall be entitled to distribute any amounts otherwise available for distribution to the Members (other than to any Employee Bonus Holder from whom such amounts were credited pursuant to the preceding sentence) so that, to the maximum extent possible, each Member shall have received the amount of distributions that such Member would have received since the formation of the Company if the Company had ignored, for the purposes of this *Section 6.3(b)*, the Units held by such Employee Bonus Holder, but only for so long as the Employee Bonus Advance Amount for each such Employee Bonus Holder is greater than zero.

(c) The Company shall withhold from any distribution that would otherwise be made to a Member pursuant to this Agreement any portion thereof that it is required by Applicable Law to withhold and shall pay over such amount to any appropriate Governmental Authority as required by Applicable Law provided that any amount that is withheld and paid over shall be considered to have been distributed to such Member pursuant to this Agreement. The Members shall furnish to the Company from time to time all such information as is required by Applicable Law or is otherwise reasonably requested by the Company (including certificates in the form prescribed by the Internal Revenue Code and applicable Treasury Regulations or applicable state, local, or foreign law) to permit the Company to ascertain whether and in what amount any such withholding is required.

(d) Payment of all cash distributions made by the Company to a Member shall be made by check or wire transfer of immediately available funds in accordance with such written instructions to the Company as may be provided by such Member from time to time.

Section 6.4 Tax Distributions.

The Company shall distribute amounts that the Company receives from Resources as tax distributions in respect of a taxable year of the Company among the Members in proportion to the ratios in which the taxable income of the Company is to be allocated among the Members pursuant to the provisions hereof.

ARTICLE VII
MANAGEMENT AND GOVERNANCE PROVISIONS

Section 7.1 Management by Directors. The Company shall be managed by "managers" (as such term is used in the Act) according to the remaining provisions of this *Article VII* and, except with respect to certain consent or approval requirements expressly provided for in this Agreement, no Member by virtue of having the status of a Member shall have any management power over the business and affairs of the Company or actual or apparent authority to enter into contracts on behalf of, or to otherwise bind, the Company. The "managers" are referred to as "***Directors***" throughout this Agreement. The business and affairs of the Company shall be managed by the Directors appointed in accordance with *Section 7.2* and acting exclusively through the Board of Directors of the Company (the "***Board of Directors***") in accordance with this Agreement. No Director in his or her individual capacity shall have the authority to manage the Company or to approve matters relating to, or otherwise to bind the Company, such powers being reserved to all of the Directors acting exclusively through the Board of Directors and to such Officers and other agents of the Company designated by the Board. Under the direction of the Board of Directors, the day-to-day activities of the Company shall be conducted on the Company's behalf by the Officers, who shall be agents of the Company. In addition to the powers that now or hereafter can be granted under the Act and to all other powers granted under any other provision of this Agreement, the Board of Directors shall have full power and authority to do all things on such terms as the Board of Directors may deem necessary or appropriate to conduct, or cause to be conducted, the business and affairs of the Company in accordance with the terms of this Agreement.

Section 7.2 Composition of the Board of Directors. The Board of Directors shall consist of natural persons who need not be Members or residents of the State of Delaware. Subject to the remaining provisions of this *Article VII*, the Board of Directors shall consist of three Directors, whom shall be designated as the then members of the Compensation Committee.

Section 7.3 Removal of Directors. Any Director may be removed from the Board of Directors, with or without cause, only if he is no longer serving as a member of the Compensation Committee. In such circumstance, such Director shall be automatically removed as a Director and shall be replaced by his successor on the Compensation Committee.

Section 7.4 Vacancies. In the event that a vacancy is created on the Board of Directors at any time by the death, disability, retirement, resignation or removal of a Director, such vacancy shall be filled automatically by the former Director's successor on the Compensation Committee.

Section 7.5 Meetings of Board of Directors.

(a) Meetings of the Board of Directors, regular or special, may be held either in or outside of the State of Delaware. Any meeting of the Compensation Committee under the terms of the Resources LLC Agreement shall be deemed to be a meeting or action of the Board of Directors under the terms of this Agreement.

(b) Regular meetings of the Board of Directors, of which no notice shall be necessary, shall be held at such times and places as may be fixed from time to time by resolution adopted by the Board of Directors and communicated to all Directors. Except as otherwise provided by statute or this Agreement, any and all business may be transacted at any regular meeting. The Company shall use its best efforts to cause the Board of Directors to hold meetings no less frequently than quarterly, and at such meetings the Company shall report to the Board of Directors on, among other things, its business activities, prospects, and financial position.

(c) Special meetings of the Board of Directors may be called on 24 hours' notice (effective upon receipt) to each Director, either personally or by facsimile, electronic transmission, or overnight courier, by the Chairman of the Board of Directors (if any), the President of the Company or, on the written request of any two Directors, by the Secretary of the Company. Except as may be otherwise expressly provided by statute or this Agreement, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

(d) At all meetings of the Board of Directors, the presence or representation of a majority of the number of Directors fixed by or in the manner provided in this Agreement shall be necessary and sufficient to constitute a quorum for the transaction of business. If a quorum shall not be present at any meeting of the Board of Directors, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At any such adjourned meeting any business may be transacted that might have been transacted at the meeting as originally convened.

(e) The act of a majority in number of the persons then serving on the Board of Directors shall be the act of the Board of Directors.

(f) All meetings of the Board of Directors shall be presided over by the chairman of the meeting, who shall be a person designated by a majority of the Directors present at the meeting. The chairman of any meeting of the Board of Directors shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as determined by him to be in order.

(g) Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, is signed by the requisite number of Directors, or the specified Directors, that would be necessary to authorize or take such action at a meeting of the Board of Directors. For purposes hereof, facsimile or similar reproduction of a writing, including by email in portable document format (.pdf), signed by a Director, shall be regarded as signed by the Director for purposes of this *Section 7.5*.

(h) Subject to the provisions of Applicable Law and this Agreement regarding notice of meetings and the granting of proxies, any Director (i) may, unless otherwise restricted by this Agreement, participate in and hold a meeting of the Board of Directors by using conference telephone, electronic

transmission, or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in such a meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened and (ii) may grant a proxy to another Director or delegate his right to act to another Director which proxy or delegation shall be effective as the attendance or action at the meeting of the Director giving such proxy or delegation. Participation by a Director in a meeting pursuant to this *Section 7.5* shall constitute presence in person at such meeting, except when a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

Section 7.6 Compensation of Directors. Except as otherwise approved by the Board of Directors, no person will be paid any fee for serving on the Board of Directors, but will be entitled to reimbursement by Resources or its Subsidiaries for reasonable out-of-pocket costs and expenses in attending meetings of the Board of Directors.

Section 7.7 Members.

(a) Except for the right to vote on, consent to or approve certain matters as expressly provided in this Agreement, the Members in their capacity as Members shall not have any other power or authority to manage the business or affairs of the Company or to bind the Company or enter into agreements on behalf of the Company. To the fullest extent permitted by Applicable Law and notwithstanding any provision of this Agreement to the contrary, no Member in its capacity as a Member shall have any duty, fiduciary or otherwise, to the Company or any other Member in connection with the business and affairs of the Company or any vote, consent or approval given or withheld pursuant to this Agreement. The foregoing sentence will not be deemed to alter the contractual obligations of a Member to another Member, Resources or the Company pursuant to any contract between such Member, Resources or another Member or such Member and the Company.

(b) Except as expressly provided in this Agreement, Members shall have no voting rights or rights of approval, veto or consent or similar rights over any actions of the Company. To the extent that the vote of Members may be required hereunder, a Member shall have one vote for each Unit such Member holds and the act of holders owning a sufficient number of the outstanding Units to constitute Required Member Approval shall be the act of the Members. Unless otherwise required by the Act, any matter requiring the vote, consent or approval of any of the Members pursuant to this Agreement shall be taken without a meeting, without prior notice and without a vote, by a consent in writing, setting forth such consent or approval, and signed by the holders of outstanding Units having not less than the minimum number of votes necessary to authorize or take such action; *provided*, *however*, the Company shall only be required to solicit written consents from Members holding a sufficient number of Units to constitute the minimum number of votes necessary to authorize or take such action. Prompt notice of such vote, consent or approval shall be given by the Company to those Members, if any, who have not joined in such vote, consent or approval.

Section 7.8 Officers.

(a) The Board of Directors may, from time to time, designate one or more persons to be officers of the Company (the "***Officers***"). No Officer need be a resident of the State of Delaware, a Member or a Director. Any such Officers so designated shall have such authority and perform such duties as the Board of Directors may, from time to time, delegate to them. The Board of Directors may assign titles to particular Officers. Unless the Board of Directors decides otherwise, if the title is one commonly used for officers of a business corporation formed under the Delaware General Corporate Law (or any successor statute), the assignment of such title shall constitute the delegation to such officer of the authority and duties that are normally associated with that office, subject to any specific delegation of

authority and duties made to such Officer by the Board of Directors pursuant to this *Section 7.8* and the other terms and provisions hereof. Each Officer shall hold office until his successor shall be duly designated and shall qualify or until his death or until he shall resign or shall have been removed in the manner hereinafter provided. Any number of offices may be held by the same person. The salaries or other compensation, if any, of the Officers of the Company shall be fixed from time to time by the Board of Directors.

(b) Any Officer may resign as such at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or if no time be specified, at the time of its receipt by the Board of Directors. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation. Any Officer may be removed as such, either with or without cause, by the Board of Directors; *provided*, *however*, that such removal shall be without prejudice to the contract rights, if any, of the person so removed. Designation of an officer shall not of itself create contract rights. Any vacancy occurring in any office of the Company may be filled by the Board of Directors.

ARTICLE VIII
ACCOUNTING AND BANKING MATTERS; CAPITAL ACCOUNTS; TAX MATTERS

Section 8.1 Books and Records; Reports. The Company shall keep and maintain full and accurate books of account for the Company in accordance with GAAP consistently applied and in accordance with the terms of this Agreement. Such books shall be maintained at the principal office of the Company. Except as required by Applicable Law, the Members shall not have access to review, inspect or copy the books and records of the Company.

Section 8.2 Fiscal Year. The calendar year shall be selected as the accounting year of the Company and the books of account shall be maintained on an accrual basis.

Section 8.3 Bank Accounts. At the direction of the Board of Directors, the President, the Treasurer or other authorized Officer of the Company shall cause one or more bank accounts to be maintained in the name of the Company in such bank or banks as may be determined by the Board of Directors, which accounts shall be used for the payment of expenditures incurred by the Company and in which shall be deposited any and all receipts of the Company. All such receipts shall be and remain the property of the Company, shall be received, held and disbursed by the Board of Directors for the purposes specified in this Agreement and shall not be commingled with the funds of any other person.

Section 8.4 Capital Accounts.

(a) A capital account shall be established and maintained for each Member ("***Capital Account***") in the manner that such capital account would be maintained pursuant to the provisions of the Resources LLC Agreement in respect of the income, gain, loss and deduction of the Company.

(b) The Board of Directors may amend the provisions hereof as to the maintenance of capital accounts and allocation of the items of income, gain, loss and deduction for such purposes and for federal, state and local income tax purposes if after conferring with its tax advisers it determines that such amendment is appropriate in order to comply with applicable law; *provided*, *however*, that any such amendment shall not affect the right of any Member to distributions pursuant hereto.

(c) On the transfer of all or part of a Member's Membership Interest, the capital account of the transferor that is attributable to the transferred interest shall carry over to the transferee Member in accordance with the provisions of Treasury Regulation Section 1.704-1(b)(2)(iv)(l).

Section 8.5 Tax Partnership. The Members agree to classify the Company as a partnership for federal tax purposes. Neither the Company, any Member nor any officer or other representative of any of the foregoing shall file an election to classify the Company as an association taxable as a corporation for federal tax purposes. Notwithstanding the foregoing, it is agreed that this *Section 8.5* shall not be applicable if the tax status of the Company were to be reclassified as a result of a merger or other transaction whereby the Company is being sold to a third party and such merger or transaction is approved by the Board of Directors in accordance with the terms hereof.

Section 8.6 Company Tax Elections. The Company will make the following elections:

(a) To elect the calendar year as the Company's fiscal year if permitted by Applicable Law;

(b) To elect the accrual method of accounting;

(c) If requested by a Member, to elect, in accordance with Sections 734, 743 and 754 of the Internal Revenue Code and applicable regulations and comparable state law provisions, to adjust basis in the event any Membership Interest is transferred in accordance with this Agreement or any Company property is distributed to any Member; and

(d) To elect with respect to such other federal, state and local tax matters as the Board of Directors shall approve, except as provided in *Section 8.5*.

Section 8.7 Member Tax Election. Within thirty (30) days after the date of issuance of the any Units pursuant to an Award Agreement, each Member shall make an election authorized by section 83(b) of the Internal Revenue Code of 1986, as amended, (the "***Code***") with respect to such Units and such Member shall submit to the Company a copy of the statement filed by such Member to make such election. The form of such election shall be in the form attached as *Exhibit 8.7*. Other than the direction to make this election authorized by section 83(b) of the Code, the Company will not undertake or offer tax planning and compliance for any Member with respect to any Units issued to such Member. Each Member is responsible for his or her tax planning and compliance.

Section 8.8 Proposed Treasury Regulations Elections. The Company shall, and each Member hereby agrees, pursuant to Proposed Treasury Regulation Section 1.83-3(e), Notice 2005-43, and all final or successor regulations, revenue procedures and similar authority, that (i) the Company shall elect a safe harbor under which the fair market value of a Unit that is transferred in connection with the performance of services is treated as being equal to the liquidation value of that Unit, and (ii) the Company and each Member, including any person to whom a Unit is transferred in connection with the performance of services, agree to comply with all requirements of the safe harbor with respect to all Units transferred in connection with the performance of services while the election remains effective. The Company shall prepare and execute such documents and retain such records as are required by the final regulations. In the discretion of the Board of Directors, the Company may at any time revoke such safe harbor election in such manner as the final regulations provide.

Section 8.9 Tax Matters Member. A Member who is also a Director or, if none, any Member, shall act as the "tax matters partner" under Section 6231 of the Internal Revenue Code, subject to replacement by the Board of Directors (such person, in this *Section 8.9*, being called the "***Tax Matters Member***"). Glen C. Warren, Jr. shall serve as the initial Tax Matters Member of the Company. The Tax Matters Member shall promptly notify the Members if any tax return or report of the Company is audited or if any adjustments are proposed by any governmental body. In addition, the Tax Matters Member shall promptly furnish to the Members all notices concerning administrative or judicial Proceedings relating to federal income tax matters as required under the Internal Revenue Code. During the pendency of any such administrative or judicial Proceeding, the Tax Matters Member shall furnish to the Members periodic reports, not less often than monthly, concerning the status of any such Proceeding. Without the consent of a majority of the Board of Directors, the Tax Matters Member shall

not extend the statute of limitations, file a request for administrative adjustment, file suit concerning any tax refund or deficiency relating to any Company administrative adjustment or enter into any settlement agreement relating to any Company item of income, gain, loss, deduction or credit for any fiscal year of the Company; provided, that the Tax Matters Member shall not extend a statute of limitations for more than 12 months in the aggregate without the Required Member Approval.

Section 8.10 Tax Returns. The Company shall deliver to each of the Members the following schedules and tax returns: (i) within 60 days after the Company's year-end, an estimated Schedule K-1, and (ii) within 90 days after the Company's year-end, a final Schedule K-1, along with copies of all other federal, state, or local income tax returns or reports filed by the Company for the previous year as may be required as a result of the operations of the Company. In addition, the Company shall provide, to the extent reasonably available, such other information as a Member may reasonably request for purposes of complying with applicable tax reporting requirements.

ARTICLE IX
INDEMNIFICATION

Section 9.1 Power to Indemnify in Actions, Suits or Proceedings. To the maximum extent permitted by law, no Covered Person shall have any liability to the Company or any Member for any act or failure to act in fulfillment of his duties, obligations or responsibilities unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of such act or omission, and taking into account the acknowledgments and agreements set forth in this Agreement, such Covered Person acted in bad faith, engaged in fraud or willful misconduct, or, in the case of a criminal matter, acted with knowledge that such Covered Person's conduct was unlawful. Resources or any of its Subsidiaries shall indemnify any Covered Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by reason of the fact that he is or was a Covered Person against expenses (including attorneys' fees) judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or Proceeding *provided that* such Covered Person shall not be so indemnified and held harmless if such Covered Person acted, in bad faith, engaged in fraud or willful misconduct or, in the case of a criminal matter, acted with knowledge that such Covered Person's conduct was unlawful.

Section 9.2 Expenses Payable in Advance. Expenses incurred by a Covered Person in defending or investigating a threatened or pending action, suit or Proceeding shall be paid by Resources or any of its Subsidiaries in advance of the final disposition of such action, suit or Proceeding upon receipt of an unsecured undertaking by or on behalf of such Covered Person to repay such amount if it shall ultimately be determined that such Covered Person is not entitled to be indemnified by Resources or any of its Subsidiaries as authorized by this *Article IX*.

Section 9.3 Nonexclusivity of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by or granted pursuant to this *Article IX* shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any agreement, contract, vote of Members or Board of Directors or pursuant to the direction (howsoever embodied) of any court of competent jurisdiction or otherwise, both as to action in a Covered Person's official capacity and as to action in another capacity while holding such office, it being the policy of the Company and Resources that indemnification of the persons specified in *Section 9.1* shall be made to the fullest extent permitted by law but only if the Board of Directors authorizes such broader protection than set forth in the other provisions of this *Article IX*. The provisions of this *Article IX* shall not be deemed to preclude the indemnification of any person who is not specified in *Section 9.1* but whom Resources has the power or obligation to indemnify under the provisions of the Act or otherwise.

Section 9.4 Insurance. On such terms as Resources approves, Resources or any of its Subsidiaries shall purchase and maintain insurance on behalf of any person who is or was a Covered Person against any liability asserted against such Covered Person and incurred by Covered Person in any such capacity, or arising out of such Covered Person's status as such, whether or not Resources or any of its Subsidiaries would have the power or the obligation to indemnify the Covered Person against such liability under the provisions of this *Article IX*.

Section 9.5 Survival of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this *Article IX* shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a Member, officer or director and shall inure to the benefit of the heirs, executors and administrators of such a person and shall survive the liquidation of the Company. No amendment or repeal of the provisions of this *Article IX* which adversely affects the rights of any Covered Person under this *Article IX* with respect to the acts or omissions of such Covered Person at any time prior to such amendment or repeal shall apply to such Covered Person without the written consent of the Covered Person.

Section 9.6 Limitation on Indemnification. Notwithstanding anything else herein to the contrary, Resources and any of its Subsidiaries shall not be obligated to indemnify any Covered Person for (i) any Proceeding initiated by such Covered Person against the Company or Resources or its Affiliates unless that Proceeding was brought to enforce such Covered Person's right to indemnification under *Section 9.1* and, in such Proceeding, it is determined that such Covered Person is entitled to indemnification, or (ii) any Proceeding brought by the Company, Resources or any of its Subsidiaries against such Covered Person unless such Covered Person is found not to be liable to the Company, Resources or any of its Subsidiaries.

Section 9.7 Indemnification of Employees and Agents. Resources may, to the extent authorized from time to time by its board of directors, provide rights to indemnification and the advancement of expenses to employees and agents of the Company similar to those conferred in this *Article IX* to Members, Officers or Directors of the Company.

Section 9.8 Severability. The provisions of this *Article IX* are intended to comply with the Act. To the extent that any provision of this *Article IX* authorizes or requires indemnification or the advancement of expenses contrary to the Act, Resources' power to indemnify or advance expenses under such provision shall be limited to that permitted by the Act and any limitation required by the Act shall not affect the validity of any other provision of this *Article IX*.

ARTICLE X
DISPOSITIONS OF MEMBERSHIP INTERESTS

Section 10.1 Dispositions.

(a) No Member may Dispose of its Membership Interest, in whole or in part other than in accordance with the terms of this *Article X*, and any attempted Disposition that is not in accordance with this *Article X* shall be, and is hereby declared, null and void. The Members agree that a breach of the provisions of the restrictions on Dispositions set forth in this *Article X* may cause irreparable injury to the Company and the Members for which monetary damages (or other remedy at law) are inadequate in view of (i) the complexities and uncertainties in measuring the actual damages that would be sustained by reason of the failure of a person to comply with such provisions, and (ii) the uniqueness of the Company's assets and the relationship among the Members. Accordingly, the Members agree that the restrictions on Dispositions may be enforced by specific performance.

(b) A Member may not directly or indirectly Dispose of all or any part of its Membership Interest other than a Disposition (i) approved by the Board of Directors, (ii) to a Permitted Transferee or

(iii) in connection with a redemption or repurchase by the Company; *provided* that, in the case of a transfer pursuant to *Section 10.1(b)(i)* or *Section 10.1(b)(ii)*, the Units shall remain fully subject to this *Section 10.1*. As a condition to any such transfer under this *Section 10.1(b)*, the transferor and transferee shall deliver to the Company such documents as the Company shall reasonably request to evidence the continuation of the obligations under this *Section 10.1* and the compliance of the proposed transfer with the provisions hereof.

(c) The foregoing *Section 10.1(b)* to the contrary notwithstanding, a Disposition of a Membership Interest (including to any Permitted Transferee) shall be null and void (i) if, following the proposed Disposition, the Company would constitute a "publicly traded partnership" for purposes of Section 7704 of the Internal Revenue Code, (ii) if the transferee fails to deliver to the Company the representations set forth in *Exhibit 10.1* hereto and all documents required pursuant to *Section 10.1(b)* and *Section 10.2*, or (iii) such Disposition would result in the violation of any applicable federal or state securities laws. Any costs incurred by the Company in connection with any proposed or actual Disposition by a Member of all or a part of its Membership Interest shall be borne by such Member.

Section 10.2 Substitution.

(a) Unless an assignee of a Membership Interest becomes a Member in accordance with the provisions set forth below, such assignee shall not be entitled to any of the rights granted to a Member hereunder in respect of such Membership Interest.

(b) An assignee of the Membership Interest of a Member, or any portion thereof, may become a Member entitled to all of the rights of a Member in respect of such Membership Interest if (i) the assignor gives the assignee such right, (ii) the Board of Directors consents in writing to such substitution if such consent is required pursuant to the terms of *Section 10.1* and (iii) the assignee executes and delivers such instruments, in form and substance reasonably satisfactory to the Board of Directors, as the Board of Directors may deem reasonably necessary to effect such substitution and to confirm the agreement of the assignee to be bound by all of the terms and provisions of this Agreement.

Section 10.3 Repurchase and Forfeiture of Units.

(a) Subject to the remaining provisions of this *Section 10.3*, the Units, including both Vested and Unvested Units and including Units transferred to any Member's Permitted Transferees (collectively, the "***Available Units***"), are subject to repurchase as follows:

(i) If the Member (or, in the case of either of the Management LLCs, Rady or Warren, as applicable) ceases to be employed by Resources and all of its Subsidiaries by reason of death or Disability, then (A) all of such Member's Unvested Units shall become Vested Units, and (B) all Vested Units shall be retained by such Member (or, in the case of the death of such Member, by such Member's estate).

(ii) If the Member (or, in the case of one of the Management LLCs, Rady or Warren, as applicable) ceases to be employed by Resources and all of its Subsidiaries, by reason of termination without Cause, then (A) on the date the Member ceases to be employed by Resources and all of its Subsidiaries (the "***Termination Date***"), the Member shall forfeit to the Company all of its Unvested Units, and (B) all Vested Units shall be retained by such Member.

(iii) If the Member (or, in the case of one of the Management LLCs, Rady or Warren, as applicable) ceases to be employed by Resources and all of its Subsidiaries, by reason of voluntary resignation (for any or no reason), then (A) on the Termination Date, the Member shall forfeit to the Company all of its Unvested Units, and (B) the Member's Vested Units shall be subject to

repurchase at the Company's option at a purchase price equal to the Fair Market Value of such Units as of the Termination Date.

(iv) If the Member (or, in the case of one of the Management LLCs, Rady or Warren, as applicable) ceases to be employed by Resources and all of its Subsidiaries, by reason of termination for Cause, then on the Termination Date, the Member shall forfeit to the Company all of its Unvested and Vested Units.

(v) Upon the occurrence of the Exit Event, all Unvested Units of all Members who are employed by Resources or one of its Subsidiaries on the date of such Exit Event (or, in the case of either of the Management LLCs, Rady or Warren, as applicable, is so employed on such date) shall become Vested Units and all Vested Units shall be subject to repurchase at the Company's option at a purchase price equal to the Fair Market Value of the Units, as of the date of the consummation of the transaction or transactions constituting the Exit Event.

(b) On or before the ninetieth (90th) day after the effective date of the Termination Date of a Member (or, in the case of the Management LLCs, Rady or Warren, as applicable) as described in the preceding subsections of this *Section 10.3*, the Company shall give written notice (a "***Repurchase Notice***") to the holder of the Available Units of the number or amount of Available Units that have been elected to be purchased by the Company, and the Company shall set a reasonable place and time from the date thereof for the closing of the purchase and sale of such Available Units. The number of Available Units to be repurchased shall first be satisfied to the extent possible from the Available Units held by the Member at the time of delivery of the Repurchase Notice. If the number of Available Units then held by the Member is less than the number of Available Units that the Company has elected to purchase, the Company shall purchase the remaining Available Units elected to be purchased from the Permitted Transferees of such Member under this Agreement pro rata, determined in each case according to the number of Available Units held by such Permitted Transferees at the time of delivery of such Repurchase Notice (determined as nearly as practicable to the nearest whole Unit).

(c) The closing of the purchase of Available Units pursuant to this *Section 10.3* shall take place on the date designated by the Company in the Repurchase Notice, which date shall not be more than sixty (60) days nor less than five (5) days after the delivery of the Repurchase Notice (the "***Repurchase Date***"). The purchase price for the purchase of Available Units pursuant to this *Section 10.3* shall be equal to (i) the Fair Market Value of such Units, minus (ii) the Employee Bonus Advance Amount, if any, applicable to the holder of such Units (the "***Purchase Price***"); *provided*, *however*, the Purchase Price shall not equal less than $0. The Company will pay the Purchase Price, if the Purchase Price is greater than $0, by either (i) a check or wire transfer of funds in such aggregate amount or (ii) a subordinated unsecured promissory note or notes payable on commercially reasonable terms; *provided*, *however*, the Board of Directors may structure the note or notes to include the following terms: (A) the principal and accrued interest will be due and payable only at the end of the term of the note or notes, (B) the term of the note or notes may mature only upon an Antero Subsidiary Disposition or an Exit Event and (C) the principal amount of the note may be reduced to an amount equal to the sum of (x) Fair Market Value of such Available Units on the date of maturity of the note and (y) the distributions, if any, that the Company would have made pursuant to *Section 6.3(b)* with respect to such Available Units (if they had remained outstanding) during the period between the Repurchase Date and the maturity date of the note (such sum, the "***Reduced Fair Market Value***"), if on the date of maturity of the note, the Reduced Fair Market Value is less than the Purchase Price. In the event the Company is, during such period, prohibited from purchasing such Available Units, including by means of issuing a promissory note, or desires for any reason not to exercise its repurchase right, then the Company shall have the right to assign such repurchase right to Resources, or to such other person as the Compensation Committee, in its discretion, determines to be appropriate. The purchasers of any Available Units hereunder will be entitled to require all of the signatures of each seller of such Available Units to be notarized and to receive representations and warranties from each such seller

regarding (i) such seller's power, authority and legal capacity to enter into such sale and to transfer valid right, title and interest in such Available Shares, (ii) such seller's ownership of such Available Units and the absence of any liens, pledges, and other encumbrances on such Available Units and (iii) the absence of any violation, default, or acceleration of any agreement or instrument pursuant to which such seller or the assets of such seller are bound as the result of such sale.

(d) Should the Company or any of its assignees elect to exercise the repurchase rights pursuant to this *Section 10.3* and any seller fails to deliver all of such Available Units to be repurchased in accordance with the terms hereof, the purchaser of such Available Units hereunder may, at its option, in addition to all other remedies it may have, deposit the Purchase Price in an escrow account administered by the Company or an independent third party (to be held for the benefit of and payment over to such seller in accordance herewith), whereupon the Company shall by written notice to such seller (i) cancel on its books such Available Units by adjusting the number of Units opposite the name of such seller on *Exhibit I* and (ii) issue to the purchaser, in lieu thereof, new Units representing such Available Units and adjust the number of Units opposite such purchaser's name on *Exhibit I*, and all of the seller's right, title, and interest in and to such Available Units shall terminate in all respects.

(e) In the event that Available Units are repurchased pursuant to this *Section 10.3*, the holders of such Available Units will take all steps necessary and desirable to obtain all required third-party, governmental and regulatory consents and approvals and take all other actions necessary and desirable to facilitate consummation of such repurchase(s) in a timely manner.

Section 10.4 Qualified IPO Adjustment. Upon a Qualified IPO, the Board of Directors, acting in its sole discretion without the consent or approval of any Member, may affect one or more of the following alternatives, as of a date before or after the Qualified IPO that is selected by the Board of Directors, which may vary among individual Members and which may vary among the Units held by any individual holder: (i) accelerate the time at which Unvested Units then outstanding may become Vested Units, (ii) require selected Members to forfeit to the Company some or all outstanding Unvested Units, (iii) require the mandatory surrender to the Company of some or all of the outstanding Vested Units held by such Members, in which event the Board of Directors shall thereupon cancel such Units and pay to each Member an amount of cash or stock per Unit equal to the Fair Market Value of such Unit on such selected date or (iv) make such adjustments to Units then outstanding as the Board of Directors deems appropriate to reflect such Qualified IPO; *provided*, *however*, that the Board of Directors may determine in its sole discretion that no adjustment is necessary to Units then outstanding; *provided further*, *however*, that the right to make such adjustments shall include, but not require or be limited to, the modification of Units or the conversion of such Units into stock options, or other awards with respect to Equity Interests issued by Resources, a Subsidiary or a successor thereto, with an exercise price reflective of the Threshold Value of such Units such that the Member holding a Unit shall be entitled to purchase or receive the number of shares of stock, other securities, cash or property to which a holder of such Unit would have been entitled to receive, by virtue of his ownership of the Units, in connection with the Qualified IPO.

ARTICLE XI
DISSOLUTION, LIQUIDATION, AND TERMINATION

Section 11.1 Dissolution. The Company shall dissolve and its affairs shall be wound up upon the first to occur of the following:

(a) the election by the Board of Directors and Resources to dissolve the Company;

(b) the dissolution of Resources; and

(c) entry of a decree of judicial dissolution of the Company under Section 18-802 of the Act.

Section 11.2 Liquidation and Termination. On dissolution of the Company the Board of Directors or a person chosen by the Board of Directors (in either case, the "***liquidator***"). The liquidator shall wind up the affairs of the Company and make final distribution as provided herein and in the Act. The costs of liquidation shall be borne by Resources. The steps to be accomplished by the liquidator are as follows:

(a) As promptly as possible after dissolution and again after final liquidation, the liquidator shall cause a proper accounting to be made of the Company's assets, liabilities, and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable.

(b) The liquidator shall pay, satisfy or discharge from Company funds all of the debts (including debts owing to any Member), liabilities and obligations of the Company (including all expenses incurred in liquidation) or otherwise make adequate provision for payment and discharge thereof (including the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine).

(c) To the extent that the Company has any assets remaining, the liquidator shall sell any or all Company property and any resulting gain or loss from each sale shall be computed and allocated to the capital accounts of the Members as provided in *Section 6.2*.

(d) All remaining assets shall be distributed to the Members in accordance with *Section 6.3*.

(e) Any distribution to the Members in liquidation of the Company shall be made by the later of the end of the taxable year in which the liquidation occurs or 90 days after the date of such liquidation. For purposes of the preceding sentence, the term "liquidation" shall have the same meaning as set forth in Treasury Regulation Section 1.704-1(b)(2)(ii). The distribution of cash and/or property to a Member in accordance with the provisions of this *Section 11.2* constitutes a complete return to the Member of its Capital Contribution and a complete distribution to the Member of its Membership Interest and all the Company's property and constitutes a compromise to which all Members have consented within the meaning of Section 18-502(b) of the Act. To the extent that a Member returns funds to the Company, it has no claim against any other Member for those funds.

(f) If a sale of the Company is structured as a sale of Membership Interests (whether a direct sale, a merger, an exchange of interests, or other similar transaction), the amount of the aggregate purchase price to be allocated among the Members shall be determined in a manner consistent with the amounts that would have been distributed to the Members if the Company had been liquidated in accordance with this *Section 11.2* and if the total liquidating distributions with respect to all Membership Interests had equaled the aggregate purchase price being paid for all the Membership Interests.

Section 11.3 Deficit Capital Accounts. Except as provided in this Agreement, no Member shall be obligated to restore a deficit balance in its capital account at any time.

Section 11.4 Certificate of Cancellation. On completion of the distribution of Company assets as provided herein, the Company shall be terminated and the Members shall file a certificate of cancellation with the Secretary of State of Delaware, cancel any other filings made pursuant to *Section 1.5*, and take such other actions as may be necessary to terminate the Company.

ARTICLE XII
GENERAL PROVISIONS

Section 12.1 Notices.

(a) All notices required to be given hereunder shall be in writing and shall be deemed to be duly given if personally delivered or mailed by certified mail, return receipt requested, or by nationally recognized overnight delivery service with proof of receipt maintained, to the following addresses (or any other address that any such party may designate by written notice to the other parties):

If to the Company:
Antero Resources Employee Holdings LLC
1625 17th Street, Suite 300
Denver, Colorado 80202
Attn: Chief Executive Officer

If to any Member:
c/o Antero Resources Employee Holdings LLC
1625 17th Street, Suite 300
Denver, Colorado 80202

Any such notice shall, if delivered personally, be deemed received upon delivery; shall, if delivered by nationally recognized overnight delivery service, be deemed received the first Business Day after being sent; and shall, if delivered by mail, be deemed received upon the earlier of actual receipt thereof or five Business Days after the date of deposit in the United States mail.

(b) Whenever any notice is required to be given to any Member of the Company under the provisions of this Agreement, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance of a Member at a meeting of the Members shall constitute a waiver of notice of such meeting, except where a Member attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 12.2 Adjustment for Unit Splits, Etc. Wherever in this Agreement there is a reference to a specific number of Units of the Company of any class or series, or a price per Unit, or consideration received in respect of such Unit, then, upon the occurrence of any subdivision, combination, or Unit distribution of such class or series of Units, the specific number of Units or the price so referenced in this Agreement shall automatically be proportionally adjusted to reflect the effect on the outstanding Units of such class or series of Units by such subdivision, combination, or Unit distribution.

Section 12.3 Certain Tax Considerations. WITH RESPECT TO ANY UNIT, THE IMPOSITION OF THE VESTING AND/OR FORFEITURE PROVISIONS UNDER THE AWARD AGREEMENTS AND RIGHTS OF REPURCHASE UNDER THIS AGREEMENT MAY RESULT IN ADVERSE TAX CONSEQUENCES THAT MAY BE AVOIDED OR MITIGATED BY FILING AN ELECTION UNDER CODE SECTION 83(B). SUCH ELECTION MAY BE FILED ONLY WITHIN THIRTY (30) DAYS AFTER THE DATE THE UNIT IS TRANSFERRED. A MEMBER SHOULD CONSULT WITH HIS TAX ADVISOR TO DETERMINE THE TAX CONSEQUENCES OF EXECUTING THIS AGREEMENT AND THE ADVANTAGES AND DISADVANTAGES OF FILING THE CODE SECTION 83(B) ELECTION. EACH OF THE MEMBERS ACKNOWLEDGES THAT IT IS HIS SOLE RESPONSIBILITY, AND NOT THE COMPANY'S, TO FILE A TIMELY ELECTION UNDER CODE SECTION 83(B), EVEN IF THE MEMBER REQUESTS THE COMPANY OR ITS REPRESENTATIVES TO MAKE THIS FILING ON HIS BEHALF.

Section 12.4 Entire Agreement; Amendments; Agreement Controls.

(a) This Agreement, including the exhibits or schedules thereto and any agreements or documents specifically referenced herein, constitute the full and complete agreement of the parties hereto with respect to the subject matter hereof. This Agreement together with the agreements referred to herein supersede all prior agreements among the parties with respect to the subject matter hereof. The provisions of this Agreement may only be amended, modified, waived or terminated by a written instrument adopted, executed and agreed to by Resources, the Board of Directors and a Required Member Approval.

(b) No waiver of any provision hereof by any party shall be deemed a waiver by any other party nor shall any such waiver by any party be deemed a continuing waiver of any matter by such party.

(c) No amendment, modification, supplement, discharge or waiver hereof or hereunder shall require the consent of any person not a party to this Agreement.

Section 12.5 Effect of Waiver or Consent. The failure of any person to insist upon strict performance of a covenant hereunder or of any obligation hereunder, irrespective of the length of time for which such failure continues, shall not be a waiver of such person's right to demand strict compliance in the future. No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation hereunder shall constitute a consent or waiver to or of any other breach or default in the performance of the same or any other obligation hereunder.

Section 12.6 Future Actions. The Company and the Members shall execute and deliver all such future instruments and take such other and further action as may be reasonably necessary or appropriate to carry out the provisions of this Agreement and the intention of the parties as expressed herein.

Section 12.7 Binding Effect; Assignment. Subject to *Article X*, this Agreement shall be binding upon and shall inure to the benefit of the Company and each Member and his respective heirs, successors, permitted assigns, and legal representatives, and by their signatures hereto, the Company and each Member intends to and does hereby become bound. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person other than the parties hereto and their respective successors and permitted assigns any legal or equitable right, remedy or claim under, in or in respect of this Agreement or any provision herein contained.

Section 12.8 Governing Law; Service of Process; Waiver of Jury Trial.

(a) THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, EXCLUDING ANY CONFLICT-OF-LAWS RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR THE CONSTRUCTION OF THIS AGREEMENT TO THE LAW OF ANOTHER JURISDICTION.

(b) Each of the parties hereto hereby consents to process being served by any party to this Agreement in any suit, action, or proceeding by the mailing of a copy thereof in the manner specified by the provisions of *Section 12.1*.

(c) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

Section 12.9 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions of

this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of each such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

Section 12.10 Further Assurances. In connection with this Agreement and the transactions contemplated hereby, each Member shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and those transactions.

Section 12.11 Title to Company Property. All property owned by the Company, whether real or personal, tangible or intangible, shall be deemed to be owned by the Company, and no Member, individually, shall have any ownership of such property. The Company shall hold all of its property in its own name.

Section 12.12 Costs, Fees and Expenses. Resources, or any of its Subsidiaries, agrees to pay, or to reimburse the Company for, all costs, fees and expenses incurred by the Company in conducting its operations consistent with the purposes set forth in *Section 1.3*, including legal and accounting fees and expenses.

Section 12.13 Action by Resources. Whenever reference is made in this Agreement to approval by Resources or action to be taken by Resources, such approval or action shall be given or taken only if the board of directors of Resources has approved such approval or the taking of such action.

Section 12.14 No Third Party Beneficiaries. Except as otherwise provided in *Article IX*, it is the intent of the parties hereto that no third-party beneficiary rights be created or deemed to exist in favor of any person not a party to this Agreement, unless otherwise expressly agreed to in writing by the parties.

Section 12.15 Merger. The Board of Directors may cause the Company to merge with or into, or convert into, any other entity or exchange interests with any other entity without the separate vote of the Members, *provided that* if such merger, conversion or exchange results in the distribution of consideration to the Members, such consideration shall be allocated and distributed in accordance with *Section 6.3*. Any merger, conversion, or interest exchange of the Company affected in accordance with this *Section 12.16* shall not be deemed to cause an assignment or other Disposition of the Membership Interests under this Agreement.

Section 12.16 Confidentiality.

(a) The Members shall, and shall direct the directors, officers, directors, constituent partners, employees, attorneys, accountants, fiduciaries, advisers and representatives of the Members and their Affiliates that have access to confidential or proprietary information of the Company to, keep confidential and not disclose any such confidential or proprietary information, including the identities of any other Members, to any other person without the express consent of the Company, unless such (i) disclosure shall be required by Law, court order or administrative proceeding, (ii) information shall be generally available and known to the public, (iii) information has been rightfully received by such Member or any of its representatives or Affiliates from any person without restriction on disclosure and without breach of any obligation to the Company, its representatives, or its Affiliates or (iv) disclosure is made to such Member's employees, attorneys, accountants, and fiduciaries who have a need to know such information and agree or have an obligation to comply with the provisions of this paragraph (a). The Company shall not disclose the identity of any Member who has so requested in writing, unless such disclosure is required by Law, court order or administrative proceeding or is requested by an

issuer, owner, investor or financing source with respect to a particular project; *provided, however*, that the Company shall advise the recipient that such information should be treated confidentially.

(b) The agreement contained in this *Section 12.17* shall survive the withdrawal of any Member or any termination or dissolution of the Company.

Section 12.17 Employment Status. As of the Effective Date, each Member (or in the case of the Management LLCs, Rady and Warren) is employed by at least one of the Antero Subsidiaries. In the event that the employment of some or all of the employees of the Antero Subsidiaries is transferred to another Affiliate of Resources, references herein with respect to employment status, termination of employment, Cause, and other similar references shall be deemed to refer, mutatis mutandis, to employment with such Affiliate in each place that references employment with a Subsidiary. For the avoidance of doubt, termination of employment with Resources and all of its Subsidiaries shall be required for purposes of the repurchase rights and forfeitures provisions of Section 10.3 to be applicable.

Section 12.18 Counterparts. This Agreement may be executed in any number of counterparts, with each such counterpart constituting an original and all of such counterparts constituting but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Members have executed this Agreement in counterparts effective as of the date first above written.

MEMBERS:

Paul M. Rady

/s/ PAUL M. RADY

Glen C. Warren, Jr.

/s/ GLEN C. WARREN, JR.

RESOURCES:

ANTERO RESOURCES LLC

By: /s/ GLEN C. WARREN, JR.

Name: Glen C. Warren, Jr.
Title: President and Chief Financial Officer

QuickLinks

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 12.1

COMPUTATION OF RATIOS OF EARNINGS TO FIXED CHARGES

	Year Ended December 31,						Nine Months Ended September 30,		
	Historical					Pro forma	Historical		Pro forma
	2004	2005	2006	2007	2008	2008	2008	2009	2009
	(in thousands, except ratio)								
Earnings:									
Net income (loss) before income taxes	(2,875)	(46,634)	(8,583)	(38,153)	86,709	86,709	82,554	(90,406)	(90,406)
Interest expense	512	841	1,479	25,507	38,185	38,185	28,586	23,558	23,558
Interest component of rental expense	6	69	67	99	175	175	102	119	119
Earnings	(2,357)	(45,724)	(7,037)	(12,547)	125,069	125,069	111,242	(66,729)	(66,729)
Fixed charges:									
Interest expense	512	841	1,479	25,507	38,185	38,185	28,586	23,558	23,558
Interest component of rental expense	6	69	67	99	175	175	102	119	119
Pro forma adjustments:									
Incremental interest expense on issuance of notes						15,133			18,418
Fixed charges	518	910	1,546	25,606	38,360	53,493	28,688	23,677	42,095
Ratio of earnings to fixed charges	NA	NA	NA	NA	3.26	2.34	3.88	NA	NA

QuickLinks

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 21.1

SUBSIDIARIES OF ANTERO RESOURCES FINANCE CORPORATION

None

QuickLinks

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Antero Resources LLC:

We consent to the use of our report dated February 11, 2010, with respect to the combined balance sheets of the Antero Resources Entities as of December 31, 2008 and 2007, and the related combined statements of operations, stockholders' equity and comprehensive loss and cash flows, for each of the years in the three-year period ended December 31, 2008, included herein and to the reference to our firm under the heading "Experts" in the Form S-4.

/s/ KPMG LLP

Denver, Colorado
February 11, 2010

QuickLinks

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 23.2

DEGOLYER AND MACNAUGHTON
5001 Spring Valley Road
Suite 800 East
Dallas, Texas 75244

February 10, 2010

Antero Resources Finance Corporation
1625 17th Street
Denver, Colorado 80202

Ladies and Gentlemen:

We hereby consent to the use of the name DeGolyer and MacNaughton, to references to DeGolyer and MacNaughton as independent petroleum engineers, and to the inclusion of information taken from our "Appraisal Report as of December 31, 2008 on Certain Properties owned by Antero Resources Corporation, Proved Reserves", "Appraisal Report as of December 31, 2007 on Certain Properties owned by Antero Resources Corporation, Proved Reserves" and "Appraisal Report as of December 31, 2006 on Certain Properties owned by Antero Resources Corporation, Proved Reserves" in the form and context in which they appear in this Registration Statement on Form S-4 of Antero Resources Finance Corporation and the related prospectus that is a part thereof. We further consent to the reference to this firm under the heading "EXPERTS" in the Registration Statement and related prospectus.

Very truly yours,

/s/ DeGolyer and MacNaughton

DeGOLYER and MacNAUGHTON
Texas Registered Engineering Firm F-716

QuickLinks

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 23.3

CONSENT OF INDEPENDENT PETROLEUM ENGINEERS

The undersigned hereby consents to the references to our firm in the form and context in which they appear in this Registration Statement on Form S-4 of Antero Resources Finance Corporation and the related prospectus that is a part thereof. We hereby further consent to the use in such Registration Statement and related prospectus of information contained in our report setting forth the estimates of Antero Resources Finance Corporation's oil and gas reserves and related revenues as of December 31, 2008, 2007 and 2006.

We further consent to the reference to this firm under the heading "EXPERTS" in the Registration Statement and related prospectus.

/s/ Ryder Scott Company, LP
Ryder Scott Company, LP

Denver, Colorado
February 10, 2010

QuickLinks

CONSENT OF INDEPENDENT PETROLEUM ENGINEERS

Exhibit 25.1

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939 OF A
CORPORATION DESIGNATED TO ACT AS TRUSTEE

☐ **CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A TRUSTEE PURSUANT TO SECTION 305(b)(2)**

WELLS FARGO BANK, NATIONAL ASSOCIATION

(Exact name of trustee as specified in its charter)

A National Banking Association (Jurisdiction of incorporation or organization if not a U.S. national bank)	**94-1347393** (I.R.S. Employer Identification No.)
101 North Phillips Avenue **Sioux Falls, South Dakota** (Address of principal executive offices)	**57104** (Zip code)

Wells Fargo & Company
Law Department, Trust Section
MAC N9305-175
Sixth Street and Marquette Avenue, 17th Floor
Minneapolis, Minnesota 55479
(612) 667-4608
(Name, address and telephone number of agent for service)

ANTERO RESOURCES FINANCE CORPORATION

(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**90-0522247** (I.R.S. Employer Identification No.)

1625 17th Street
Denver, Colorado 80202
(303) 357-7310
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

9.375% Senior Notes due 2017

TABLE OF ADDITIONAL REGISTRANT GUARANTORS

Exact Name of Registrant Guarantor(1)	State or Other Jurisdiction of Incorporation or Formation	Primary Standard Industrial Classification Code Number	IRS Employer Identification Number
Antero Resources LLC	Delaware	1311	90-0522242
Antero Resources Corporation	Delaware	1311	32-0114849
Antero Resources Midstream Corporation	Delaware	4922	20-4862173
Antero Resources Piceance Corporation	Delaware	1311	20-4862124
Antero Resources Pipeline Corporation	Delaware	4922	20-4862061
Antero Resources Appalachian Corporation	Delaware	1311	80-0162034

1625 17th Street
Denver, Colorado 80202
(303) 357-7310
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant Guarantors Principal Executive Offices)

Item 1. *General Information.* Furnish the following information as to the trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

Comptroller of the Currency
Treasury Department
Washington, D.C.

Federal Deposit Insurance Corporation
Washington, D.C.

Federal Reserve Bank of San Francisco
San Francisco, California 94120

(b) Whether it is authorized to exercise corporate trust powers.

The trustee is authorized to exercise corporate trust powers.

Item 2. *Affiliations with Obligor.* If the obligor is an affiliate of the trustee, describe each such affiliation.

None with respect to the trustee.

No responses are included for Items 3-14 of this Form T-1 because the obligor is not in default as provided under Item 13.

Item 15. *Foreign Trustee.* Not applicable.

Item 16. *List of Exhibits.* List below all exhibits filed as a part of this Statement of Eligibility.

Exhibit 1. A copy of the Articles of Association of the trustee now in effect.*

Exhibit 2. A copy of the Comptroller of the Currency Certificate of Corporate Existence and Fiduciary Powers for Wells Fargo Bank, National Association, dated February 4, 2004.**

Exhibit 3. See Exhibit 2

Exhibit 4. Copy of By-laws of the trustee as now in effect.***

Exhibit 5. Not applicable.

Exhibit 6. The consent of the trustee required by Section 321(b) of the Act.

Exhibit 7. A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.

Exhibit 8. Not applicable.

Exhibit 9. Not applicable.

---

* Incorporated by reference to the exhibit of the same number to the trustee's Form T-1 filed as exhibit 25 to the Form S-4 dated December 30, 2005 of Hornbeck Offshore Services LLC file number 333-130784-06.

** Incorporated by reference to the exhibit of the same number to the trustee's Form T-1 filed as exhibit 25 to the Form T-3 dated March 3, 2004 of Trans-Lux Corporation file number 022-28721.

*** Incorporated by reference to the exhibit of the same number to the trustee's Form T-1 filed as exhibit 25 to the Form S-4 dated May 26, 2005 of Penn National Gaming Inc. file number 333-125274.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the Trustee, Wells Fargo Bank, National Association, a national banking association organized and existing under the laws of the United States of America, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Dallas and State of Texas on the 11th day of February, 2010.

WELLS FARGO BANK, NATIONAL ASSOCIATION

/s/ PATRICK T. GIORDANO

Patrick T. Giordano
Vice President

EXHIBIT 6

February 11, 2010

Securities and Exchange Commission
Washington, D.C. 20549

Gentlemen:

In accordance with Section 321(b) of the Trust Indenture Act of 1939, as amended, the undersigned hereby consents that reports of examination of the undersigned made by Federal, State, Territorial, or District authorities authorized to make such examination may be furnished by such authorities to the Securities and Exchange Commission upon its request thereof.

Very truly yours,

WELLS FARGO BANK, NATIONAL ASSOCIATION

/s/ PATRICK T. GIORDANO

Patrick T. Giordano
Vice President

Consolidated Report of Condition of
Wells Fargo Bank National Association
of 101 North Phillips Avenue, Sioux Falls, SD 57104
And Foreign and Domestic Subsidiaries,
at the close of business September 30, 2009, filed in accordance with 12 U.S.C. §161 for National Banks.

		Dollar Amounts In Millions
ASSETS		
Cash and balances due from depository institutions:		
Noninterest-bearing balances and currency and coin		$ 10,576
Interest-bearing balances		3,224
Securities:		
Held-to-maturity securities		0
Available-for-sale securities		83,255
Federal funds sold and securities purchased under agreements to resell:		
Federal funds sold in domestic offices		31,571
Securities purchased under agreements to resell		1,574
Loans and lease financing receivables:		
Loans and leases held for sale		24,141
Loans and leases, net of unearned income	336,946	
LESS: Allowance for loan and lease losses	10,037	
Loans and leases, net of unearned income and allowance		326,909
Trading Assets		9,540
Premises and fixed assets (including capitalized leases)		4,211
Other real estate owned		1,413
Investments in unconsolidated subsidiaries and associated companies		437
Direct and indirect investments in real estate ventures		50
Intangible assets		
Goodwill		11,407
Other intangible assets		15,136
Other assets		24,246
Total assets		$ 547,690
LIABILITIES		
Deposits:		
In domestic offices		$ 381,571
Noninterest-bearing	79,823	
Interest-bearing	301,748	
In foreign offices, Edge and Agreement subsidiaries, and IBFs		57,166
Noninterest-bearing	1,361	
Interest-bearing	55,805	
Federal funds purchased and securities sold under agreements to repurchase:		
Federal funds purchased in domestic offices		3,708
Securities sold under agreements to repurchase		4,401
Trading liabilities		8,869
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)		7,405
Subordinated notes and debentures		12,392
Other liabilities		21,101
Total liabilities		$ 496,613

	Dollar Amounts In Millions
EQUITY CAPITAL	
Perpetual preferred stock and related surplus	0
Common stock	520
Surplus (exclude all surplus related to preferred stock)	30,685
Retained earnings	18,971
Accumulated other comprehensive income	725
Other equity capital components	0
Total bank equity capital	50,901
Noncontrolling (minority) interests in consolidated subsidiaries	176
Total equity capital	51,077
Total liabilities, and equity capital	$ 547,690

I, Howard I. Atkins, EVP & CFO of the above-named bank do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true to the best of my knowledge and belief.

Howard I. Atkins
EVP & CFO

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true and correct.

John Stumpf
Carrie Tolstedt
Michael Loughlin

Directors

QuickLinks